



Beautiful accounting software

MARKET RELEASE

Xero comments on share price

18 March 2013

In respect to the company's recent share price increases, Xero Ltd (XRO) is aware of increased interest from overseas investors wanting exposure to the Software as a Service technology segment. Software as a Service is seen as a high growth opportunity with industry revenues expected to grow significantly over the next five years.

The company is experiencing increased profile internationally following the appointment of an ex-Google executive, US media interest and recent roadshows in Australia attended by over 3700 accountants. In New Zealand the annual Xerocon conference in February had 800 attendees, up from 400 last year.

The company is not seeking additional funds at this time. It has over NZ\$80 million in cash and is sufficiently funded to execute on its current plans.

Xero advises it remains on track to double revenue for the full year to 31 March 2013, has continued to invest for growth and will finish the financial year with over 400 staff. The company remains focused on extending its feature set and building up infrastructure and services to provide the capability to support a million customers.

In 2013 Xero expects to complete the breadth of functionality to fully compete with the incumbent desktop software providers while delivering significant new innovations. A key focus for the business for the year ahead is building out the global in-market teams.

Xero CEO Rod Drury says speculation about Xero listing on a US stock exchange is a little early.

"A US listing is certainly something a business with global aspirations would consider. We have been advised it would not make sense to consider a listing in the US until we can see at least US\$100 million of revenue, so the focus for now remains on growing the team, customers and revenue while building systems and processes for efficiency."

The company will provide an FY13 operating update in early April.

For more information contact:

Rod Drury
Xero Chief Executive
rod.drury@xero.com
+64 27 6000 007

About Xero

Xero provides beautiful, easy to use online accounting software for small businesses and their advisors. The company has over 135,000 paying customers and 200,000 users in more than 100 countries around the world. The company is listed on the NZX and ASX.

See <http://xero.com>