

27 February 2015

Company Announcements Office
Australian Stock Exchange
Level 4
20 Bridge Street
Sydney NSW 2000

Dear Sir

Please find attached the Company's announcement of its interim results for the 2014/15 year, for immediate release to the market.

Included in this announcement are ASX Appendix 4D and the Half Yearly Report for the period to 31 December 2014.

Yours faithfully

A handwritten signature in black ink, appearing to read "Richard Caldwell", is written over a horizontal line.

Mr Richard Caldwell
Managing Director

DYESOL LIMITED

Appendix 4D

Half Year Report Period Ended 31 December 2014

Results for announcement to the Market

	<u>Percentage Change</u>		<u>\$'000</u>
Revenue from ordinary activities	39% increase	to	471
Loss after income tax from continuing operations	3% increase	to	(4,428)
Net loss for the period attributable to owners	3% increase	to	(4,426)

Dividends

	Amount per security	Percentage Franked
Current period:		
Interim Dividend	Nil	N/A
Date the Dividend is Payable:		N/A
Record Date for determining entitlements to the Dividend:		N/A
Prior corresponding period:		
Interim Dividend	Nil	N/A

Net Tangible Assets per Security

As at 31 December 2014	\$0.014
As at 31 December 2013	\$0.009

The interim financial report of Dyesol Ltd for the half-year ended 31 December 2014 is subject to an emphasis of matter in the Independent Auditor's Review Report.

The emphasis of matter relates to the Group's ability to continue as a going concern given the statement by directors in Note 2 in the Financial Report that additional capital will be required to do so.

The Group's independent auditor, Grant Thornton Audit Pty Ltd has stated that these requirements indicate the existence of a material uncertainty that may cast doubt on the Company's ability to continue as a going concern.

The Independent Auditor's Review Report is contained on page 24 of the interim financial report.

DYESOL LIMITED

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HALF YEAR FINANCIAL REPORT

31 DECEMBER 2014

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Dyesol Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Directors' Report

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

The directors present their report on the consolidated entity consisting of Dyesol Limited and its controlled entities for the half-year ended 31 December 2014 and the auditor's review report thereon:

1. DIRECTORS

The directors of the Company during the half-year and up to the date of this report are:

Name	Period of directorship
Mr Ian Neal <i>Non-Executive Chairman</i>	Non-executive Chairman since 5 May 2014; previously Non-executive Director since 8 September 2006
Mr Richard Caldwell <i>Managing Director</i>	Managing Director since 5 May 2014; previously Chairman since 18 March 2005
Mr Gordon Thompson <i>Non-Executive Director</i>	Non-executive Director since 9 November 2004
Mrs Nicola Swift <i>Non-Executive Director</i>	Non-executive Director since 6 September 2013
Mr A Shirfan <i>Non-Executive Director</i>	Non-executive Director since 2 May 2014
Mr Gerry Grove-White <i>Non-Executive Director</i>	Non-executive Director (resigned 27 November 2014)

2. RESULTS

The result of the consolidated entity for the half-year ended 31 December 2014 was a loss after income tax of \$4,427,742 (2013: \$4,273,740).

3. REVIEW OF ACTIVITIES

The first half of FY2015 saw the completion of the 4th quarterly Technical Advisory Board milestone and fulfilment of 12 months of development work on the new Perovskite DSC. We believe the performance of the Dyesol global R&D team was outstanding. In a short period of time the new technology is being laid down on industrial scale tiles and efficiency, deposition, durability and active area milestones have all been achieved. Importantly, there is scientific and commercial integrity in this process as the entire programme is scrutinised by a Technology Advisory Board which includes Professor Michael Graetzel as chairperson and representatives from Tasnee, Dyesol's 26.5% strategic investor. Rightly, the progress of the technology now drives business development and Dyesol remains on target to meet its schedule for a prototype by 2016, pilot-line by 2017 and mass manufacture by 2018.

Operational Highlights for the First Half Fiscal Year 2015

- Dyesol re-engaged with Tata Steel U.K. to sign a 5 year distribution option. That agreement provides a very significant potential channel for distribution of steel Building Integrated Photovoltaic (BIPV) products that Dyesol intends to develop over the period. More significantly, it demonstrates the benefit of long-term collaboration through challenging economic circumstances.
- After 18 months of discussion, Dyesol and SPECIFIC, a world-class industrial consortium managed by the University of Swansea, agreed to industrial partnership at Baglan in South Wales. Contracts have now been signed which will allow each party to benefit from materials and processes developed within the open innovation centre. Dyesol has historical relationships with Pilkington and Tata, both key industrial partners of the consortium.
- Possibly the most exciting development of the half-year is material progress of activities in Turkey where a heads of agreement was signed with Nesli DSC. Already a US\$1.9 million prototype contract has commenced with detailed plans now in place to take the commercialisation activity to pilot-line and mass manufacture should preliminary conditions be met, which include financial assistance from the Turkish Government, which also remains appraised of any significant developments. The first site for exploitation and mass manufacture of the Perovskite technology is expected to be at Mersin, a port city on the Mediterranean Sea.

