



19 February 2015

Matt Vaughan
Senior Legal Counsel and Company Secretary
Xero Limited
Wellington

By email: Matt.Vaughan@xero.com

Dear Matt,

Price Enquiry

We write with respect to the continuous disclosure Listing Rules.

Listing Rule 10.1.1 ("**the rule**") is set out in the Schedule attached to this letter. In summary, this rule requires issuers to immediately disclose any Material Information to NZX Limited ("NZX"). The rule provides limited exceptions to this obligation. Material Information does not need to be disclosed where a reasonable person would not expect the information to be disclosed *and* where the information is confidential and its confidentiality is maintained *and* where one of five safe harbours applies.

During the period 17th February 2015 to 19 February 2015, the price of Xero Limited Ordinary Shares ("**XRO**") has increased from a market close price of \$16.40 to \$19.00, being the market price at 1:10pm on the date of this letter. This represents a total increase of \$2.60, or 15.85%.

Given this increase in the price of XRO, please advise NZX whether Xero Limited continues to comply with Listing Rule 10.1.1.

Could you please provide NZX with an answer to the above question (email: surveillance@nzx.com) before **3:30 pm Thursday 19 February 2015**.

Please note that Xero Limited's response to this letter will be published in full to the market.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Fraser Wyeth".

Fraser Wyeth
Market Surveillance





SCHEDULE

10.1.1 Continuous Disclosure of Material Information: Without limiting any other Rule, every Issuer shall:

- (a) once it becomes aware of any Material Information concerning it, immediately release that Material Information to NZX, provided that this Rule shall not apply when:
 - (i) a reasonable person would not expect the information to be disclosed; and
 - (ii) the information is confidential and its confidentiality is maintained; and
 - (iii) one or more of the following applies:
 - (A) the release of information would be a breach of law; or
 - (B) the information concerns an incomplete proposal or negotiation; or
 - (C) the information comprises matters of supposition or is insufficiently definite to warrant disclosure; or
 - (D) the information is generated for the internal management purposes of the Issuer; or
 - (E) the information is a trade secret.

In this Rule 10.1.1, an Issuer is aware of information if a Director or an executive officer of the Issuer (and in the case of a Managed Fund, a Director or executive officer of the Manager) has come into possession of the information in the course of the performance of his or her duties as a Director or executive officer.





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19 February 2015

Fraser Wyeth
Market Surveillance
NZX Market Services
By email: surveillance@nzx.com

Dear Fraser

Price Enquiry regarding Xero Limited ("Xero")

We are responding to your letter dated today.

We confirm that Xero continues to comply with its continuous disclosure obligations under the NZX Listing Rules, including Listing Rule 10.1.1.

Yours faithfully

Matt Vaughan
Company Secretary

