

3rd Quarter FY 2013 – Quarterly Report & Appendix 4C

Quarterly Highlights

The third quarter of FY2013 was a particularly busy time at Dyesol. During the period we secured strategic investment from Tasnee, a global giant in the titania industry. This relationship has been developing for some 4 years and it is gratifying that such an astute company with 20/20 visibility of our activities considers the current challenging financial climate a good time to invest in the solar industry. Berkshire Hathaway, another successful, and often counter-cyclical, investor has taken a similar lead. Certainly, much of the turmoil in the industry is related to poor risk management, rather than the excellent fundamentals that persist. At Dyesol we continue to focus on securing our future and delivering a technology that will be robust in terms of cost, durability and performance. Currently, we are exploring several mutually beneficial business development opportunities that fit this criteria. Tasnee is financially very strong and focuses on long-term wealth creation.

As we have recently highlighted in quarterly reports, the focus on risk management has resulted in cost cutting. We expect to stabilise at a monthly burn of around \$600,000 based on lower head-count, lower business development expenditure and a stronger emphasis on material sales. In addition to our suite of core DSC materials, Dyesol now produces and sells high tech conductive silver inks and bespoke epoxy sealants which allows greater commercial exploitation of IP in the absence of large-scale demand from our major projects. The appointment of a new sales manager, the release of a new ecommerce site and a 2013 product catalogue promotion due in May will lead this revenue drive.

At the project level, progress in discussion continues to work relentlessly towards commercialisation. During the next quarter significant updates are expected in relation to all three major projects - Tata, Pilkington and Timo. We have sometimes been optimistic on timing, but decisions at the multi-national level are largely beyond our control. The formal deadline for an announcement on commercialisation arrangements at Tata is July 31, having been revised from May 31 due to a slight delay to completion in 2011. What provides us with great confidence on a positive resolution to all such discussions is that the fundamental technology is responding to the key competitive challenges in a very dynamic market. In that regard, long-term R&D efforts at Queanbeyan and with the EPFL are beginning to translate into very meaningful and measurable results. With keen R&D focus in more recent months, breakthroughs in glass sealing and solid-state technologies appear imminent. Rather than seek lesser challenges and lesser commercial opportunities, Dyesol and its partners have persisted to meet the greater demands that BIPV presents - still the "holy grail" of the solar industry.

Importantly, we will not be distracted by the current poor performance of the share price or the unreasonable picture of our prospects that it paints. Shareholders should remain patient knowing that a vigilant Dyesol has survived where larger and better funded companies have failed.

Financials

Total operating and investing cash burn for the year to date was \$3.2m. The Company net average burn rate (Sec.1.14) for the year to date was \$358k per month including the receipt for the FY2012 R&D Tax Incentive rebate of \$2.957m.

The third quarter net operating monthly cash flows (Sec 1.8) showed an average gross burn rate of \$590k, assisted by overseas grant receipts of \$264k, which is consistent with the last quarter burn rate of \$620k. The cost reduction programme is beginning to have a considerable effect and exhibiting a welcome trend.

The Company received from Tasnee (The National Industrialization Company of Saudi Arabia) a cash investment of A\$4m by way of a 15 month redeemable convertible note, convertible into Dyesol shares at 16.6 cents per share with a 0% coupon. Under the Subscription Agreement, Tasnee has the right to invest up to a total of A\$20m in Dyesol during the initial 6 months exclusivity period, at 18 cents per share.

Dyesol's current assets at 31 March 2013 exceed current liabilities (current ratio of 2.8) with the cash reserves at 31 March 2013 standing at \$3.4m. Trade and other receivables included an accrual of \$1.42m of R&D tax rebates for

FY2013. In addition, the Company has A\$1.2m of CSIRO and A\$4m of Tasnee convertible loan notes at the end of the period.

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 Australian Stock Exchange ([DYE](#)), the German Open Market ([D51.F](#)), and is trading on the OTCQX ([DYSOY](#)) through its depositary 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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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")

31 MARCH 2013

Consolidated statement of cash flows

Cash flows related to operating activities		Jan13 to Mar13 Quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from customers	256	948
1.2	Payments for		
	(a) staff costs	(1,092)	(3,709)
	(b) advertising and marketing	(55)	(225)
	(c) research & development & other working capital	(1,140)	(3,060)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	48
1.5	Interest and other costs of finance paid	(3)	(6)
1.6	Income taxes received/(paid) (R&D Tax rebate)	0	2,957
1.7	Other (R&D grant received)	264	452
	Net operating cash flows	(1,766)	(2,595)

		Jan13 to Mar13 Quarter \$A'000	Year to date (9 months) \$A'000
1.8	Net operating cash flows (carried forward)	(1,766)	(2,595)
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	5	(32)
	(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)	29	(601)
Net investing cash flows		34	(633)
1.14	Total operating and investing cash flows	(1,732)	(3,228)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc (net)	-	-
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	4,250	4,750
1.18	Repayment of borrowings	(250)	(750)
1.19	Dividends paid	-	-
1.20	Other provide details (if material) *	-	108
Net financing cash flows		4,000	4,108
Net increase/ (decrease) in cash held		2,268	880
1.21	Cash at beginning of quarter/year to date	1,129	2,511
1.22	Exchange rate adjustments to item 1.21	(38)	(32)
1.23	Cash at end of quarter	3,359	3,359

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	129
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	129

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	3,359	1,129
4.2	Deposits at call		
4.3	Bank overdraft		
4.4	Other (provide details)		
	Total: cash at end of quarter (item 1.23)	3,359	1,129

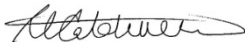
Acquisitions and disposals of business entities

		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: 26 April 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.