Directors' Report

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

- Dyesol signed a €5 million contract with EFACEC of Portugal to gain exclusive access to laser assisted, glass frit sealing technology considered to be important in delivering long-term durability to its glass substrate products. The structured royalty and purchase agreement has a number of technical milestones or conditions to be achieved before Dyesol is unconditionally bound by the commercial terms. Entering this agreement occurred after a detailed evaluation of global hermetic glass sealing technologies.

Financial Results for the Half-Year Fiscal Year 2015

- The result for the half-year shows a small increase in the loss after income tax from continuing operations compared to the same period last year. The major contributing factors included:
 - ✓ gross margin contribution increase by \$90k resulting from higher revenues of sale of products and services;
 - ✓ a decrease in finance cost of \$698k (last year included the notional interest expense of \$704k relating to Tasnee's convertible note) ;
 - ✓ a decrease in share-based payment expense (non-cash) of \$84k relating to securities issued under the Dyesol Limited Performance Rights Plan; offset mainly by
 - ✓ an increase in technical costs of \$1.1m in line with management expectations as the Company energetically implements its Technology Development Plan which has an aggressive programme to achieve the scale up of its solid state DSC products.
 - ✓ an increase of \$236k for FY 2015 R&D rebate accrual compared to same period last year.
- During the half year, the Company received a \$2.48m cash rebate from the Federal Government for its R&D activities during FY 2014. An accrual of \$1.5m (Note 9) under the FY2015 R&D Tax Incentive program has been made based on the Company's R&D expenditures for the last six months.
- Net cash usage from operating and investing activities for the 6 months excluding R&D tax rebates (\$2.48m) was \$900k average per month in line with budgets, however with R&D tax rebates recovery included the net cash usage decreased to \$500k average per month.
- The Company's balance sheet at the end of the half-year reporting period shows total net assets of \$9.7m, a decrease of \$3.5m during the six months from the last annual financial year end, mainly due to lower cash and cash equivalent balances. The Board of Directors continues to assess long term funding options to provide the working capital to implement its Technology Development Plan to full commercialisation.

4. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the independence declaration by the lead auditor under section 307C is included on page 4 to these half-year financial statements.

Dated at Queanbeyan, New South Wales, this 27th day of February 2015.

Signed in accordance with a resolution of the directors:



Richard Caldwell
Managing Director

Grant Thornton Audit Pty Ltd
ACN 130 913 594

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Auditor's Independence Declaration To The Directors of Dyesol Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Dyesol Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



S M Coulton
Partner - Audit & Assurance

Sydney, 27 February 2015

Grant Thornton Audit Pty Ltd ACN 130 913 594
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Consolidated Statement of Profit or Loss and Other Comprehensive Income

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

		HALF-YEAR	
	Note	31 DECEMBER 2014 \$	31 DECEMBER 2013 \$
Revenue from sale of goods and services		470,871	338,793
Cost of sales		(238,697)	(196,500)
Gross (loss)/profit		232,174	142,293
Interest revenue		76,405	64,133
Other income	6	138,371	183,442
Technical expenses		(3,364,081)	(2,279,089)
Administration and corporate expenses		(2,436,500)	(2,270,863)
Marketing expenses		(456,973)	(352,983)
Finance costs		(37,231)	(735,001)
Intellectual property expenses		(209,150)	(230,011)
Share of losses of associate/ joint ventures	11	(9,398)	(86,643)
Loss before income tax benefit	7	(6,066,383)	(5,564,722)
Income tax benefit		1,638,641	1,290,982
Net loss for the half-year		(4,427,742)	(4,273,740)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations - Group		120,384	511,228
Exchange differences on translating foreign operations - Joint ventures		-	(9,919)
Other comprehensive income for the period, net of tax		120,384	501,309
Total comprehensive loss for the half-year		(4,307,358)	(3,772,431)
Loss for the half-year is attributable to:			
Owners of Dyesol Limited		(4,425,661)	(4,273,800)
Non-controlling interest		(2,081)	60
		(4,427,742)	(4,273,740)
Total comprehensive loss for the half-year is attributable to:			
Owners of Dyesol Limited		(4,305,451)	(3,773,168)
Non-controlling interest		(1,907)	737
		(4,307,358)	(3,772,431)
Loss per share			
Basic and diluted loss per share (cents)		(1.45)	(1.88)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	31 DECEMBER 2014 \$	30 JUNE 2014 \$
ASSETS			
Current assets			
Cash and cash equivalents		3,533,824	5,178,902
Term deposits		1,000,000	2,200,000
Trade and other receivables	9	2,013,923	3,028,561
Inventories		818,356	679,879
Other current assets	8	420,342	656,488
Total current assets		7,786,445	11,743,830
Non-current assets			
Property, plant and equipment		995,366	651,918
Intangible assets	10	5,476,770	5,015,250
Investment in associate/ joint ventures	11	117,076	126,474
Total non-current assets		6,589,212	5,793,642
Total assets		14,375,657	17,537,472
LIABILITIES			
Current liabilities			
Trade and other payables		2,248,965	1,914,705
Lease liabilities	12	178,210	-
Borrowings	13	833,412	443,272
Provisions		335,285	394,277
Total current liabilities		3,595,872	2,752,254
Non-current liabilities			
Lease liabilities	12	72,000	-
Borrowings	13	-	807,841
Provisions		456,335	299,990
Deferred tax liability		538,476	443,216
Total non-current liabilities		1,066,811	1,551,047
Total liabilities		4,662,683	4,303,301
Net assets		9,712,974	13,234,171
EQUITY			
Contributed equity		94,729,063	94,183,006
Reserves		6,670,970	6,310,656
Accumulated losses		(91,692,308)	(87,266,647)
Capital and reserves attributable to owners of Dyesol		9,707,725	13,227,015
Non-controlling interest		5,249	7,156
Total equity		9,712,974	13,234,171

