

Disclosure of movement of 1% or more in substantial holding
or change in nature of relevant interest, or both

Sections 277 and 278, Financial Markets Conduct Act 2013

Note: This form must be completed in accordance with the instructions at the end of the form.

To NZX Limited

and

To Xero Limited

Relevant event being disclosed: Movement of 1% or more in substantial holding

Date of relevant event: 26 November 2015

Date this disclosure made: 26 November 2015

Date last disclosure made: 17 October 2013

Substantial product holder(s) giving disclosure

Full name(s): Andrew Craig Winkler

Summary of substantial holding

Class of quoted voting products: Fully paid ordinary shares in Xero Limited (**Xero**)

Summary for Andrew Craig Winkler

For **this** disclosure,—

(a) total number held in class: **17,475,990**

(b) total in class: **136,626,860**

(c) total percentage held in class: **12.791%**

For **last** disclosure,—

(a) total number held in class: **18,454,545**

(b) total in class: **127,523,561**

(c) total percentage held in class: **14.471%**

Details of transactions and events giving rise to relevant event

Details of the transactions or other events requiring disclosure:

On 26 November 2015 Givia Pty Limited entered into a block trade agreement with First NZ Capital Securities Limited (First NZ) under which Givia Pty Limited appointed First NZ to manage and underwrite the sale of 1,000,000 ordinary shares in Xero Limited held by Givia

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Pty Limited for an average price of NZ\$20.01 per share. Pursuant to that agreement, on-market sales of the 1,000,000 ordinary shares were effected on 26 November 2015, at an average sale price of NZ\$20.01 for aggregate consideration of NZ\$20,010,000, with settlement occurring on 1 December 2015.

Details after relevant event

Details for Givia Pty Limited

Nature of relevant interest(s): legal interest in financial products as trustee of an Australian charitable trust. The substantial holder is a director of Givia Pty Limited.

For that relevant interest,—

- (a) number held in class: **17,454,545**
- (b) percentage held in class: **12.775%**
- (c) current registered holder(s): **Givia Pty Limited**
- (d) registered holder(s) once transfers are registered: **N/A**

Details for Bangarie Investments Pty Limited

Nature of relevant interest(s): legal and beneficial owner of financial products

For that relevant interest,—

- (a) number held in class: **21,445**
- (b) percentage held in class: **0.016%**
- (c) current registered holder(s): **Bangarie Investments Pty Limited**
- (d) registered holder(s) once transfers are registered: **N/A**

For a derivative relevant interest, also—

- (a) type of derivative: **N/A**
- (b) details of derivative: **N/A**
- (c) parties to the derivative: **N/A**
- (d) if the substantial product holder is not a party to the derivative, the nature of the relevant interest in the derivative: **N/A**

Additional information

Address(es) of substantial product holder(s): 101 Collins Street, Melbourne, Australia

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Contact details: Scott Moran (04) 499 3280, scott.moran@duncancotterill.com

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates: **None**

Disclosure has effect for purposes of directors' and senior managers' disclosure
Andrew Craig Winkler is a **director** of **Xero**. This disclosure also constitutes disclosure for the purposes of the directors' and senior managers' disclosure obligations.

Certification

I, **Scott Moran**, certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.