24 February 2017

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 2016/17 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 2016.

Yours faithfully

Mr Richard Caldwell
Managing Director

Dyesol Limited | ABN: 92 111 723 883
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DYESOL LIMITED

Appendix 4D

Half Year Report Period Ended 31 December 2016

Results for announcement to the Market

	Percentage Change		$'000
Revenue from ordinary activities	29% increase	to	771
Loss after income tax from continuing operations	15% decrease	to	(3,989)
Net loss for the period attributable to owners	15% decrease	to	(3,986)

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 2016	$0.011
As at 31 December 2015	$0.028

The interim financial report of Dyesol Ltd for the half-year ended 31 December 2016 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 22 of the interim financial report.

DYESOL LIMITED

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HALF YEAR FINANCIAL REPORT

31 DECEMBER 2016

Contents

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 2016 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

The directors present their report on the consolidated entity consisting of Dyesol Limited and its controlled entities for the half-year ended 31 December 2016 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 *Non-Executive Chairman*	Appointed Non-executive Chairman 5 May 2014, previously Non-Executive Director since 8 September 2006
Mr Richard Caldwell *Managing Director*	Appointed Managing Director 5 May 2014, previously Executive Chairman since 18 March 2005
Mr Gordon Thompson *Non-Executive Director*	Non-executive Director since 9 November 2004
Mr Robert McIntyre *Non-Executive Director*	Non-executive Director since 13 March 2015
Mrs Nicola Swift *Non-Executive Director*	Non-executive Director since 6 September 2013, resigned 3 August 2016
Ms Lynette McDonald *Non-Executive Director*	Non-executive Director since 26 March 2015, resigned 11 November 2016
Mr A Shirfan *Alternate for Ms McDonald*	Appointed 26 March 2015, ceased as Alternate Director on 11 November 2016

2. Results

The result of the consolidated entity for the half-year ended 31 December 2016 was a loss after income tax of $3,988,845 (2015: $4,666,420).

3. Review of Activities

The Australian energy policy landscape has improved markedly in the past 12 months, galvanised by a strong commitment to the < 2 ºC global warming increase target that summed up the progress achieved at the Paris Agreement in November 2016. Ratification by the U.S. (President Obama) and China was considered an important step forwards.

It is also encouraging to see many large Australian corporations, including conventional, fossil-fuel energy companies, showing commitment to transition and change to renewable energy sources, when the debate is often side-tracked unnecessarily by political considerations. It is important for investment confidence that there is certainty in energy policy and that it becomes increasingly bipartisan in nature.

That the World Economic Forum had earlier endorsed Perovskite Solar Cell (PSC) Photovoltaics (PV) as one of the most exciting, emerging technologies further fuelled the excitement of our journey, as did the release of Before The Flood, a climate change focused documentary narrated by Leonardo DiCaprio. This highlighted the strength of scientific evidence supporting responsible and pro-active energy and environmental policy change in the face of an uncertain global future.

The first half of FY2017 provided some challenging business conditions, notably delays to our Turkish project and delays to prospective government grants, in Australia and abroad. However, we have emerged strongly and put those setbacks firmly behind us. Both the aforementioned projects are looking healthy again, and we received a most welcome $2.5M Department of Industry CRC-P grant early in February 2017.

In the meantime, we have successfully launched the VDL collaboration and the pre-cursor, embodied in Mini-Major Area Demonstration (MAD) prototype devices showcased at our AGM, which have received positive recognition from the scientific community and our various stakeholders. Over time, we will release further information on the progress of both Mini-MAD and MAD projects. These are ambitious projects and we must proceed carefully.

Operational Highlights for the First Half Fiscal Year 2017

- Dyesol UK was announced as a key participant in an £800,000 UK ESPRC grant for further investigation of performance enhancing, halide modified TiO_2 surfaces. Dyesol and Cristal have jointly lodged a provisional patent application to take IP ownership of this development. Subsequently, a complementary grant of £75,000 was awarded by Innovate UK. The ongoing financial assistance for R&D in both UK and Europe is gratefully acknowledged.