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	HALF-YEAR	
		31 DECEMBER 2014 \$	31 DECEMBER 2013 \$
Cash flows from operating activities			
Cash receipts from customers		572,025	299,587
Cash payments to suppliers and employees		(6,101,203)	(5,139,479)
R&D tax rebate received		2,476,193	2,840,785
Interest received		125,353	45,647
Grants received		183,276	-
Net cash used in operating activities		(2,744,356)	(1,953,460)
Cash flows from investing activities			
Payments for plant and equipment		(218,420)	(4,184)
Proceeds from disposal of plant and equipment		15,180	-
Payment for product development costs		-	(373,015)
Maturity of term deposits		1,200,000	-
Net cash inflow/ (outflow) from investing activities		996,760	(377,199)
Cash flows from financing activities			
Proceeds from borrowings		244,946	-
Repayment of borrowings		(35,868)	-
Purchase of Treasury shares	14	(45,963)	(111,214)
Net cash inflow/ (outflow) from financing activities		163,115	(111,214)
Net decrease in cash and cash equivalents held		(1,584,481)	(2,441,873)
Effect of exchange rates on cash holdings in foreign currencies		(60,597)	15,522
Cash and cash equivalents at the beginning of the financial year		5,178,902	5,102,422
Net cash at end of period		3,533,824	2,676,071

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

			Reserves					
	Contributed equity \$	Accumulated losses \$	Equity-settled benefit \$	Foreign currency translation reserve \$	Other reserve \$	Total \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2013	80,079,832	(74,689,220)	5,079,859	(553,087)	798,887	10,716,271	7,537	10,723,808
Total comprehensive income for the year								
Loss for the year	-	(4,273,800)	-	-	-	(4,273,800)	60	(4,273,740)
Other comprehensive income								
Foreign currency translation reserve differences	-	-	-	500,632	-	500,632	677	501,309
Total comprehensive income for the half-year	-	(4,273,800)	-	500,632	-	(3,773,168)	737	(3,772,431)
Transaction with owners, in their capacity as owners								
Contributions of equity, net of transaction costs	4,189,838	-	-	-	-	4,189,838	-	4,189,838
Share-based payment expense	-	-	374,617	-	-	374,617	-	374,617
Treasury shares purchase (Note 14)	(111,214)	-	-	-	-	(111,214)	-	(111,214)
Issue of Treasury shares (Note 14)	76,890	-	(76,890)	-	-	-	-	-
Total transactions with owners	4,155,514	-	297,727	-	-	4,453,241	-	4,453,241
At 31 December 2013	84,235,346	(78,963,020)	5,377,586	(52,455)	798,887	11,396,344	8,274	11,404,618
Total comprehensive income for the half-year								
Loss for the half-year	-	(8,303,627)	-	-	-	(8,303,627)	(690)	(8,304,317)
Other comprehensive income								
Foreign currency translation reserve differences	-	-	-	(220,644)	-	(220,644)	(428)	(221,072)
Total comprehensive income for the half-year	-	(8,303,627)	-	(220,644)	-	(8,524,271)	(1,118)	(8,525,389)
Transaction with owners, in their capacity as owners								
Contributions of equity, net of transaction costs	9,930,660	-	-	-	-	9,930,660	-	9,930,660
Share-based payment expense	-	-	424,282	-	-	424,282	-	424,282
Issue of Treasury shares (Note 14)	17,000	-	(17,000)	-	-	-	-	-
Total transactions with owners	9,947,660	-	407,282	-	-	10,354,942	-	10,354,942
Balance at 30 June 2014	94,183,006	(87,266,647)	5,784,868	(273,099)	798,887	13,227,015	7,156	13,234,171

