

9 April 2009

Market Information Services Section
New Zealand Exchange Limited
Wellington

NOTIFICATION OF ALLOTMENT OF SECURITIES

For the purposes of Listing Rule 7.12.1 of the NZSX Listing Rules, Xero Limited advises the following securities have been issued pursuant to the Employee Incentive Schemes:

Class of securities issued	Ordinary Shares
ISIN	NZXROE0001S2
Number of securities issued	Ordinary Shares
Issue price	0.90 cents per share
Payment in cash?	Yes
Any amount paid up (if not in full)	Fully paid
Percentage of total class issued	9.43%
Reasons for the issue	Issue of Ordinary Shares pursuant to NZSX Listing Rule 7.3.5
Specific authority for the issue	Resolution of directors dated 6 April 2009
Terms or details of the issue	Issue of 5,777,779 Ordinary Shares ranking pari passu in all respects.
Total number of securities of the class in existence after the issue	61,238,472 Ordinary Shares
Date of issue	7 April 2009

Linda Cox
Company Secretary