  It is with similar excitement and gratitude that we have received a A$2.5M Cooperative Research Centre – Project grant early in the second half FY2017 from the Australian Department of Industry. Dyesol is the lead (A$1.9M), supported by CSIRO (A$0.6M) and CSR Ltd (in-kind support). The key focus of the development activity is related to the coating of large-area FTO glass and critical to and a subset of the MAD prototype project. The details of the collaboration are at a preliminary stage with partner discussions having just commenced, including the scoping of co-location possibilities in both Queanbeyan and Melbourne. A more detailed announcement is envisaged nearer to the commencement of the project on March 1.

  Earlier in the first half, Dyesol had announced a Letter Of Intent (LOI) with CSIRO. The LOI was agreed upon mutually to bring better coordination, focus and purpose to the funding and activities of joint R&D projects in Australia. In particular, CSIRO is across areas of research that we believe will best assist in the scale-up and commercialisation of PSC technology.

- The collaboration with VDL Enabling Technology Group (ETG) commenced in February 2016. VDL ETG is widely considered one of the world's most advanced process engineering companies. It specialises in automation and continuous processing in manufacturing. During the half, Phase I or the Feasibility and Functional Specification Phase was completed and paid for. Subsequently, Phase II or the Design and Engineering Phase was commenced and is expected to be completed by end of February 2017. Although slightly delayed, significant cost reductions from Asian suppliers on non-critical items have been secured and we are pleased with progress. Both phases are essential in the careful preparation of advanced prototyping activity. Phase III or the Realisation and Testing Phase may be more open-ended as it has very important deliverables, however. Dyesol expects to begin meeting important prototyping milestones around July/August 2017.

- Technical Advisory Board (TAB) milestones were achieved for IEC 61646 related UV testing and thermal cycling on strip cells. We expect to release further data on thermal cycling testing on modules when they become available from CSIRO, which are our independent testing laboratory. In January 2017, a A$50,000 Innovation Connections grant was received from the Department of Industry to support this testing activity. Dyesol, together with CSIRO, is leading the world in developing an accurate Maximum Power Point Tracking (MPPT) testing regime for this novel technology.

- Most of the lost ground in Turkey has been recovered. We anticipate being able to make an announcement on this important commercialisation project during the next few months, subject to ongoing geo-political stability. New terms for engagement have had critical focus on a multitude of financial risk management issues.

Financial Results for the Half-Year Fiscal Year 2017

- The result for the half-year shows an improvement with a reduction in the Company net loss after income tax from continuing operations by $678k (14.5%) compared to the same period last year. The major contributing factors included:

  - ✓ A revenue increase of $175k arising mainly from the revenue recognition of an initial mobilisation payment that was received for a contract to supply a prototype manufacturing facility, which Dyesol has fulfilled its obligations.
  - ✓ Decrease in corporate and administration expenses by $359k due mainly to significantly lower legal fees.
  - ✓ Decrease in marketing expenses by $225k due mainly to lower general marketing and travel expenses.
  - ✓ An increase by $250k for the income tax receivable under the FY2017 R&D Tax Incentive (refundable tax offset).
  - ✓ A reduction of grant income by $271k due mainly to the receipt of Australian Renewable Energy Agency (ARENA) funding support of $225k grant during the corresponding previous period.

- During the half year, the Company received $3.85m cash rebate from the Federal Government for its R&D activities during FY 2016. An accrual of $2m (Note 8) under the FY2017 R&D Tax Incentive (refundable tax offset) 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 ($3.85m) was $864k average per month; with R&D tax rebates recovery included, the net cash usage decreased significantly to $223k average per month.

- The Company's balance sheet at the end of the half-year reporting period shows total net assets of $4.7m, a decrease of $3.8m during the six months from the last annual financial year end, mainly due to lower cash reserves balances (by $1.5m) and the six-monthly FY2017 R&D tax rebates accrual of $2m compared to $3.8m of an annualised FY2016 R&D tax rebates amount. Lease liabilities have increased by $380k due to the lease financing of the Company plant operating equipment (Note 10).

- Cash balance as at half-year end showed $3.1m. Since the end of the half-year period, Dyesol has drawn down an initial $1.75m from its CBA advance facility further increasing cash at bank.

