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MARKET RELEASE

Xero to break into the consumer market

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Online small business accounting software provider Xero (XRO) will launch a personal money manager in early 2010.

Xero Personal will allow consumers to have a complete view all aspects of their finances. They'll be able to see ALL their bank accounts in one place; accurately track where their money is going; set savings goals and monitor the progress toward these - all in a way that's not been seen before.

"There's an increasing blur between consumer and SME services and personal/consumer finance literacy is a hot topic on the global stage," says Xero CEO Rod Drury.

"Recent evidence of this is US financial and business solution giant Intuit acquiring Californian based online personal finance service Mint.com for US\$170 million."

Xero Personal extends the Xero service, exposing it to a vast, much wider consumer market.

"Xero Personal is a spectacular hybrid model, which we believe is a world first," says Rod Drury.

"We looked at the current stand alone offerings and solutions provided within Internet banking sites and decided to take a different approach that combines the rapid innovation Xero customers have come to expect, with the power of the transactional banking platforms."

To develop Xero Personal and to help take it to market in New Zealand, Xero has formed a partnership with the BNZ, which is a strategic investor in Xero.

"We're delighted with what we've been able to achieve with BNZ," says Rod Drury.

"As a long term partner of Xero, BNZ is excited about being involved with such an innovative product which will allow our customers to see at a glance where their money is being spent and how they can reach their savings goals quicker," says BNZ's Director, Retail, Chris Bayliss

BNZ will be offering a co-branded version of Xero Personal to its customers. This version will allow bank statement details to be imported automatically each day, giving BNZ customers an up-to-date snapshot of their finances.

While Xero Personal will be available to Xero customers who don't bank with BNZ, bank statements from other banks will need to be imported manually.

Xero is looking to partner with banks in other offshore markets and jointly promote the Xero Personal offering to their customers.

For customers who use Xero's online business accounting service, Xero Personal will give them the ability to lodge and track business expenses - paid for from a personal account or credit card, directly back into Xero.

Xero personal has been in development for the past 6 months and an internal pilot will start next month in conjunction with BNZ.

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About Xero

Xero is an easy to use small business SaaS (Software-as-a-Service) accounting system co-founded by technology entrepreneur Rod Drury. Xero listed on the NZX in June 2007. The company has customers in more than 50 countries and sales teams in the UK and Australia.

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