



SAMPLE

XERO'S NEXT CHAPTER OF GROWTH: 2018 FINANCIAL RESULTS

10 May 2018

DEAR SHAREHOLDER

Today we announced Xero's financial results for the year ended 31 March 2018, achieving our first positive EBITDA for a full-year, while delivering a 38% increase in operating revenue.

We added 351,000 subscribers in the financial year, bringing us to 1.386 million subscribers globally. Our decision to move to a sole listing on the ASX in February 2018 is already paying off, as demonstrated by Xero being included in the S&P/ASX 100 index in March 2018.

To learn more about Xero's performance, please read our 2018 Annual Report which is available to view and download on our website at: www.xero.com/annual-report-2018 or see the notice below on how you can request a copy.

A BRIEF INTRODUCTION

In my first six weeks as Xero's CEO, I've come to appreciate how special our business is, how important our purpose is, and how big and exciting the opportunities are ahead.

I'd like to thank and acknowledge Xero's founder, Rod Drury. Rod's leadership and vision, along with the support of the great Xero team around him, is the driving force behind what Xero and our community of customers and partners have grown to become. Rod's guidance and insights on the business and product innovation is available to me and Xero in his new role as a non-executive director of Xero.

Xero Limited (XRO)
NZ Company no. 1830488
ARBN 160 661 183

Registered Office
19-23 Taranaki St
Te Aro, Wellington 6011

T +64 4 819 4800
F +64 4 819 4801
E info@xero.com

www.xero.com
0800 GET XERO

THE NEXT CHAPTER OF GROWTH

As Xero continues to expand globally, it's important to reiterate that we remain a proud New Zealand business. Over half of our team (more than 1,000 people) work and live in New Zealand and we remain headquartered in Wellington. Our vision for Xero and our mission remains - to rewire the global economy, connecting millions of businesses to their banks, advisors and each other.

On behalf of the Xero team and the Board, I would like to thank you for your continued support. We look forward to sharing our progress with you as we move into the year ahead.

Best wishes



Steve Vamos
CEO

NOTICE UNDER SECTION 209C OF THE COMPANIES ACT 1993 (NEW ZEALAND)

Xero's 2018 Annual Report is now publicly available on our website at www.xero.com/about/investors/financial-info. Our FY19 Interim Report will be available in November 2018 on the same website page. All of our future annual and interim reports will be publicly available on our website.

New regulations have changed the way we communicate with you about our annual and interim reports. As a result, any previous instructions you have given us about sending printed copies of our reports no longer apply.

Printed copies of Xero's 2018 Annual Report are available to shareholders free of charge - you can request one by emailing registrars@linkmarketservices.com.au. If you wish to receive a printed copy of future Xero reports, please update your communication preferences at the Link Market Services Limited Investor Centre at: <https://investorcentre.linkmarketservices.com.au>.

If you have any questions about this notice, please contact Link on +61 1300 554 474 or email registrars@linkmarketservices.com.au.