

## 1st Quarter FY 2014 – Quarterly Report & Appendix 4C

### First Quarter Highlights

#### Manufacturing Collaborations

Further business clarity has been achieved during the quarter which will allow Dyesol to successfully rationalise its major global commercialisation activities. This process has been greatly assisted by the Welsh Government. The Welsh Government has provided ongoing sponsorship and financial support for development activities ensuring that commercialisation in Wales can proceed. SBEC and SPECIFIC, also sponsored by the UK and Welsh governments, have been instrumental in bringing focus to the climate change debate and providing solutions for meeting green energy targets.

The new business plan, which has received significant input from Dyesol's strategic investor, The National Industrialization Company of Saudi Arabia (Tasnee), captures the new dynamics of partnership and commercial exploitation. Given the significant progress with the new solid-state technology in terms of cost, durability and efficiency, all commercial projects have been revised to use the new solid-state material set. We will also continue to manufacture liquid-based materials for research interests and 3rd party commercialisation.

The latest commercialisation plans have the UK steel project as the lead candidate for large scale manufacture. In the UK and Europe there is strong government support for building efficiency innovation and immense market pull. Our latest market assessment for BIPV indicates annual primary build steel roofing opportunities there are in excess of \$10 billion or 10GW. A train ride through the UK serves to highlight just how little penetration there is of solar product, either because of poor historical investment in renewables or, more likely, the inability of 1st and 2nd generation technologies to address the challenging light conditions and immense opportunity for us. There is very little solar utilisation of the ubiquitous industrial property that skirts the railway line.

#### Research and Development

The change of government has had less impact than feared. Whilst it appears clear that the Clean Energy Finance Corporation (CEFC) will be disbanded, all other major R&D support programmes appear untouched. Dyesol is in advanced discussion with the federal government to secure a major pre-commercialisation grant which will secure its position in Australia. The CEFC was in grant making mode for as little as 2 months, after being first established in July 2011, and the new Treasurer has repeated his pre-Election intention to close it.

During the quarter Dyesol forged closer ties with EPFL, extending the term of Dr Peng Qin and making arrangements for a specialist team to occupy premises at the EPFL Science Park for 3 years beginning in January 2014. That team, headed by Dr Hans Desilvestro, will be responsible to accelerating the transfer of technology from the lab to the production line. Scale-up of the material set is important, as is the maintenance of the trajectory for efficiency improvement. The critical input from Dyesol will be the successful translation of lab performance to industrial performance. Current Levelised Cost Of Energy (LCOE) calculations show clearly that laboratory performance has way exceeded grid parity targets and these need to be transferred to the production line to provide a profitable outcome for shareholders.

At NTU progress has exceeded expectations with an early breakthrough on materials development. We will comment more on that once the IP has been adequately protected. Nancy Jiang, a long-time Dyesol scientist, is leading our efforts there.

#### Corporate and Operational Progress

Materials sales are picking up again after the Northern Hemisphere summer and the R&D indecision caused by the advent of the new solid-state material set. In particular, Dyesol has become the titania paste producer of choice, after successfully working with EPFL to deliver the world's best solid-state DSC performance. Dyesol has attracted many new global customers in recent weeks and is selling into Egypt, Indonesia and Denmark, to name a few interesting destinations for our products. DSC related research appears to be growing strongly in Asia and India, in particular. Dyesol is also preparing to offer additional solid-state DSC materials in commercial quantities in 2014.

Elsewhere, Dyesol is near completion a new agreement with Sigma Aldrich in the US to market its products, especially to the academic community, which typically procures in smaller quantities. This will also open up Dyesol further to the US, where DSC activity has lagged Asia and Europe.

As prefaced in the opening paragraph, Dyesol is well positioned to proceed to full commercialisation of its solid-state DSC technology, especially for its steel project in the UK. It will inform the market further when all details are agreed and documented.

### Financials

The first quarter net operating monthly cash flows (Sec 1.8) showed an average burn rate of \$794k excluding the FY 2013 R&D rebate receipts of \$2.84m.

Total operating and investing cash burn for the year to date was \$224k (Sec.1.14) including the receipt for the FY2013 R&D Tax Incentive rebate of \$2.84m. Cash balances as at end of the year totalled \$5.4m.

### 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](http://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.

- Ends -

### Media & Investor Relations Contacts:

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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 SEPTEMBER 2013**

#### Consolidated statement of cash flows

Cash flows related to operating activities		Jul13 to Sep13 Quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from customers	102	102
1.2	Payments for		
	(a) staff costs	(1,046)	(1,046)
	(b) advertising and marketing	(59)	(59)
	(c) research & development & other working capital	(1,390)	(1,390)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	11	11
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes received/(paid) (R&D Tax rebate)	2,841	2,841
1.7	Other (R&D grant received)	-	-
<b>Net operating cash flows</b>		<b>459</b>	<b>459</b>

		Jul13 to Sep13 Quarter \$A'000	Year to date (3 months) \$A'000
1.8	Net operating cash flows (carried forward)	459	459
<b>Cash flows related to investing activities</b>			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(1)	(1)
	(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)	(234)	(234)
<b>Net investing cash flows</b>		<b>(235)</b>	<b>(235)</b>
1.14	<b>Total operating and investing cash flows</b>	<b>224</b>	<b>224</b>
<b>Cash flows related to financing activities</b>			
1.15	Proceeds from issues of shares, options, etc (net)	-	-
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	25	25
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other provide details (if material)	-	-
<b>Net financing cash flows</b>		<b>25</b>	<b>25</b>
<b>Net increase/ (decrease) in cash held</b>		<b>249</b>	<b>249</b>
1.21	Cash at beginning of quarter/year to date	5,167	5,167
1.22	Exchange rate adjustments to item 1.21	8	8
1.23	<b>Cash at end of quarter</b>	<b>5,424</b>	<b>5,424</b>

## 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	206
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	206

## 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	224	1,167
4.2	Deposits at call	5,200	4,000
4.3	Bank overdraft		
4.4	Other (provide details)		
	<b>Total: cash at end of quarter</b> (item 1.23)	<b>5,424</b>	<b>5,167</b>

## 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: 31 October 2013

Print name: Richard Caldwell, *Executive Chairman*