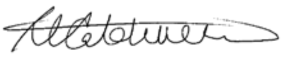
- The Japanese National Institute for Materials Science (NIMS) is challenging a decision of the International Court of Arbitration (ICC) and has commenced proceedings in the Tokyo District Court to set aside an award made by the ICC in favour of Dyesol. In the May 2016 decision the sole Arbitrator dismissed NIMS's claims in their entirety and ordered NIMS to reimburse Dyesol arbitration costs of around $60,000, which remain unpaid.

4. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the independence declaration by the lead auditor under section 307C is included on page 5 to these half-year financial statements.

Dated at Sydney, New South Wales, this 23rd day of February 2017.

Signed in accordance with a resolution of the directors:



Richard Caldwell
Managing Director

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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 2016, 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S M Coulton
Partner - Audit & Assurance

Sydney, 23 February 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	HALF-YEAR 31 DECEMBER 2016 $	31 DECEMBER 2015 $
Revenue from sale of goods and services		770,519	595,749
Cost of sales		(241,321)	(254,981)
Gross profit		**529,198**	**340,768**
Interest revenue		26,662	38,000
Other income	5	80,785	352,591
Technical expenses		(4,181,715)	(4,129,403)
Administration and corporate expenses		(1,993,068)	(2,351,872)
Marketing expenses		(356,355)	(581,403)
Finance costs		(23,685)	(22,758)
Intellectual property expenses		(152,991)	(200,693)
Share of losses of associate		(2,705)	(8,920)
Loss before income tax benefit	6	(6,073,874)	(6,563,690)
Income tax benefit		2,085,029	1,897,270
Net loss for the half-year		**(3,988,845)**	**(4,666,420)**
Other comprehensive income *Items that may be reclassified subsequently to profit or loss*			
Exchange differences on translating foreign operations		59,131	(138,335)
Other comprehensive income/loss for the period, net of tax		59,131	(138,335)
Total comprehensive loss for the half-year		**(3,929,714)**	**(4,804,755)**
Loss for the half-year is attributable to:			
Owners of Dyesol Limited		(3,986,001)	(4,664,001)
Non-controlling interest		(2,844)	(2,419)
		(3,988,845)	**(4,666,420)**
Total comprehensive loss for the half-year is attributable to:			
Owners of Dyesol Limited		(3,926,891)	(4,803,130)
Non-controlling interest		(2,823)	(1,625)
		(3,929,714)	**(4,804,755)**
Loss per share			
Basic and diluted loss per share (cents)		(1.08)	(1.36)

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 2016

	Note	31 DECEMBER 2016 $	30 JUNE 2016 $
ASSETS			
Current assets			
Cash and cash equivalents		3,057,022	4,560,518
Trade and other receivables	8	2,298,404	4,344,446
Inventories		562,328	628,106
Other current assets	7	232,461	382,507
Total current assets		**6,150,215**	**9,915,577**
Non-current assets			
Property, plant and equipment		869,557	651,670
Intangible assets	9	792,577	915,692
Investment in associate		114,478	117,183
Total non-current assets		**1,776,612**	**1,684,545**
Total assets		**7,926,827**	**11,600,122**
LIABILITIES			
Current liabilities			
Trade and other payables		1,395,067	1,775,267
Lease liabilities	10	179,308	37,792
Provisions		729,974	662,569
Total current liabilities		**2,304,349**	**2,475,628**
Non-current liabilities			
Other payables		172,368	130,400
Lease liabilities	10	238,954	-
Provisions		284,769	247,247
Deferred tax liability		255,184	295,478
Total non-current liabilities		**951,275**	**673,125**
Total liabilities		**3,255,624**	**3,148,753**
Net assets		**4,671,203**	**8,451,369**
EQUITY			
Contributed equity	11	108,160,756	108,329,352
Reserves		7,651,908	7,274,654
Accumulated losses		(111,137,188)	(107,151,187)
Capital and reserves attributable to owners of Dyesol		**4,675,476**	**8,452,819**
Non-controlling interest		(4,273)	(1,450)
Total equity		**4,671,203**	**8,451,369**

