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MARKET RELEASE

Xero signs up 1000 customers in 50 days

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Xero announced today it has increased its customers by over 1000 in the past 50 days. Xero now has over 4000 customers.

Xero is pleased to have had a flying start to 2009 amongst the doom and gloom currently affecting business.

Xero attributes part of its acceleration this year to two main factors:

- In the current climate, Xero software allows businesses to see and focus on their daily cashflow; and
- In the New Zealand market the 'word of mouth' effect is happening.

The numbers below are evidence that the strategy employed by Xero is working, and accelerating at a pace that CEO Rod Drury is more than happy with:

"We are well-positioned to be the global accounting system of choice for small business – that and our SaaS business model has now been validated. We're still a young company and we're extremely excited about the next phase of Xero as we beef up our sales and marketing."

To date Xero has invested heavily in product research, development and personnel, with minimal marketing spend. Mr Drury says 2009 will see marketing become more of a company focus.

Xero by numbers:

- Over 4000 customers globally
- The UK arm of Xero, based in London, has signed over 1000 customers
- 246 Xero Certified Advisors; all added in the past year
- Over 200 accounting partners
- Since global launch, people are using Xero in 46 countries

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