



Beautiful accounting software

PRESS RELEASE

Xero surpasses one million subscribers

Doubling subscribers in less than two years, Xero has organically grown from the market challenger to a global accounting platform leader

WELLINGTON, 30 March, 2017 - Xero Limited (NZX: XRO; ASX: XRO) today announced it recently surpassed one million subscribers* worldwide on its global cloud accounting platform.

Xero has doubled subscriber numbers in less than two years and has quickly grown to become a global accounting platform leader, adding nearly 300,000 subscribers in the last year alone.

“Five-and-a-half years ago, at 50,000 subscribers, we asked shareholders to imagine our business at a million subscribers,” Xero CEO and Founder, Rod Drury said. “We invested for the long term to build a business and ecosystem to achieve those numbers. It’s very satisfying to deliver on that promise.

“Starting around ten years ago with our first lines of code, it’s amazing to see the global community who have built businesses on our platform. We thank our accounting and bookkeeping partners, small businesses customers, our Xero people and investors who have been cloud pioneers, reinventing how small businesses work in a digitally connected world,” Drury said.

Accounting has gone global

With subscribers in more than 180 countries, many are now doing business across borders - not just in their home countries. Cloud technology has reshaped trade over the last decade, and we’re seeing the rise of truly global small businesses that have grown up without the need to operate within the confines of a single country’s borders.

“Only a global platform - on a single global code base like Xero - can offer the opportunity for small businesses and their advisors to expand their businesses offshore, connect to banks in multiple countries and use Xero’s technology and payment partnerships with Google, Apple,

**In line with its previous definition, Xero measures subscribers as each unique subscription to a Xero offered product that is purchased by an accounting partner or an end user and which is, or is available to be, deployed.*

Square, Paypal, Stripe and others to do business seamlessly all over the world. It sets in motion a global network effect as small businesses expand their trade between countries,” Drury said.

“Many of the 100,000 business advisors who work with their clients on Xero have small businesses that import or export. The increasingly global nature of small business means that, like Airbnb, Amazon, and Facebook, accounting platforms must also be global. Surpassing one million subscribers positions us as a leading global cloud accounting platform. We’re just getting started.”

Ready for the AI generation

The next wave of accounting innovation is Artificial Intelligence (AI) and machine learning. Xero completed its complex migration to Amazon Web Services, consolidating the platform on a powerful set of technologies that help unlock the power of our vast connections and data. In the last 12 months, Xero has processed more than \$1.2 trillion of global economic activity, giving it a unique and high-value dataset to drive insights and machine learning.

Xero’s machine learning system can now code invoices for small businesses, categorize expenses and recommend accounting practices to a potential client, automating the busy work of accounting, freeing advisors up to focus on providing clients with expert advice.

“Machine learning and automation will open up the next phase of innovation in accounting, driving a transition in the industry bigger than the move to the cloud did ten years ago. With technology doing more of the time-consuming, data entry work, we will see more accountants take on advisory and virtual CFO roles within the small businesses they support,” Drury said. “Rather than just keying in data, they’re interpreting the output - and with the power of machine learning, they’ll provide higher level advisory services that help clients feel in control of their finances which is a key human function that cannot be replaced.”

Cloud innovation drove Xero’s rise to help more than one million subscribers. Machine learning and automation will be the wave which enables us to scale to service millions of small businesses and advisors around the world.

“Xero has evolved from the market challenger into one of the leading global cloud accounting platforms. The first challenger to surpass one million subscribers is a significant milestone for cloud accounting and validation for an industry which didn’t exist a decade ago. Together with our accounting partners and small business owners, we’re so excited to lead the industry innovation charge,” Drury said.

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About Xero

[Xero](#) is beautiful, easy-to-use online accounting software for small businesses and their advisors. The company has over one million subscribers in more than 180 countries. Xero seamlessly integrates with over 500 apps. It was ranked No. 1 by Forbes as the [World's Most Innovative Growth Company](#) in both 2014 and 2015, while Canstar Blue rated Xero Australia's best accounting software in 2015 and 2016 based on research from 800 small businesses.