For immediate release **8 August 2018**

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

Life Sciences Acquisition

Further enabling G&H's move into system based products

Gooch & Housego PLC (AIM: GHH), the specialist manufacturer of optical components & systems, announces that it has acquired the entire issued share capital of VITL Ltd ('ITL" or "Integrated Technologies Limited") for a total consideration of up to £22.0 million. This acquisition expands the Company's presence in the life sciences sector and further enables G&H's move into system based products.

ITL

Founded in 1977, ITL is a UK based specialist in the design, development and manufacture of high-quality medical and in vitro diagnostic (IVD) devices.

ITL is a market leading supplier with an established group of long standing multi national customers. It provides full product development, design, manufacturing and after sale service for the commercialisation of medical diagnostic, analytical, precision electro-mechanical and laboratory instruments. ITL is headquartered in Ashford, Kent, with manufacturing sites in Ashford and Shanghai, China, plus a US client servicing capability based in Virginia, USA.

This acquisition enables G&H to take a significant step towards meeting its strategic objectives, including doubling the revenue of its life science business and accelerating the Company's move up the value chain, with all of ITL's sales coming from system based products. ITL's core group of electronic, software and mechanical engineers, provides an enhanced platform on which G&H can expand its systems capabilities.

Over time there are a number of potential benefits that will accrue from ITL becoming part of G&H. These include leveraging G&H's footprint in the US, China and Far East and combining the Company's photonic expertise with ITL's high level systems capability in order to provide a more attractive product offering to G&H's medical diagnostic customer base.

Terms of acquisition

The total consideration payable by G&H is up to £22.0 million. This comprises an initial cash consideration of £14.0 million, funded from existing resources, together with £1.4 million of new G&H shares. There is also a deferred contingent cash consideration of up to £8.0 million, based upon the performance of the business over the next two years. The Company has made an application to the London Stock Exchange for the 92,684 new Ordinary Shares to be admitted to trading on AIM. It is expected that admission will become effective on or around 14 August 2018.

The historical annual revenue of ITL was c.£10 million, adjusted operating profit was c.£1.5 million and the acquisition is expected to be earnings enhancing in the first full financial year of G&H's ownership. Historical gross assets were c£7 million.

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

"*This acquisition provides a key step towards achieving our strategic aims of establishing 'critical mass' in our life sciences business and moving up the value chain, through a more systems based product portfolio.*

"It means we are able to continue to diversify our business, allow G&H access to new high growth markets, as well as reducing, still further, dependency on the historically cyclical micro-electronic sector.

"ITL is a high quality business, with a long standing customer base, excellent engineering capabilities and a strong financial track record.

"We are very much looking forward to working with the management, staff and customers of ITL."

For further information contact: -

Mark Webster / Andrew Boteler	Gooch & Housego PLC	01460 256440
Mark Court/ Sophie Wills	Buchanan	020 7466 5000
Patrick Robb / David Anderson	Investec Bank plc	020 7597 5970

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.