NEWS RELEASE

Disposal of Stark Group

11/10/2017

Ferguson plc is pleased to announce that it has today entered into an agreement to sell Stark Group, its Nordics building materials distribution business, to an affiliate of Lone Star Funds, a global private equity firm, for €1,025 million on a debt-free and cash-free basis. Transaction and other costs relating to the disposal are expected to be in the region of €50 million. Net assets of the business being disposed are approximately €500 million. Ferguson has retained approximately €150 million of property assets which we expect to sell in due course.

In the year ended 31 July 2017, Stark Group generated ongoing revenue of €2,151 million and an ongoing trading profit of €65 million. Gross assets at 31 July 2017 were €1,153 million.

The transaction is conditional on the receipt of merger clearance from the relevant competition authorities. Subject to satisfaction of this condition, we expect the transaction to complete early in 2018.

Following completion of the transaction we will, in the normal course of events, update the market on the Group's asset allocation plans including the utilisation of excess cash.

John Martin, Chief Executive of Ferguson, commented:

"The sale of Stark Group will secure an excellent future for our people and will continue to ensure that customers'

needs are met. The transaction represents a good outcome for Ferguson shareholders and will enable us to continue to focus on our strategy of accelerating profitable growth in our plumbing and heating businesses."

For further information please contact Ferguson plc

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Notes to editors:

Ferguson plc is the world's largest specialist trade distributor of plumbing and heating products to professional contractors principally operating in North America and the UK. Ongoing revenue for the year ended 31 July 2017 was $18.8 billion and ongoing trading profit was $1.3 billion. Ferguson plc is listed on the London Stock Exchange (LSE: FERG) and is in the FTSE 100 index of listed companies. On 31 July 2017 the Group changed its name to Ferguson plc. For more information, please visit **www.fergusonplc.com** or follow us on Twitter **https://twitter.com/Ferguson_plc**.