

NOTICE TO NEW ZEALAND EXCHANGE LIMITED

LISTING RULE 7.12.1:

XERO LIMITED

1. For the purposes of Listing Rule 7.12.1 of the NZSX Listing Rules, this notice concerns those securities in Xero Limited that have been acquired on market by Xero Limited on 31 July 2009.
2. This notice has been provided by First NZ Capital Securities Limited, on behalf of Xero Limited.
3. Details of the acquisition are as follows:
 - (a) Security acquired: Ordinary Shares
ISIN: NZXROE0001S2
 - (b) Number of securities acquired: 15,341
 - (c) Average consideration per security acquired: \$1.4734
 - (d) Payment type: Cash Payment
 - (e) Not applicable
 - (f) Percentage of total securities acquired: 0.017%
 - (g) Reason for acquisition: The purpose of the share buyback is to acquire an equivalent number of ordinary shares as will be issued pursuant to Xero's employee restricted share plan ("Plan") for the year ended 31 March 2010. The share buyback is intended to eliminate any increase in capital arising under the Plan and any consequential dilutionary effect for existing shareholders.
 - (h) Specific authority: Director Resolution
 - (i) Any terms of the acquisition: Not applicable
 - (j) Total number of securities after acquisition: 87,718,037
 - (k) Intentions for shares acquired: Treasury Stock, then allocation to employees under the Plan.
 - (l) Date of acquisition: 31 July 2009
4. Please contact Will Thomson on (09) 302 5543 if you require further information.