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 2016

	Note	HALF-YEAR 31 DECEMBER 2016 $	31 DECEMBER 2015 $
Cash flows from operating activities			
Cash receipts from customers		665,435	549,402
Cash payments to suppliers and employees		(6,091,171)	(6,677,961)
R&D tax rebate received		3,844,972	3,282,385
Interest received		16,685	34,534
Interest paid		(22,582)	(5,535)
Grants received		247,044	223,291
Net cash used in operating activities		**(1,339,617)**	**(2,593,884)**
Cash flows from investing activities			
Payments for plant and equipment		(239,950)	(160,686)
Proceeds from disposal of plant and equipment		-	3,400
Loans to related parties		(140,000)	-
Loans repaid by related parties		112,500	12,500
Net cash outflow from in investing activities		**(267,450)**	**(144,786)**
Cash flows from financing activities			
Proceeds from the issue of shares		-	7,698,853
Proceeds from borrowings		275,668	-
Repayment of borrowings		(84,249)	(59,736)
Purchase of Treasury shares	11	(168,596)	(422,159)
Net cash inflow from financing activities		**22,823**	**7,216,958**
Net (decrease)/ increase in cash and cash equivalents held		(1,584,244)	4,478,288
Effect of exchange rates on cash holdings in foreign currencies		80,748	(357)
Cash and cash equivalents at the beginning of the financial year		4,560,518	5,402,909
Net cash at end of period		**3,057,022**	**9,880,840**

The above 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 2016

	Contributed equity $	Accumulated losses $	Reserves: Equity-settled benefit $	Reserves: Foreign currency translation reserve $	Reserves: Other reserve $	Total $	Non-controlling interest $	Total equity $
Balance at 1 July 2015	**100,713,911**	**(95,860,688)**	**6,256,887**	**(154,840)**	**798,887**	**11,754,157**	**3,332**	**11,757,489**
Total comprehensive income for the half-year								
Loss for the half-year	-	(4,664,001)	-	-	-	(4,664,001)	(2,419)	(4,666,420)
Other comprehensive income								
Foreign currency translation reserve differences	-	-	-	(139,129)	-	(139,129)	794	(138,335)
Total comprehensive income for the half-year	-	(4,664,001)	-	(139,129)	-	(4,803,130)	(1,625)	(4,804,755)
Transaction with owners, in their capacity as owners								
Contributions of equity, net of transaction costs	7,648,355	-	-	-	-	7,648,355	-	7,648,355
Conversion of CSIRO to equity	864,095	-	-	-	-	864,095	-	864,095
Share-based payment expense	-	-	230,174	-	-	230,174	-	230,174
Treasury shares purchase	(422,159)	-	-	-	-	(422,159)	-	(422,159)
Total transactions with owners	8,090,291	-	230,174	-	-	8,320,465	-	8,320,465
At 31 December 2015	**108,804,202**	**(100,524,698)**	**6,487,061**	**(293,969)**	**798,887**	**15,271,492**	**1,707**	**15,273,199**
Total comprehensive income for the half-year								
Loss for the half-year	-	(6,626,498)	-	-	-	(6,626,498)	(2,382)	(6,628,880)
Other comprehensive income								
Foreign currency translation reserve differences	-	-	-	(11,555)	-	(11,555)	(775)	(12,330)
Total comprehensive income for the half-year	-	(6,626,498)	-	(11,555)	-	(6,638,053)	(3,157)	(6,641,210)
Transaction with owners, in their capacity as owners								
Share-based payment expense	-	-	294,230	-	-	294,230	-	294,230
Allocation of Treasury shares	(474,850)	-	-	-	-	(474,850)	-	(474,850)
Total transactions with owners	(474,850)	-	294,230	-	-	(180,620)	-	(180,620)
At 30 June 2016	**108,329,352**	**(107,151,187)**	**6,781,291**	**(305,524)**	**798,887**	**8,452,819**	**(1,450)**	**8,451,369**

