For immediate release **4 October 2018**

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

Full Year Trading Update

"Trading in line with management's expectations"

Gooch & Housego PLC (AIM: GHH), the specialist manufacturer of optical components & systems, today announces that trading for the year ended 30 September 2018 is expected to be in line with management's previous guidance. The Company will announce its results for the year ended 30 September 2018 on 27 November 2018.

During the financial year ended 30 September 2018, the business has benefited from positive market conditions in the industrial sector, in particular critical components used in microelectronic manufacturing and, during H2, high reliability fibre couplers for undersea cables. We have long been aware of the potential risks associated with the cyclical nature of the microelectronics sector and more recently with the impact of US/ China tariff changes. Our long standing response is to continue to manage these risks by diversifying our business and moving up the value chain. One third of our business is now in the Aerospace and Defence sector.

In August and September 2018 we acquired VITL Ltd ("ITL") and Gould Fiber Optics("GFO") respectively. ITL is a UK based specialist in the design, development and manufacture of high quality medical devices. It enables G&H to double its life science business and move up the value chain, as all of ITL's sales come from system based products. GFO is a US based market leading supplier of key enabling components to tier 1 US Aerospace and Defence customers. It provides a platform for G&H to access business that has been largely denied to the Company, due to International Trade in Arms (ITAR) regulations. Both acquisitions are very recent but, to date, we are pleased with their integration and contribution.

In September 2018 we shut down our Orlando, Florida, light measurement business. Most of the trade and assets of the business have been sold. It is a non-core business and in the recent past has delivered marginal returns. This business made a small loss in FY 2018 and its disposal will have limited impact on future earnings.

G&H has entered its new financial year with a record year end order book, which, as at 30 September 2018, stood at £96.1 million, an increase of 33% compared with the same time last year. Excluding the impact of foreign exchange and acquisitions/disposals, this represents an increase of 17% on the year end order book last year.

The Company remains in a strong financial position, which will allow us to make further investments in the business.

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

"G&H has had another good financial year. We have been able to take advantage of positive market conditions and execute on our long term strategy.

"Our strong performance has enabled us to continue to invest in manufacturing capacity and R&D and to bring complementary new technologies and customers into G&H through acquisitions.

“While we remain aware of potential macroeconomic and political risks, our robust order book combined with greater diversification means the Board remains confident that the Group is well positioned for further growth.”

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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.