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

			Reserves					
	Contributed equity \$	Accumulated losses \$	Equity- settled benefit \$	Foreign currency translation reserve \$	Other reserve \$	Total \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2014	94,183,006	(87,266,647)	5,784,868	(273,099)	798,887	13,227,015	7,156	13,234,171
Total comprehensive income for the half-year								
Loss for the year	-	(4,425,661)	-	-	-	(4,425,661)	(2,081)	(4,427,742)
Other comprehensive income								
Foreign currency translation reserve differences	-	-	-	120,210	-	120,210	174	120,384
Total comprehensive income for the half-year	-	(4,425,661)	-	120,210	-	(4,305,451)	(1,907)	(4,307,358)
Transaction with owners, in their capacity as owners								
Contributions of equity, net of transaction costs (Note 14)	532,369	-	-	-	-	532,369	-	532,369
Share-based payment expense	-	-	290,916	-	-	290,916	-	290,916
Treasury shares purchase (Note 14)	(45,963)	-	-	-	-	(45,963)	-	(45,963)
Issue of Treasury shares (Note 14)	59,651	-	(50,812)	-	-	8,839	-	8,839
Total transactions with owners	546,057	-	240,104	-	-	786,161	-	786,161
At 31 December 2014	94,729,063	(91,692,308)	6,024,972	(152,889)	798,887	9,707,725	5,249	9,712,974

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENT

These general purpose financial statements for the half-year reporting period ended 31 December 2014 have been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. The historical cost basis has been used.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2014 and any public announcements made by Dyesol Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have generally been followed in these half-year financial statements as compared with the most recent annual financial statements.

These half-year financial statements were approved by the Board of Directors on 27 February 2015.

2. GOING CONCERN

The financial statements have been prepared on a going concern basis.

The Group incurred an operating loss after income tax for the half-year of \$4,427,742 (2013: \$4,273,740) and an operating net cash outflow of \$2,744,356 (2013: \$1,953,460) for the half-year ended 31 December 2014. At the end of the half-year reporting period, cash balances totalled \$3,533,824 (30 June 2014: \$5,178,902), with an additional \$1 million (30 June 2014: \$2,200,000) in term deposits.

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal activities and realisation of assets and settlement of liabilities in the normal course of business. In order for Dyesol to continue as a going concern and further progress the development of its technology and intellectual property, and in particular the accelerated development of solid state - DSC for scale up activities, additional capital will be required. Dyesol has previously raised capital when required and the Directors expect the Company will be successful in raising the required additional capital in future.

The Directors have initiated the following strategies to secure the going concern status and have determined that these financial statements should be prepared on a going concern basis as these strategies are expected to be successful:

(a) Tasnee strategic investment

The National Industrialisation Company of Saudi Arabia (Tasnee) has an exclusive option, under the Subscription Agreement to subscribe for a maximum of \$6 million of Dyesol shares at any time before 31 May 2015 (extended by 6 months).

(b) Potential funding support

The Company has submitted a revised application to be evaluated for Australian Government funding of an estimated \$3.5 million over 18 months period. If the application is successful it is anticipated the funding would commence during the final quarter of the financial year ending 30 June 2015 and assist Dyesol in accelerating the commercialisation of solid-state DSC technology, enabling a first mover advantage to be achieved.

(c) R & D rebates cash advance

The Company may obtain cash advances of an estimated \$2 million using a finance facility offered by a reputable credit institution secured by its expected R&D rebates for the financial year ending 30 June 2015.

(d) Other funding mechanisms

In addition to the initiatives set out above, the Board of Directors continues to look at other avenues of capital raising including short and longer-term investment options to provide the working capital to implement its technology roadmap and commercialisation strategies. The Board believes that the Group will be successful in transforming operations to achieve positive cash flow, however until this is achieved additional funding will continue to be required from investors from time to time.

Based on the factors outlined above the Directors have prepared this financial report on a going concern basis. Accordingly the financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

Notes to the Consolidated Financial Statements

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

3. ESTIMATES

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2014.

4. BUSINESS COMBINATION

On 10th September 2014, the Group acquired 49.9% of the issued share capital and voting rights of Dyesol-Timo Co. Ltd held by Neoarena (formerly Timo Technology), thus becoming a 100% wholly owned subsidiary of the Group. This enables Dyesol to consolidate its position in Korea, building on the existing engineering expertise in prototype, demonstrate and pilot line activities to create a processing engineering centre. 500,000 Dyesol shares were issued to Neoarena as consideration for the transaction – 250,000 shares will be escrowed for 6 months and 250,000 for 12 months. The new corporate structure continues to provide ongoing access to Korean Government financial assistance programs. The goodwill that arose on the combination has been recognised as an intangible asset. The goodwill that arose from this business combination is not expected to be deductible for tax purposes. Provisional accounting has been applied to the below acquisition.

Details of the business combination are as follows:

	Note	\$
Fair value of consideration transferred		
Amount settled in shares		105,000
Fair value of previously held ownership interest		105,421
Total		210,421
Recognised amounts of identifiable net assets		
Property, plant and equipment		66,188
Intangible assets - license		72,332
Intangible assets – customer contracts	10	528,780
Total non-current assets		667,300
Inventories		3,877
Trade and other receivables		4,481
Cash and cash equivalents		293
Total current assets		8,651
Trade and other payables		465,530
Total current liabilities		465,530
Identifiable net assets		210,421

4.1 Consideration transferred

Acquisition-related costs are minimal and are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income, as part of other expenses.