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 2016

			Reserves					
	Contributed equity	Accumulated losses	Equity-settled benefit	Foreign currency translation reserve	Other reserve	Total	Non-controlling interest	Total equity
	$	$	$	$	$	$	$	$
Balance at 1 July 2016	**108,329,352**	**(107,151,187)**	**6,781,291**	**(305,524)**	**798,887**	**8,452,819**	**(1,450)**	**8,451,369**
Total comprehensive income for the half-year								
Loss for the half-year	-	(3,986,001)	-	-	-	(3,986,001)	(2,844)	(3,988,845)
Other comprehensive income								
Foreign currency translation reserve differences	-	-	-	59,110	-	59,110	21	59,131
Total comprehensive income for the half-year	-	(3,986,001)	-	59,110	-	(3,926,891)	(2,823)	(3,929,714)
Transaction with owners, in their capacity as owners								
Share-based payment expense	-	-	318,144	-	-	318,144	-	318,144
Treasury shares purchase (Note 11)	(168,596)	-	-	-	-	(168,596)	-	(168,596)
Total transactions with owners	(168,596)	-	318,144	-	-	149,548	-	149,548
At 31 December 2016	**108,160,756**	**(111,137,188)**	**7,099,435**	**(246,414)**	**798,887**	**4,675,476**	**(4,273)**	**4,671,203**

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

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENT

These general purpose financial statements for the half-year reporting period ended 31 December 2016 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 2016 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 23rd February 2017.

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 $3,988,845 (2015: $4,666,420) and an operating net cash outflow of $1,339,617 (2015: $2,593,884) for the half-year ended 31 December 2016. At the end of the half-year reporting period, cash balances totalled $3,057,022 (30 June 2016: $4,560,518).

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 Perovskite Solar Cell technology 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 accounts should be prepared on a going concern basis as these strategies are anticipated to be successful:

(a) Government funding support

The Company is continuing its active dialogue with Government agencies in Australia and overseas institutions to seek additional grant funding for its R&D activities. The Company has submitted a few applications during the half-year for Australian Government funding, for a few million dollars to enable Dyesol to remain at the forefront of commercialising perovskite solar cell (PSC) technology in Australia.

(b) R&D Tax Offset Finance Facility

In January 2017, the Company established a $2.5 million Financing Facility with the CBA that allows an advanced drawdown of up to 90% of accrued Research and Development Tax Offset credits. The eligible R&D tax offset cash rebate expected from the ATO for the financial year ending 30 June 2017 forms the primary security for the Facility.

(c) Other funding mechanisms

In addition to the initiatives set out in (a) and (b) above, the Directors continue to look at various sources of funding support and other long term investment options to provide the working capital required to implement Dyesol's Technology Development Plan, successful completion of which, the Directors believe, will create a pathway to achieve successful commercialisation and business development. Until this is achieved additional funding will continue to be required and the Board will select the most appropriate strategic investment options.

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.

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 2016.

4. 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 2016 is as follows:

Product information

	Glass & Equipment		Metal Strip		R &D Materials		Total	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	$	$	$	$	$	$	$	$
Segment revenue								
Total segment revenue	253,283	74,280	-	-	382,292	585,839	635,575	660,119
Inter-segment revenue	(22,162)	(21,424)	-	-	(30,448)	(44,675)	(52,610)	(66,099)
Segment revenue from external customers	231,121	52,856	-	-	351,844	541,164	582,965	594,020
Net loss	(941,724)	(192,461)	(888,646)	(1,387,410)	(2,172,482)	(1,852,886)	(4,002,852)	(3,432,757)

The executive management committee monitors segment performance based on net loss before income tax.

Other segment information								
Non-cash expenses other than depreciation and amortisation	17,266	6,461	48,396	35,651	111,398	92,659	177,060	134,771
Share of net loss of associate included in net loss	-	-	-	-	(2,705)	(8,920)	(2,705)	(8,920)

4. SEGMENT REPORTING (continued)

Other segment information

Segment revenue

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

	31 DECEMBER 2016 $	31 DECEMBER 2015 $
Total segment revenue	635,575	660,119
Inter segment revenue	(52,610)	(66,099)
Other segment revenue		
Technical services	187,554	1,729
Total revenue from sale of goods and services	**770,519**	**595,749**

Net Loss

Net loss reconciles to loss before income tax as follows:

