

Appendix 3X

Initial Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity: Xero Limited
ARBN: 160 661 183

We (the entity) give ASX the following information under listing rule 3.19A.1 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Chris Liddell
Date of appointment	12 February 2014

Part 1 - Director's relevant interests in securities of which the director is the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Number & class of securities
78,481 Options to subscribe for Ordinary Shares in Xero Limited (each Option entitling the holder to subscribe for one Ordinary Share subject to the terms of the Xero Limited (USA) Equity Incentive Scheme). The material terms of the Options are set out in the Appendix 3B released by Xero Limited to ASX on 12 February 2014. 65,000 of the Options held by Chris Liddell were granted in connection with Chris Liddell's role as US Advisor, and 13,481 of the Options held by Chris Liddell were granted in connection with Chris Liddell's role as director.

+ See chapter 19 for defined terms.

Part 2 – Director's relevant interests in securities of which the director is not the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Name of holder & nature of interest Note: Provide details of the circumstances giving rise to the relevant interest.	Number & class of Securities

Part 3 – Director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	Nil, other than in connection with the relevant interests described in Part 1.
Nature of interest	
Name of registered holder (if issued securities)	
No. and class of securities to which interest relates	

+ See chapter 19 for defined terms.