4.2 Identifiable net assets

With the exception of the customer contracts, the fair value of all other identifiable net assets have been determined as of the acquisition date to be not materially different from the carrying book values.

Notes to the Consolidated Financial Statements

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

5. SEGMENT REPORTING

Operating segments have been determined on the basis of reports reviewed by the executive management committee. The executive management committee ("committee") is considered to be the chief operating decision maker of the group. The committee considers the business from both a product and geographic perspective and assesses performance and allocates resources on this basis.

Information provided to the executive management committee

Segment information provided to the board for the half-year ended 31 December 2014 is as follows:

Product information

	Glass & Equipment		Metal Strip		R & D Materials		Total	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
	\$	\$	\$	\$	\$	\$	\$	\$
Segment revenue								
Total segment revenue	125,075	31,963	-	-	378,520	313,207	503,595	345,170
Inter-segment revenue	(22,074)	(7,387)	-	-	(24,207)	(11,384)	(46,281)	(18,771)
Segment revenue from external customers	103,001	24,576	-	-	354,313	301,823	457,314	326,399
Net loss	(10,819)	(247,081)	(806,324)	32,887	(1,954,755)	(803,498)	(2,771,898)	(1,017,692)
Other segment information								
Non-cash expenses other than depreciation and amortisation	9,897	4,868	53,482	68,731	130,565	133,379	193,944	206,978
Share of net loss of associate/ joint ventures included in net loss #	-	(27,895)	-	-	-	(15,653)	-	(43,548)

total segment net loss of associate/ joint ventures is different to the Group share of losses of associate/ joint ventures due to the unallocated corporate and other business units income and expenses.

Notes to the Consolidated Financial Statements

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

5. SEGMENT REPORTING (continued)

Other segment information

Segment revenue

Product segment revenue reconciles to total revenue from sales of goods and services

	31 DECEMBER 2014 \$	31 DECEMBER 2013 \$
Total segment revenue	503,595	345,170
Inter segment revenue	(46,281)	(18,771)
Other segment revenue		
Licence fee	-	11,534
Technical services	13,557	860
Total revenue from sale of goods and services	470,871	338,793
Net Loss		
Net loss reconciles to loss before income tax as follows:		
Total segment net loss	(2,771,898)	(1,017,692)
Inter-segment eliminations	-	(889,518)
	(2,771,898)	(1,907,210)
<i>Unallocated corporate and other business units income and expenses</i>		
Depreciation and amortisation	(402,519)	(436,782)
Employment cost	(825,405)	(1,056,630)
Share based payment	(96,972)	(167,640)
Marketing expenses	(140,420)	(108,650)
Foreign currency gain/(losses)	22,289	(23,030)
Unrealised foreign exchange gain	85,008	149,295
Interest paid	(37,231)	(735,001)
Interest income	76,405	64,133
Intellectual property expenses	(71,387)	(94,486)
Professional fees	(200,818)	(299,548)
Legal fees	(431,803)	(135,473)
Board, secretarial & other expenses	(402,932)	(417,254)
Provisions for doubtful debts/ write off	-	(13,188)
Share of losses of associate/joint ventures	(9,398)	(43,095)
Other	(859,302)	(340,163)
Total unallocated corporate and other business units income and expenses	(3,294,485)	(3,657,512)
Loss before income tax from continuing operations	(6,066,383)	(5,564,722)

Segment assets

Segment assets are not required to be disclosed if they are not provided to the chief operating decision maker.

Segment liabilities

Segment liabilities are not required to be disclosed if they are not provided to the chief operating decision maker.

Notes to the Consolidated Financial Statements

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

5. SEGMENT REPORTING (continued)

Geographical information

The Group operates in four major geographical segments, being Australia, Asia, Europe (including Switzerland, Italy, Germany and the UK) and North America, being where the customers are based. All of these entities are involved in the industrialisation and commercialisation of solid state (DSC) technology.

Segment information provided to the executive management committee for the half-year ended 31 December 2014 is as follows:

	Australia		Europe		North America		Asia		Total	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Segment revenue										
Total segment revenue	28,895	21,267	319,741	302,226	97,311	53,727	255,657	150,653	701,604	527,873
Inter segment revenue	(320)	(3,673)	(201,031)	(185,407)	-	-	(29,382)	-	(230,733)	(189,080)
Segment revenue from external customers	28,575	17,594	118,710	116,819	97,311	53,727	226,275	150,653	470,871	338,793

Segment revenue

The segment revenue reconciles directly to total revenue from continuing operations and therefore no reconciliation is required.

Segment assets

Segment assets are allocated to countries based on where the assets are located.