	31 DECEMBER 2016 $	31 DECEMBER 2015 $
Total segment net loss	(4,002,852)	(3,432,757)
Unallocated corporate and other business units income and expenses		
Depreciation and amortisation	(283,472)	(450,784)
Employment cost	(587,914)	(699,092)
Share based payment	(141,085)	(95,403)
Marketing expenses	(91,071)	(266,751)
Foreign currency gain/(losses)	6,210	(1,320)
Unrealised foreign exchange (losses)/gain	(86,222)	667
Interest paid	(23,685)	(22,758)
Interest income	26,662	38,000
Intellectual property expenses	(29,877)	(77,579)
Professional fees	(243,787)	(242,991)
Legal fees	(4,450)	(310,846)
Board, secretarial & other expenses	(460,281)	(562,618)
Share of losses of associate	(2,705)	(8,920)
Other	(149,345)	(430,538)
Loss before income tax from continuing operations	(6,073,874)	(6,563,690)

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.

4. SEGMENT REPORTING (continued)

Geographical information

The Group operates in four major geographical segments, being Australia, Asia and Europe (including Switzerland, Italy and the UK) and North America, being where the customers are based.

Segment information provided to the executive management committee for the half-year ended 31 December 2016 is as follows:

	Australia		Europe		North America		Asia		Total	
	31 Dec 2016 $	31 Dec 2015 $	31 Dec 2016 $	31 Dec 2015 $	31 Dec 2016 $	31 Dec 2015 $	31 Dec 2016 $	31 Dec 2015 $	31 Dec 2016 $	31 Dec 2015 $
Segment revenue										
Total segment revenue	48,534	23,922	354,759	407,592	74,470	197,103	551,893	250,564	1,029,656	879,181
Inter segment revenue	-	-	(218,275)	(257,977)	-	-	(40,862)	(25,455)	(259,137)	(283,432)
Segment revenue from external customers	48,534	23,922	136,484	149,615	74,470	197,103	511,031	225,109	770,519	595,749

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.

5. OTHER INCOME	**31 DECEMBER 2016 $**	**31 DECEMBER 2015 $**
Government and other grants	80,282	351,837
Other income	503	754
Total other income	80,785	352,591

6. EXPENSES

Loss before income tax includes the following expenses:		
Borrowing costs		
Interest expense	23,685	22,758
Share-based payments		
Share based payments to company employees/director	318,144	230,174

	31 December 2016 $	30 June 2016 $
7. OTHER CURRENT ASSETS		
Prepaid expenses	232,461	298,795
GST receivable and PAYG	-	83,712
Total other current assets	232,461	382,507
8. TRADE AND OTHER RECEIVABLES		
Trade receivable, gross	62,861	66,380
Loans, gross	51,240	22,917
R & D tax rebate receivable*	2,000,000	3,800,000
Interest receivable	13,320	3,846
Other receivables	170.983	451,303
	2,298,404	4,344,446

* An income tax receivable of $2,000,000 under the FY2017 R&D Tax Incentive (refundable tax offset) was provided based on the estimated R&D expenditures for the last six months.

	31 December 2016 $	30 June 2016 $
9. INTANGIBLE ASSETS		
Intellectual property and patents, at cost	3,791,610	3,791,610
Less: Accumulated amortisation	(2,929,802)	(2,806,687)
Less: Impairment Loss	(69,231)	(69,231)
	792,577	915,692

No 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 Perovskites PV projects in collaboration with the Company's strategic investors remains unchanged as previously reported for the year ended 30 June 2016.

10. LEASE LIABILITIES	31 DECEMBER 2016 $	30 JUNE 2016 $
Secured lease liabilities		
Current	179,308	37,792
Non-current	238,954	-
	418,262	37,792

Term deposits pledged as security

A Master Asset Finance Facility (MAFF) for a total limit of $500,000 was effected to assist in the financing of the business and plant operating equipment. A Term Deposit of $500,000 was provided to the bank as security for the MAFF.

