



# XERO

## COMPANY INFORMATION

### Introduction

Xero is the emerging leader of hosted accounting software and services for small businesses. Xero's vision is to provide small business owners with real-time visibility of their financial position.

For accountants, Xero enables a trusted relationship with clients, allowing the advisor to operate as a virtual chief financial officer from anywhere at anytime.

For banking institutions Xero links transactions to workflow and cashflow management, providing the bank manager with an opportunity to proactively add value.

For telecommunications carriers, Xero provides a compelling internet offering to their small business customers that drives community network effects.

### The Problem

Underpinning the growth and profit of all small businesses is effective financial planning and accounting.

Xero is based on the principle that small businesses are highly sensitive to shifts in their balance sheet and cashflow. Their ability to monitor financial performance in real-time and plan ahead is crucial and because such businesses make up more than 90% of all businesses by number across OECD countries, their success or otherwise has a direct effect on the greater economy.

### The Solution

At its core Xero is an easy-to-use but powerful online accounting system designed specifically for small businesses. Xero includes a full accrual accounting system with a cashbook, automated daily bank feeds, invoicing, debtors, creditors, GST and reporting.

Xero is at the forefront of internet-enabled business.

### Path to NZX Listing

Xero was founded in 2006 by award-winning technology entrepreneur Rod Drury and small business specialist and Chartered Accountant Hamish Edwards.

In June 2007 Xero listed on the New Zealand Stock Exchange, becoming the country's 2007 tech sector pioneer.

Xero has achieved a number of milestones since listing. They include moving to General Release of its software in August 2007; the addition of bank feeds from all major New Zealand banks; and in March 2008 launching into the UK market.

### Software as a Service

Xero's Software as a Service business model – where software is hosted on the internet – is an innovative means of supplying solutions to large fragmented markets such as small businesses.

Xero releases new features every two to three weeks which means new functionality is continually added and extended to meet requirements of new customers and new industries.

### Technology

Xero is a Microsoft Gold Certified Partner – Independent Software Vendor & Mobility Solutions.

The Xero software is developed using Microsoft's .NET development environment, used in conjunction with a relational multi-tenanted SQL Server 2005 database that handles the load and complexity of accounting data with ease.

Xero operates strict authorisation and security policies to ensure the safety of customer data.

### Recognition

Microsoft New Zealand Microsoft Partner Awards 2007: Winner Overall Partner. Solution of the Year Small Business; Winner Software Solution of the Year.

PricewaterhouseCoopers New Zealand Hi-Tech Awards 2007: Winner NZX Entrepreneur of the Year Award, Xero CEO Rod Drury; Winner Endace Young Achiever Award Xero CTO Craig Walker; Winner PR/Marketing Campaign Award.

Telecommunications Users Association of New Zealand (TUANZ) Innovation Awards 2007: Winner Overall TUANZ Telecommunications Innovation of the Year Award; Winner TUANZ Commerce Award.

TUANZ Business Internet Awards 2007: Winner Software-as-a-Service Award.

International Technium Challenge UK 2007 winner.

New Zealand Trade & Enterprise premier exporter Beachheads Programme & marketing programme.

New Zealand Government Foundation for Science and Research Technology grants.

### Board & Executive

Phil Norman, Chairman  
Sam Morgan, Director  
Guy Haddleton, Director  
Graham Shaw, Director  
Hamish Edwards, Executive Director  
Rod Drury, CEO & Executive Director  
Alastair Grigg, Chief Operating Officer

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