



Beautiful accounting software

MARKET RELEASE

Xero acquires leading practice management company

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Xero accounting software (XRO) has taken full ownership of leading software developer Max Solutions Holdings Limited.

In late September 2010 Xero invested \$200,000 to take a 15.9% stake in Auckland based Max Solutions, the company behind the successful online job, time and invoice management solution WorkflowMax which is used by more than 1000 businesses in 35 countries.

The initial investment was to help Max Solutions fund the development of a New Zealand tax lodgement system. This now forms part of Xero's Modern Practice offering - a suite of online solutions accountants can use to run their practice in the cloud without the need for expensive in-house servers.

Xero's New Zealand Country Manager Leanne Graham says over 3300 accounting and bookkeeping firms worldwide now use Xero which proves the accountant channel strategy is working.

"Adding WorkflowMax to our portfolio of products will mean we can offer a more seamless experience for our accounting partners. Not only does it help us win the entire practice, it places us in a very strong position against incumbent providers."

The total cost of the acquisition is \$2 million cash and \$4 million of Xero shares. The shares will vest over three years. Max Solutions founders Gavin George and Chris Spence will become part of the Xero team and will bring with them all other Max Solutions staff.

"Our team has worked alongside Gavin and Chris for four years and we continue to be impressed with their ability to innovate and deliver," says Xero CEO Rod Drury. "They will take a leadership role at our new Auckland premises where we are creating a new development hub."

"We are incredibly excited about the enormous opportunities this affords both the WorkflowMax team and product set," says Max Solutions co-founder Gavin George. "We always envisaged that WorkflowMax would be a truly global solution, and now with the funding, talent and energy that Xero brings we have a significant opportunity to achieve our goal."

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About Max Solutions

Max Solutions was formed in 2007 by business partners Gavin George and Chris Spence. The primary aim was to build a job management solution to be delivered across the internet. WorkflowMax was brought to market in early 2008 with resounding success.