Notes to the Consolidated Financial Statements

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	31 DECEMBER 2014 \$	31 DECEMBER 2013 \$
6. OTHER INCOME		
Government and other grants	21,982	170,892
Other income	10,966	12,550
Gain on reinvestment on business combination – Dyesol Timo Co Ltd.	105,423	-
Total other income	138,371	183,442
7. EXPENSES		
Loss before income tax includes the following expenses:		
Borrowing costs		
Interest expense	37,231	735,001
Share-based payments		
Share based payments to company employees/directors	290,916	374,617
	31 DECEMBER 2014 \$	30 JUNE 2014 \$
8. OTHER CURRENT ASSETS		
Prepaid expenses	270,306	488,968
GST receivable and PAYG	150,036	167,520
Total other current assets	420,342	656,488
9. TRADE AND OTHER RECEIVABLES		
Trade receivable, gross	46,565	97,396
R & D tax rebate receivable*	1,500,000	2,389,548
Interest receivable	23,076	58,739
Other receivables	444,282	482,878
	2,013,923	3,028,561
* An income tax receivable of \$1,500,000 under the FY2015 R&D Tax Incentive program cash rebate (refundable tax credit) was provided based on the estimated R&D expenditures for the last six months		
10. INTANGIBLE ASSETS		
Intellectual property and patents, at cost	3,791,610	3,791,610
Less: Accumulated amortisation	(2,355,964)	(2,218,200)
	1,435,646	1,573,410
Customer contracts	528,780	-
Less: Accumulated amortisation	(88,130)	-
	1,876,296	-
Goodwill at cost	3,600,474	3,441,840
	5,476,770	5,015,250

No further impairment of the consolidated entity's intangible assets was required during the half-year period because the Directors continue to expect sufficient net cash flows to be generated by these assets and its property, plant and equipment to support their carrying values. The Directors' assessment of the impairment of intangible assets and property, plant and equipment with the expected success and future net cash flows to be generated by the DSC PV project in collaboration with the Company's strategic investors remains unchanged as previously reported for the year ended 30 June 2014.

Notes to the Consolidated Financial Statements

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

11. INVESTMENT IN ASSOCIATE/ JOINT VENTURES

The movement in investment in associate and investments in joint ventures during the half-year period is as follows:

	Joint ventures				Associate		Total	
	Dyesol-Timo Co. Ltd.		DyeTec Solar Inc.		Printed Power Pte Ltd.			
	31 Dec 2014	30 June 2014	31 Dec 2014	30 June 2014	31 Dec 2014	30 June 2014	31 Dec 2014	30 June 2014
	\$	\$	\$	\$	\$	\$	\$	\$
Deemed cost of investment at beginning of year	-	96,562	(3,112)	(3,112)	129,586	-	126,474	93,450
Loss during year	-	(178,445)	3,112	-	(12,510)	-	(9,398)	(178,445)
Forex translation movement during year	-	(18,117)	-	-	-	-	-	(18,117)
Loan to joint venture	-	100,000	-	-	-	-	-	100,000
Cost of acquisition/ investment	-	-	-	-	-	129,586	-	129,586
Deemed cost of investment at end of period	-	-	-	(3,112)	117,076	129,586	117,076	126,474

Notes to the Consolidated Financial Statements

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	31 DECEMBER 2014 \$	30 JUNE 2014 \$
12. LEASE LIABILITIES		
Secured lease liabilities	250,211	-
Current	178,210	-
Non-current	72,001	-
	250,211	-
Assets pledged as security		
The lease liabilities are effectively secured as the rights to the leased assets recognised in the balance sheet revert to the lessor in the event of default.		
13. BORROWINGS		
Current		
Convertible note – unsecured	833,412	443,272
Total other current assets	833,412	443,272
Non-Current		
Convertible note – unsecured	-	807,841
	-	807,841

The convertible notes (unsecured) issued pursuant to the funding agreement with CSIRO to carry out a research and development project amounts to \$833,412 at the end of the half-year reporting period. During the half-year, 1,833,683 Dyesol shares were issued to CSIRO @ \$0.2417 per share as repayment of the CSIRO funding agreement.

Notes to the Consolidated Financial Statements

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

14. EQUITY SECURITIES ISSUED

Issue of ordinary shares during the half-year:

	31 DECEMBER 2014	31 DECEMBER 2014	31 DECEMBER 2013	31 DECEMBER 2013
	Number	\$	Number	\$
Balance at beginning of the period	303,326,443	94,183,006	221,361,987	80,079,832
Issue of shares on exercise of rights	-	-	675,000	-
Issue of shares on conversion of Tasnee's Convertible Note @\$0.166 per share	-	-	24,698,795	4,100,000
Issue of shares to CSIRO as repayment @\$0.3574 per share	-	-	375,105	134,063
Issue of 200,000 shares to employee as agreed contractual terms	-	-	200,000	-
Acquisition of the 49.9% minority interest in Dyesol-Timo held by Neoarena	500,000	105,000	-	-
Issue of shares to CSIRO as repayment @\$0.2417 per share	1,833,683	443,201	-	-
Transaction costs of share issues	-	(15,832)	-	(44,225)
	305,660,126	94,715,375	247,310,887	84,269,670
123,000 Treasury shares purchase @\$0.3421 per share*	-	-	(123,000)	(42,089)
200,000 Treasury shares purchase @\$0.3456 per share*	-	-	(200,000)	(69,125)
Issue of 200,000 Treasury shares @\$0.3300 per share*	-	-	200,000	66,000
Issue of 33,000 Treasury shares @\$0.3300 per share*	-	-	33,000	10,890
106,225 Treasury shares purchase @\$0.2450 per share*	(106,225)	(26,025)	-	-
58,075 Treasury shares purchase @\$0.2400 per share*	(58,075)	(13,938)	-	-
27,272 Treasury shares purchase @\$0.2200 per share*	(27,272)	(6,000)	-	-
Issue of 40,000 Treasury shares @\$0.3421 per share *	40,000	13,688	-	-
Issue of 106,225 Treasury shares @\$0.2450 per share	106,225	26,025	-	-
Issue of 58,075 Treasury shares @\$0.2400 per share	58,075	13,938	-	-
Issue of 27,272 Treasury shares @\$0.2200 per share	27,272	6,000	-	-
	305,700,126	94,729,063	247,220,887	84,235,346

