For immediate release **5 October 2016**

Gooch & Housego PLC
("G&H" or the "Company")

Full Year Trading Update

"Trading in line with expectations"

Gooch & Housego PLC (AIM: GHH), the specialist manufacturer of optical components & systems, today announces that trading for the year ended 30 September 2016 is expected to be in line with its previous guidance. The Company expects to announce its audited results for the year ended 30 September on 29 November 2016.

In our 5 April 2016 trading update and 7 June 2016 half year results we reported an improving market for Industrial lasers and said we expected a strong second half, leading to a higher second half weighting than last year. Since June we have seen that demand strengthening further, in parallel with record orders for our fibre based products. Recent investment in infrastructure and capital equipment, as well as benefits derived from our performance improvement initiative, have enabled us to respond effectively to these increased levels of demand.

The current positive trading environment is driven by orders for our fibre based business, in particular high reliability undersea fibre couplers, fibre based satellite communications, fibre sensing and critical components used in microelectronic manufacturing. This is reflected in a robust order book, which, as at 30 September 2016, stood at £52.8 million, an increase of 45.5% compared with the same time last year. Excluding the impact of acquisitions this represents an increase of 10.5%.

In July 2016 the Company acquired two businesses.

G&H acquired the entire share capital of Kent Periscopes Ltd ("Kent"), a UK based specialist supplier of periscopes, vehicle sights and related equipment for land based armoured fighting vehicles. Kent has a proven capability in providing system level optical products for use in harsh environments to an impressive international customer list. It has a strong market position and a committed, long-term order book, which helps to underpin future revenues. Kent will benefit from G&H's greater global reach and complementary technologies.

G&H also acquired the trade and assets of Alfalight Inc ("Alfalight"), a designer and manufacturer of high reliability, laser based, electro-optic systems for defence and security applications, based in Madison, Wisconsin. It is highly complementary to G&H's existing Boston, Massachusetts, business and will be incorporated into this business unit. G&H will benefit from Alfalight's deep ties with key defence customers.

The acquisitions of Kent and Alfalight are aligned with our strategic objectives of moving up the value chain and further diversification into the Aerospace & Defence sector.

G&H remains strong financially and is well positioned to make further investment in the business.

Mark Webster, Chief Executive Officer of Gooch & Housego commented:

"The Company has performed in line with our expectations in the year to 30 September 2016. Whilst the business remains vigilant to global macro-economic trends, in our key markets we continue to be well placed for future growth. We remain focused on delivering our financial goals through our twin strategies of diversification and moving up the value chain, whilst underpinning our operational performance through continued investment in our ongoing performance improvement plan."

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Notes to editors

1. Gooch & Housego is a photonics technology business headquartered in Ilminster, Somerset, UK with operations in the USA and Europe. A world leader in its field, the company researches, designs, engineers and manufactures advanced photonic systems, components and instrumentation for applications in the Aerospace & Defence, Industrial, Life Sciences and Scientific Research sectors. World leading design, development and manufacturing expertise is offered across a broad range of complementary technologies.

2. All financial information included in this announcement is sourced from unaudited management accounts and excludes any specific items. This announcement contains certain forward-looking statements that are based on management's current expectations or beliefs as well as assumptions about future events. These are subject to risk factors associated with, amongst other things, the economic and business circumstances occurring from time to time in the countries and sectors in which G&H operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables which could cause actual results, and G&H's plans and objectives, to differ materially from those currently anticipated or implied in the forward-looking statements. Investors should not place undue reliance on any such statements. Nothing in this announcement should be construed as a profit forecast.