

4th Quarter FY 2013 – Quarterly Report & Appendix 4C

Fourth Quarter Highlights

Manufacturing Collaborations

Dyesol and Tata Steel Europe are engaged in detailed discussions finalising a strategy relating to full commercialisation for Dye Solar Cell enabled steel roofing and building façade products in the United Kingdom. The "revolutionary" advent of solid-state technology has added a new dimension to this activity. As previously discussed, this negotiation was due to be completed by July 31 under the so-called "use it or lose it" clause of the Collaboration Agreement. The expiry of this exclusivity period does not preclude a successful outcome for Dyesol. The complexity of negotiation and detail of planning have been further increased by the inclusion of additional negotiation partners, including the Welsh Government. Shareholders are rightly anxious about how these plans for commercialisation are progressing and there have been delays. However, a successful conclusion of these negotiations will see investment, technology enablement, production and sales and marketing allocated to the appropriate commercialisation partners. Importantly, Dyesol is exploring a wider scope for involvement beyond materials supply that will increase the prospect for earlier and larger revenues. This is considered an important risk mitigation strategy.

Likewise, the negotiations with Pilkington North America in Ohio through our USA subsidiary, Dyesol Inc., and Timo Technologies in South Korea through our joint venture, Dyesol-Timo have not concluded. Dyesol will make the necessary and relevant disclosures when it is able to.

Research and Development

Running in parallel with the developments of our commercial agreements and business negotiations during the period, have been the outstanding successes and technical breakthroughs coming from our scientific teams and research collaborators. The Board is particularly pleased with the technical achievements announced in May 2013 that represent the results of considerable dedication, steadfast focus and creativity from Dyesol's staff. On May 8, Dyesol announced a major technical breakthrough had been achieved with a variation of the traditional Dye Solar Cell material set, called Solid State DSC. The efficiency performance of Solid State DSC catapulted to 11.3% at full sun (by comparison performance was at just 5% in 2010 and significantly lagged the traditional liquid DSC material set performance). This breakthrough is important because Solid State DSC offers many advantages, including: easier manufacture as no handling of liquids is involved, potentially higher durability / long-life, strong performance in the aesthetically neutral colour grey (traditional DSC's best performance is achieved with a red/maroon coloured dye), and potentially significantly lower cost. Much work is still required on Solid State DSC to scale up large size devices and meet IEC standards. However, the initial results have been exciting and further progress was announced after the end of the fourth quarter with efficiency results of 15% coming from our research partner, the École Polytechnique Fédérale de Lausanne (Dyesol is an original licensee of EPFL with the right to commercialise their discoveries).

Corporate and Operational Progress

Important corporate and operational outcomes were also delivered during the period. At the start of Q4, Dyesol announced that printed battery technology and wireless remote sensor networks are to be integrated with energy generating DSC technology through a new commercial venture with Singapore-based Printed Power Pte Lte (a spin-off company of Dyesol's Solid State DSC research partner Nanyang Technological University (NTU)). The short term goal of Printed Power is to complete a "proof of value" project to develop low-light indoor sensor network products suitable for commercialisation within a 2-year time frame. DSC is a low-cost, printable photovoltaic technology compatible with mass production and works well in low-light and indoor-artificial light conditions. As stated in the announcement on April 23, the combination of energy storage (printed batteries) and energy generation (printed DSC) technologies represents an early opportunity to exploit the leading Solid State DSC research being undertaken by EPFL, Dyesol and NTU.

Delivered as planned for the start of May, Dyesol completed a digital presence overhaul with launch of a new website with inbuilt eCommerce functionality to replace 3 older websites (English corporate website, German corporate website, Online shop front website). The new website represents a considerable improvement in ease-of-navigation and has increased understanding and awareness of Dyesol's business model and product and solutions offerings. In conjunction with the launch of the new website, Dyesol launched the 2013 Dyesol Product Catalogue which presents a range of new products and more commercial pricing. We enlivened our smaller scale research customers with promotion of these exciting

initiatives which pass on considerable savings our production team has been able to achieve as the result of successful DSC materials up-scaling work. The appointment of a new Sales & Marketing Manager was also completed during the period and his focus will be on increasing DSC materials sales to small to mid-sized (primarily research) customers which should increase and supplement Dyesol's revenue and materials sales made from the major collaboration manufacturing partners.

Corporate communications and media outreach was very active during the period. Dyesol's company profile and DSC technology were introduced to the widest audience yet with: thousands of people tuning in to hear the multiple radio interviews with Dyesol's CEO & Executive Chairman, Richard Caldwell, and R&D Manager, Dr Damion Milliken; tens of thousands of people visiting and exploring the new website at length; and tens of thousands more reading and writing about Dyesol's news on a range of mainstream, business and niche media both in Australia and overseas. Mr Caldwell also did multiple interviews throughout the period with top Australian, German and UK journalists securing strong coverage of the Company in leading newspapers in each country. In addition, an Asian Roadshow was held and several online German webcasts were organised to provide an introduction and update on Dyesol to new and existing analysts and investors. At headquarters, Dyesol received a great amount of investor, public, business and media interest during the quarter and it was a welcome result from a strong outreach effort to communicate the exciting developments during the quarter.

