

30 June 2017

XERO LIMITED (XRO)

NOTIFICATION OF ALLOTMENT OF SECURITIES

For the purpose of Listing Rule 7.12.1 and 7.12.9 of the NZSX Listing Rules, Xero Limited advises the following securities have been issued:

Class of Securities	Ordinary shares in Xero Limited (Ordinary Shares)
ISIN	NZXROE0001S2
Number of securities issued	15,594 Ordinary Shares
Issue price	Ordinary Shares were issued upon exercise of options; the exercise price for the options was as follows: 5,594 options at NZ\$17.40 per option 10,000 options at NZ\$17.51 per option
Payment in cash	Yes (payment of exercise price, as set out above)
Any amount paid up (if not in full)	Fully paid
Percentage of total class issued (excluding treasury stock)	0.011% (as a percentage of Ordinary Shares on issue after this issue, to 3 d.p.)
Reasons for the issue	Issue of Ordinary Shares upon exercise of vested options granted under the Xero Limited (USA) Equity Incentive Scheme (US Scheme) and the Xero Limited Restricted Stock Unit and Option Plan (NZ) (NZ Plan)
Specific authority for the issue	Resolution of directors upon granting of options
Terms or details of the issue	Issue of Ordinary Shares upon exercise of vested options granted under the US Scheme and the NZ Plan

Total number of securities of the class in existence after the issue (excluding treasury stock)

137,823,230 Ordinary Shares on issue

2,145,350 unlisted options (convertible into Ordinary Shares on a 1:1 basis, subject to the terms of the relevant option plan) outstanding, taking into account all forfeited options to date and the exercise of 15,594 options as set out in this notification of allotment

Note that there are also 293,647 "Restricted Stock Units" or RSUs (being conditional contractual rights to be issued up to 293,647 Ordinary Shares) outstanding, taking into account all forfeited RSUs to date

Date of issue

29 June 2017

Number of Securities Converted

15,594 options

Number and Class of Securities into which they have been Converted

15,594 Ordinary Shares

Details of any interest or dividend conditions attaching to Securities Converted, and allotted upon Conversion

None

Number of Securities of the same class that remain to be Converted

2,145,350 unlisted options (taking into account and all forfeited options to date, and the exercise of options as set out in this notification of allotment)

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