* During the period, the Company acquired 191,572 of its own shares at a cost of \$45,963 for the purpose of making awards under the Dyesol Limited Employee Performance Rights Plan ("Plan") and these shares have been classified in the balance sheet as treasury shares within equity. All treasury shares have now been fully issued.

Notes to the Consolidated Financial Statements

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	31 DECEMBER 2014	31 DECEMBER 2013
14. EQUITY SECURITIES ISSUED (CONTINUED)	\$	\$
Earnings per share		
Reconciliation of earnings to profit or loss		
Loss attributable to owners of Dyesol Limited used to calculate earnings per share	(4,425,661)	(4,273,800)

The calculation of basic loss per share at 31 December 2014 was based on the loss attributable to owners of Dyesol Limited (4,425,661) (2013: \$4,273,800) and a weighted average number (W.A.N.) of ordinary shares outstanding at 31 December 2014 of 303,903,462 (2013: 227,370,063) shares calculated as follows:

	31 DECEMBER 2014		31 DECEMBER 2013	
	Actual No.	W.A.N	Actual No.	W.A.N
Issued ordinary shares at beginning of period	303,326,443	303,326,443	221,361,987	221,361,987
Effect of shares issued pursuant to placement	1,833,683	269,073	25,073,900	5,959,238
Effect of shares issued pursuant to business combination	500,000	307,065	-	-
Effect of issue of shares as a share based payment	-	-	875,000	156,930
	305,660,126	303,902,581	247,310,887	227,478,155
Effect of Treasury shares purchase	40,000	881	(90,000)	(108,092)
Balance at the end of period	305,700,126	303,903,462	247,220,887	227,370,063

Notes to the Consolidated Financial Statements

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

15. SHARE-BASED PAYMENTS

The following illustrates the number of, and movements in, performance rights issued to employees and directors under the Dyesol Performance Rights Plan during the half-year:

Dyesol Limited Performance Rights Plan

	31 DECEMBER 2014 Number	31 DECEMBER 2013 Number
Performance rights		
Performance rights exercisable	3,687,500	2,700,000
<i>The following movements in the number of performance rights occurred during the financial period:</i>		
Balance at the beginning of the period	2,700,000	460,000
Issue of performance rights to employees and directors for nil consideration	2,000,000	3,933,000
Performance rights lapsed	(808,200)	(735,000)
Performance rights vested	(204,300)	-
Performance rights issued	-	(958,000)
Balance at the end of the period	3,687,500	2,700,000

Managing Director Performance Rights

During the half-year the Company granted 2,000,000 performance rights to Mr Richard Caldwell in relation to the Dyesol Performance Rights Plan as approved by shareholders at the 2014 AGM meeting.

All performance rights were granted for nil consideration over unissued ordinary shares.

The vesting period is 36 months from date of grant and vesting will be dependent on meeting relative and absolute Dyesol TSR performance hurdles.

The vesting conditions applicable to the 2,000,000 performance rights issued to Mr Richard Caldwell are as follows:

Tranche 1: Up to 1,200,000 Performance Rights will vest on 5 May 2017 if Dyesol's Total Shareholder Return achieves the following percentile ranking against the companies within the S&P/ ASX Small Ordinaries Index over the measurement period of 5 May 2014 to 5 May 2017.

DYE TSR Ranking	Number of Performance Rights
Below the 55 th percentile	Zero
At or above the 55 th percentile	600,000 plus 30,000 for every percentile ranking above the 55 th
At or above the 75 th percentile	1,200,000 (maximum number)

Tranche 2: Up to 800,000 Performance Rights will vest on 5 May 2017 if Dyesol's Total Shareholder Return doubles over the measurement period 5 May 2014 to 5 May 2017.

The circumstances under which Mr Richard Caldwell is entitled to retain these performance rights if he should leave the company before the vesting date is controlled by the terms of the Dyesol Performance Rights Plan and is at the discretion of the Board. Change of control clauses exist.