11. EQUITY SECURITIES ISSUED	Number	$
Issue of ordinary shares during the half-year:		
Balance at 1 July 2015	**339,033,459**	**100,713,911**
Issue of shares to CSIRO as repayment @$0.318 per share	2,717,279	864,095
Placement of shares for cash at $0.26 per share	31,202,938	8,112,764
Transaction costs of share issues	-	(464,409)
	372,953,676	**109,226,361**
1,859,021 Treasury shares purchase	(1,859,021)	(422,159)
Issue of 1,737,088 Treasury shares *	1,737,088	-
Balance at 31 December 2015	**372,831,743**	**108,804,202**
Balance at 1 July 2016	**370,812,058**	**108,329,352**
863,679 Treasury shares purchase @$0.195 average per share*	(863,679)	(168,596)
Issue of 758,715 Treasury shares on exercise of performance rights @$0.249 average per share*	758,715	-
Balance at 31 December 2016	**370,707,094**	**108,160,756**

* Treasury shares are shares in Dyesol Limited that are held by "AET SFS Pty Ltd" for the purpose of issuing shares under the Dyesol Limited Performance Rights Plan. During the period, the Company acquired 863,679 of its own shares at a cost of $168,596 for the purpose of making awards under the Dyesol Limited Employee Performance Right Plans ("Plan") and these shares have been classified in the balance sheet as Treasury shares within equity. 758,715 shares have been allotted to various employees upon vesting of their performance rights during the period.

11. EQUITY SECURITIES ISSUED (CONTINUED)	31 DECEMBER 2016 $	31 DECEMBER 2015 $
Earnings per share		
Reconciliation of earnings to profit or loss		
Loss attributable to owners of Dyesol Limited used to calculate earnings per share	(3,986,001)	(4,664,001)

The calculation of basic loss per share at 31 December 2016 was based on the loss attributable to owners of Dyesol Limited ($3,986,001) (2015: $4,664,001) and a weighted average number (W.A.N.) of ordinary shares outstanding at 31 December 2016 of 370,217,987 (2015: 342,070,017) shares calculated as follows:

	31 DECEMBER 2016		31 DECEMBER 2015	
	Actual No.	**W.A.N**	**Actual No.**	**W.A.N**
Issued ordinary shares at beginning of period	370,812,058	370,812,058	339,033,459	339,033,459
Effect of shares issued pursuant to placement	-	-	33,920,217	3,840,851
	370,812,058	**370,812,058**	**372,953,676**	**342,874,310**
Effect of Treasury shares purchase	(863,679)	(721,898)	(1,859,021)	(1,177,796)
Effect of Treasury shares issued	758,715	127,827	1,737,088	373,503
Balance at the end of period	**370,707,094**	**370,217,987**	**372,831,743**	**342,070,017**

12. SHARE-BASED PAYMENTS

Managing Director Performance Rights

During the half-year the Company granted 1,280,711 performance rights to Mr Richard Caldwell in relation to the Dyesol Performance Rights Plan as approved by shareholders at the 2016 AGM.

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 subject to a market vesting condition (Absolute TSR Hurdle) and a non-market service vesting condition.

The vesting conditions applicable to the 1,280,711 performance rights issued to Mr Richard Caldwell are as follows:

Vesting Conditions

100% of the Performance Rights will be subject to a performance hurdle relating to absolute TSR over a period from grant date to 30 November 2019. The Dyesol TSR will be set at 100 on the date of grant of the Performance Rights and must be equal or exceed 350 on 30 November 2019: that is, the Dyesol TSR must increase by 250% over the measurement period for the Performance Rights to vest.

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.

Fair value of performance rights granted

The fair value of the 1,280,711 performance rights granted to Mr Richard Caldwell was calculated at the date of grant using the Monte Carlo valuation approach and allocated to each reporting period evenly over the period from grant date to vesting date. 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	Performance Rights
Grant date	24 November 2016
Number of performance rights	1,280,711
Vesting date	30 November 2019
Exercise price	$0.00
Price of shares on grant date	$0.235
Estimated volatility	65.00%
Risk-free interest rate	1.92%
Dividend yield	0%

Based on the approach and assumptions detailed above, the estimated fair value of Mr Richard Caldwell's performance rights is $0.0724 per share.

12. SHARE-BASED PAYMENTS (CONTINUED)

Employee Performance Rights

During the half-year the Company granted the following performance rights in relation to the Dyesol Performance Rights Plan:

- 3,005,000 performance rights issued to employees

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

The vesting periods are from 12 to 36 months from date of grant and vesting will be subject to a "market-based vesting condition" (TSR Relative Hurdle) and "non-market based service conditions" i.e. KPI and Service conditions.

