NEWS RELEASE

Impact of US Tax Reform Legislation

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FERGUSON PLC

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Ferguson plc notes the enactment of the Tax Cuts and Jobs Act in the US. This gives rise to a beneficial impact on the Group's after tax earnings, principally due to the reduction of the US federal corporate income tax rate, effective 1 January 2018.

We estimate a Group effective tax rate of approximately 25% for the current financial year ending 31 July 2018, a reduction from previous guidance of 28%.

On an ongoing basis we expect the Group's effective tax rate to be in the range 21% to 22%.

Cash tax payable in each year is expected to reduce broadly in line with the income statement reductions. There will be no material one-off charges or credits as a result of the change in tax rate.

For further information please contact

Ferguson plc

Mike Powell, Group Chief Financial Officer	Tel:	+41 (0) 41 723 2230
Nick Hopkins, Investor Relations Manager	Mobile:	+44 (0) 7775 612159
Media Enquiries		
Mike Ward, Head of Corporate Communications	Mobile:	+44 (0) 7894 417060
Nina Coad (Brunswick)	Tel:	+44 (0) 20 7404 5959

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. For more information, please visit **www.fergusonplc.com**.

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