

Disclosure of movement of 1% or more in substantial holding or change in nature of relevant interest or both

Sections 23 and 24, Securities Markets Act 1988

Relevant event being disclosed:	Movement of 1% or more in substantial holding
Date of relevant event:	16 October 2013
To:	NZX Limited
And:	Xero Limited
Date this disclosure made:	17 October 2013
Date last disclosure made:	30 November 2012

Substantial security holder(s) giving disclosure

Name(s):	Anna Drury and Kenneth Drury (Rod Drury)
Contact details:	20-22 Munroe Street, Napier, 4110, New Zealand
Contact name for queries:	Matt Vaughan
Telephone number:	+64 4 974 7361
Email:	companysecretary@xero.com

Summary of substantial holding to which disclosure relates

Class of listed voting securities:	Fully paid ordinary shares in Xero Limited (Xero)
Summary for:	Anna Drury and Kenneth Drury
For this disclosure,—	
(a) total number held in class:	21,719,779
(b) total in class:	127,523,561
(c) total percentage held in class:	17.032%
For last disclosure,—	
(a) total number held in class:	21,719,779
(b) total in class:	117,188,024
(c) total percentage held in class:	18.5%

Details of transactions and events giving rise to relevant event

On 17 October 2013, Xero lodged a Notification of Allotment of Securities with NZX disclosing that Xero had issued 9,917,358 Ordinary Shares in connection with a capital

raise. No shares were issued to Anna Drury and Kenneth Drury in connection with the capital raise, and Anna Drury and Kenneth Drury have not acquired or disposed of any shares in Xero since the last substantial holding disclosure given by Anna Drury and Kenneth Drury (on 30 November 2012).

Anna Drury and Kenneth Drury are required to make this disclosure due to the % change in their interest in Xero resulting from the issue of 9,917,358 shares by Xero on 16 October 2013.

Details of relevant interests in substantial holding after relevant event

Nature of relevant interest(s): Family trust associated with Rod Drury

For the relevant interest,—

- | | |
|---|---------------------------------|
| (a) number held in class: | 21,719,779 |
| (b) percentage held in class: | 17.032% |
| (c) current registered holder(s) of securities: | Anna Drury and
Kenneth Drury |
| (d) registered holder(s) of securities once transfers registered: | Not applicable |

Additional information

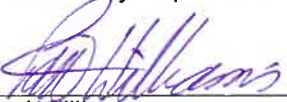
Nature of connection between substantial security holders: Not applicable

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Securities Markets Act 1988 in relation to the securities to which this disclosure relates:

Not applicable

Declaration

I, Paul Williams, declare that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorized to make this disclosure by all persons for whom it is made.



Paul Williams