

Xero Limited (“Xero”)

Market Release

Xero – Share Purchase Plan

Further to Xero’s announcement on 7 April 2009 of a strategic placement of NZ\$23.2 million of new Xero shares at NZ\$0.90 per share, Xero wishes to confirm certain details in relation to its proposed Share Purchase Plan (SPP).

The SPP will enable each eligible New Zealand based shareholder to apply for new Xero shares up to NZ\$5,000 at NZ\$0.90 cents per share. The total amount to be raised from the SPP will not be capped and Xero will be accepting all applications (up to the maximum amount of NZ\$5,000 per eligible shareholder in accordance with the NZX Listing Rules).

The SPP will give Xero shareholders the opportunity to participate in the capital raising and to increase their shareholding in Xero.

Documents, including an application form in respect of the SPP, will be posted around 30 April 2009 to all New Zealand shareholders on the register at 5pm on 23 April 2009.

Applications under the SPP will close at 5pm on 18 May 2009 and share allotments will occur around 25 May 2009.

All other details regarding the SPP will be included in the information that will be sent to shareholders in due course.

Contact details:

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Company Secretary
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Application has been made to NZX for permission to list the securities and all the requirements of NZX relating thereto that can be complied with on or before the date of this release have been duly complied with. However, NZX accepts no responsibility for any statement in this release.