



Beautiful accounting software

MARKET RELEASE

Xero to exceed NZ\$30m operating revenue for first half of FY 2014

3 October 2013

(Note: all currency is in New Zealand dollars and results are unaudited)

Half-year revenue for Xero Limited (XRO) is expected to exceed NZ\$30.3m as the business continues to establish its position as a global leader for small business cloud accounting.

Key metrics

- First half of FY 2014 operating revenue is expected to exceed NZ\$30.3m. This compares to \$16.5m for the corresponding period last year, or +84% growth. Note that these figures have been adjusted to remove Xero Personal revenue, which is deemed to be a discontinued operation.
- Annualised Committed Monthly Revenue (ACMR) at 30 September 2013 is \$70.6m, which is made up of New Zealand \$23.9m, Australia \$30.2m, UK \$10.2m, and US/RoW \$6.3m.
- Number of accounting and bookkeeping partners globally is 8,800.
- Number of add-on applications globally is 300, up from 160 a year ago.
- Paying customers are 211,300 at 30 September 2013, up from 111,800 at the same date last year, or +89% growth.
- Number of staff grew from 278 to 584 over the past year.
- Cash on hand is \$55m.

Paying customers

	As at 30 Sept 2013	As at 30 Sept 2012	Year on year change
New Zealand	85,500	57,300	+49%
Australia	79,100	32,500	+143%
United Kingdom	30,100	15,100	+99%
United States/Rest of World	16,600	6,900	+141%
Total	211,300	111,800	+89%

Summary

Over the last six months management capacity has been strengthened in each market to ensure we have the right leadership capability in place to drive and manage continued rapid growth.

New product development and support teams have been created and significant new product development is underway. These include Australian Tax, for which the first phase has been delivered, and US Payroll, which received a positive response at our US accounting partner conference last month. US Payroll is an additional revenue opportunity and will launch by the end of this year.

The success of recent accounting partner conferences in AU, US and the UK, an expanding partner channel, and performance relative to competitors, gives the company confidence in its ability to drive growth by continuing investment in sales, marketing and product development.

For more information contact:

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

About Xero

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

See www.xero.com