Vesting Conditions

The vesting conditions applicable to the 3,005,000 performance rights issued to employees are as follows:

Tranche 1: Up to 1,051,750 of the Performance Rights will vest on 1 December 2017, determined by the assessment of individual performance against individual KPIs in the financial year 1 July 2016 to 30 June 2017.

Tranche 2: Up to 751,250 of the Performance Rights will vest on 1 December 2018, if Dyesol's Total Shareholder Return outperforms the S&P/ASX Small Ordinaries Index over the measurement period 1 July 2016 to 30 June 2018 (TSR Hurdle).

Tranche 3: Up to 1,202,000 of the Performance Rights will vest on 1 December 2019 if the Service condition for this tranche is met.

In addition to the Performance Vesting Conditions above, the participant must have uninterrupted employment with Dyesol from Grant Date until Vesting Date (for each Tranche) for the Performance Rights (of each Tranche) to vest (Service Condition).

Fair value of performance rights granted

The fair value of the 3,005,000 performance rights granted to employees was calculated at the date of grant using the Monte Carlo valuation approach for the performance rights subject to a market vesting condition (TSR Hurdle), and using the Binomial Approximation Option Pricing valuation approach for the performance rights subject to non-market vesting conditions, and was allocated to each reporting period evenly over the period from grant date to vesting date. 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	Tranche 3
Grant date	19 December 2016	19 December 2016	19 December 2016
Number of performance rights	1,051,750	721,250	1,202,000
Vesting date	1 December 2017	1 December 2018	1 December 2019
Exercise price	$0.00	$0.00	$0.00
Price of shares on grant date	$0.225	$0.225	$0.225
Estimated volatility	65.00%	65.00%	65.00%
Risk-free interest rate	1.83%	1.88%	1.96%
Dividend yield	0%	0%	0%

Based on the approach and assumptions detailed above, the estimated fair value of performance rights issued to employees is as follows:

Tranche 1	Tranche 2	Tranche 3
$0.225	$0.1511	$0.2251

13. RELATED PARTY TRANSACTIONS

The following loans were issued to Key Management Personnel during the half-year period:

Key management person	Balance at 1 July 2016 $	Interest paid and payable on loan $	Amount loaned for the half-year $	Loan repayment $	Balance at 31 December 2016 $
Mr R Caldwell	-	$728	$100,000	$100,728	-
Mr K L Niu	$22,917	$1,323	$40,000	$13,000	$51,240

For the loan issued to Mr R Caldwell the highest amount owed during the half-year period was $100,728. The loan has an interest rate payable at 5.65% per annum.

For the loan issued to Mr K L Niu the highest amount owed during the half-year period was $51,240. The loan has an interest rate payable at 5.65% per annum.

14. CONTINGENT LIABILTIES

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

15. CAPITAL COMMITMENTS

There are no material capital commitments at the end of the reporting period.

16. SUBSEQUENT EVENTS

- In January 2017, the Company established a $2.5 million Financing Facility with the CBA that allows an advanced drawdown of up to 90% of accrued Research and Development Tax Offset credits. The eligible R&D tax offset cash rebate expected from the ATO for the financial year ending 30 June 2017 forms the primary security for the Facility. The financing facility incurs a line fee of 4% on the Facility Limit, and a Liquidity Fee of BBSY (Bank Bill Benchmark Rate for the Funding Period) plus 0.25% p.a. on amounts drawn down.

- During February 2017, the Company has been awarded a $2.5m grant under the Cooperative Research Centre Projects (CRC-P) programme. The grant is administered by the Australian Department of Industry and Dyesol's share of the total grant is estimated to be $1.9m. The funding support is over an 18 month project.

Directors' Declaration

DYESOL LIMITED AND ITS CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

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 2016 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 Sydney, New South Wales, this 23rd day of February 2017

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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 (the Company), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2016, 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 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 2016 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.

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 2016 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

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 $3,988,845 and an operating net cash outflow of $1,339,617 during the half-year ended 31 December 2016. As at 31 December 2016 cash and cash equivalents amount to $3,057,022.

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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S M Coulton
Partner - Audit & Assurance

Sydney, 23 February 2017