In addition to the performance vesting conditions above, the performance rights will only vest if there is uninterrupted employment with Dyesol from grant date until vesting date.

Notes to the Consolidated Financial Statements

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

15. SHARE-BASED PAYMENTS (CONTINUED)

Fair value of performance rights granted

The fair value of the 2,000,000 performance rights granted to Mr Richard Caldwell was calculated at the date of grant using the Monte Carlo valuation approach and charged entirely to the reporting period in which they were issued. In valuing the performance rights, market conditions have been taken into account. The following table gives the assumptions made in determining the fair value of these performance rights on grant date:

Description	Tranche 1	Tranche 2
Grant date	27 th November 2014	27 th November 2014
Number of performance rights	1,200,000	800,000
Vesting date	5 May 2017	5 May 2017
Exercise price	\$0.00	\$0.00
Price of shares on grant date	\$0.245	\$0.245
Estimated volatility	70.00%	70.00%
Risk-free interest rate	2.67%	2.67%
Dividend yield	0%	0%

The expected price volatility is estimated using Dyesol's share price daily rolling 3 year standard deviation.

Based on the approach and assumptions detailed above, the estimated fair value of Mr Richard Caldwell's performance rights is as follows:

Tranche 1	Tranche 2
\$0.1819	\$0.1262

Notes to the Consolidated Financial Statements

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

16. CONTINGENT LIABILITIES

- The Company has received a claim in previous periods from Dr Gavin Tulloch alleging wrongful termination of his role as Director of Technology and seeking payment of a significant unsubstantiated amount. In the Directors opinion this claim is without basis and the Company continues to defend this matter in the courts.
- Dyesol is in preparations for the proceedings of an unquantified defamation claim that arose in the previous reporting period. Dyesol considers the claim as spurious and will continue to defend it. A mediation process has been scheduled during March 2015.
- In July 2014, Dyesol attended a hearing in Tokyo for the arbitration between NIMS and Dyesol. NIMS is claiming a dispute contract amount estimated at \$364,704 together with interest thereon at the rate of 6% per annum from the date of receipt by Dyesol the request of arbitration until such amount has been fully paid, and Dyesol has refuted with a counter-claim against NIMS of an estimated \$461,539 together with interest at the rate of 6% per annum from the date of payment from Dyesol to NIMS. Dyesol has vigorously defended the action to achieve the best possible outcome for Dyesol. A decision by the Tribunal is expected during March 2015.

The Directors believe that there are no other material contingent liabilities related to the parent entity or the group at the end of the reporting period.

17. CAPITAL COMMITMENTS

There are no material capital commitments related to the parent entity at the end of the reporting period.

18. EVENTS SUBSEQUENT TO THE END OF REPORTING PERIOD

- On 8th January 2015, Dyesol has signed a contract with Nesli DSC to introduce and commercialise its perovskite DSC Photovoltaic technology in Turkey. The contract involves the establishment of a prototype facility in Turkey underpinned by a USD1.9 million Contract for supply of Prototype Equipment.
- On 22nd January 2015, Dyesol and EFACEC of Portugal have signed an agreement to exploit proprietary, laser assisted, glass fit sealing technology developed by EFACEC and the University of Porto in the manufacture of glass substrate, solid-state DSC solar panels. As a first instalment, Dyesol will pay EFACEC €500,000 over a 15 month period during which the technology will be modified for use in perovskite based photovoltaics. Staged payments will be milestone based with successful achievement of the final technical specification triggering a further payment schedule of €1.7 million over 24 months. A further €2.8 million is payable as a royalty pending the commercialisation of the process in Dyesol's proposed solar panels and modules. The structured financial transaction has a potential maximum total consideration of €5 million after which the ownership of the IP will be fully assigned to Dyesol. The first payment of €150,000 was completed during February 2015, on signing of the agreement.

Directors' Declaration

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

The Directors of the Company declare that:

1. the financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with the resolution of the Board of Directors and is signed for and behalf of the directors by:



Ian Neal, Chairman

Dated at Queanbeyan, New South Wales, this 27th day of February 2015

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Independent Auditor's Review Report To the Members of Dyesol Limited

We have reviewed the accompanying half-year financial report of Dyesol Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Dyesol Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Dyesol Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Dyesol Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

Without qualification to the conclusion expressed above, we draw attention to Note 2 to the financial report which sets out the basis on which the Directors have determined that the consolidated entity is a going concern.

The consolidated entity incurred a net loss after income tax of \$4,427,742 and an operating net cash outflow of \$2,744,356 during the half-year ended 31 December 2014. As at 31 December 2014 cash and cash equivalents amount to \$3,533,824 and terms deposits maturing on 1 February 2015 total \$1,000,000.

In Note 2, it is stated that the consolidated entity requires additional capital in order to continue as a going concern and further progress the development of its technology and intellectual property.

These conditions, along with other matters set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the Company's and the consolidated entity's ability to continue as a going concern and therefore, the Company and the consolidated entity may be unable to realise their assets and discharge their liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



S M Coulton
Partner - Audit & Assurance

Sydney, 27 February 2015