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MARKET RELEASE

Shareholder transaction update

WELLINGTON, 17 November 2017 - Xero Limited (NZX, ASX: XRO) announces that it is aware of a likely successful purchase by institutional and professional investors of 3 million shares from CEO and Founder Rod Drury at a price of \$31.50 per share. Upon completion of the sale Mr Drury will remain Xero's largest shareholder retaining 17.7 million shares which represents a 12.80% interest in Xero.

Commenting on the share sale, Mr Drury said: "The strong demand and support from our existing and new shareholders is a validation of our long term growth strategy and execution. Consistent with our global growth aspirations, broadening our investor base with aligned institutional shareholders is an effective way to increase the company's free float and drive additional liquidity in Xero shares.

"Personally, the transaction will provide an important foundation for my future plans to pursue a range of philanthropic and social endeavours.

"Xero remains my absolute day to day focus as we have so much opportunity. I'm as passionate about Xero today as the day we founded the business and I'm proud of what we have achieved as a company, evidenced by our strong recent financial results. We have a lot more to do in order to realise our global growth aspirations, and I remain fully committed to Xero and building our global business from New Zealand," he said.

About Xero

[Xero](#) is beautiful, easy-to-use global online platform for small businesses and their advisors. The company has over 1.2 million subscribers in more than 180 countries. Xero seamlessly integrates with more than 600 apps in its ecosystem. It was ranked No. 1 by Forbes as the World's Most Innovative Growth Company for two years running, won Technology Provider of the Year for the British Small Business Awards, and was rated by Canstar Blue as Australia's best accounting software three consecutive years from 2015-2017.

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