Financials

Dyesol's financial position was strengthened during the period with a Share Purchase Plan carried out as discussed with shareholders at the 2012 AGM. The offer presented eligible shareholders with the opportunity to buy shares at the same 16.6 cent per share offered to Dyesol's new strategic investor, Tasnee, as announced in late February. The Company received valid oversubscriptions of approximately 10.5 times, with receipts exceeding \$22 million, which grossly exceeded the \$2 million target to be raised. Tasnee agreed to amend its original strategic investment agreement and allow the \$2 million investment to be doubled to \$4 million. The success of this Share Purchase Plan signifies a considerable vote of confidence in Dyesol and our programme for commercialisation of Dye Solar Cell technology to the mass market. The \$4 million raised will be used to fund Dyesol's on-going R&D and commercialisation testing programme.

Also during the period, rigorous commercial and technical discussions have been held with Tasnee in relation to their exclusivity period in which they may invest another \$16 million in Dyesol. These discussions are due to conclude in September.

The final quarter net operating monthly cash flows (Sec 1.8) showed an average burn rate of \$624k and an annualised average burn rate of \$603k per month prior to adjustment for the R&D rebate receipts of \$2.96m. This is a significant 33% reduction in monthly burn rate compared to the previous year (Q4 FY2012 average monthly cash burn rate was \$903k - prior to adjustment for the R&D rebates of \$730k).

Total operating and investing cash burn for the year to date was \$5.5m. The Company average burn rate (Sec.1.14) for the year to date was \$457k per month including the receipt for the FY2012 R&D Tax Incentive rebate of \$2.957m. Cash balances as at end of the year totalled \$5.2m.

About DYESOL LIMITED

Dyesol is a global supplier of Dye Solar Cell (DSC) materials, technology and know-how. DSC is a photovoltaic technology enabling metal, glass and polymeric based products in the building, transport and electronics sectors to generate energy and improve energy efficiency. Dyesol partners with leading multinational companies who possess significant market share and established routes-to-market. The company is listed on the ASX ([DYE](#)), the German Open Market ([D5I](#)), and is trading on the OTCQX ([DYSOY](#)) through its depository BNY Mellon. Learn more: www.dyesol.com
Subscribe to Mailing List and eNewsletter [here](#).

About DYE SOLAR CELL TECHNOLOGY

[DSC technology](#) can best be described as 'artificial photosynthesis' using an electrolyte, a layer of titania (a pigment used in white paints and tooth paste) and ruthenium dye deposited on glass, metal or polymer substrates. Light striking the dye excites electrons which are absorbed by the titania to become an electric current. Compared to conventional silicon based photovoltaic technology, Dyesol's technology has lower cost and embodied energy in manufacture, it produces electricity more efficiently even in low light conditions and can be directly incorporated into buildings by replacing conventional glass panels or metal sheets rather than taking up roof or extra land area.

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

DYESOL LIMITED

ABN

92 111 723 883

Quarter ended ("current quarter")

30 JUNE 2013

Consolidated statement of cash flows

Cash flows related to operating activities		Apr13 to Jun13 Quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from customers	268	1,216
1.2	Payments for		
	(a) staff costs	(1,271)	(5,081)
	(b) advertising and marketing	(65)	(290)
	(c) research & development & other working capital	(891)	(3,669)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	14	62
1.5	Interest and other costs of finance paid	0	(6)
1.6	Income taxes received/(paid) (R&D Tax rebate)	0	2,957
1.7	Other (R&D grant received)	72	531
Net operating cash flows		(1,873)	(4,280)

		Apr13 to Jun13 Quarter \$A'000	Year to date (12 months) \$A'000
1.8	Net operating cash flows (carried forward)	(1,873)	(4,280)
Cash flows related to investing activities			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(31)	(63)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (payment for product development cost)	(348)	(1,137)
	Net investing cash flows	(379)	(1,200)
1.14	Total operating and investing cash flows	(2,252)	(5,480)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc (net)	3,980	3,980
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	4,750
1.18	Repayment of borrowings	-	(750)
1.19	Dividends paid	-	-
1.20	Other provide details (if material) *	-	108
	Net financing cash flows	3,980	8,088
	Net increase/ (decrease) in cash held	1,728	2,608
1.21	Cash at beginning of quarter/year to date	3,359	2,511
1.22	Exchange rate adjustments to item 1.21	80	48
1.23	Cash at end of quarter	5,167	5,167

Note

* Proceeds from the final share of Dyepower 0.5% interest disposal.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	151
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	<u>1.24</u>	
-	Directors' and associates' remuneration	151

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
2.2	Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	NIL	NIL
3.2	Credit standby arrangements	NIL	NIL

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	1,167	3,359
4.2	Deposits at call	4,000	-
4.3	Bank overdraft		
4.4	Other (provide details)		
Total: cash at end of quarter (item 1.23)		5,167	3,359

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity		
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
2. This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 29 July 2013

Print name:

Richard Caldwell, *Executive Chairman*

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. Accounting Standards. ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.