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

AGM Trading Update

"Full year trading remains in line with management's expectations''

Gooch & Housego PLC (AIM: GHH), the specialist manufacturer of optical components & systems, will hold its Annual General Meeting at 11am this morning at the Company's headquarters in Ilminster, Somerset. G&H's Chairman Gareth Jones will provide the following update on trading performance.

Market conditions for the first four months of the current financial year have been mixed. The previously reported lower demand from China for lasers used in microelectronic manufacturing has continued into the new financial year, though this has improved in recent weeks. This has been partially offset by an increase in demand for our high reliability fibre components used in undersea communications.

Our order book is robust, as at 31 January 2016 it stood at £36.7 million, which was 5.3% higher than at the same time last year.

The relocation of the Company's Palo Alto site to nearby Fremont provides improved facilities and room for growth. Receipt of local regulatory licences has taken longer than expected, but the move is now substantially complete and the site is operational.

The Company expects full year trading to be in line with its expectations, with a greater weighting in the second half of the year than in the last financial year.

Revenue in the first half of the year, to 31 March 2016, is expected to be broadly in line with last year. First half profits are anticipated to be materially lower than the record period last year, due to the impact of the previously described mixed market conditions and costs associated with a more protracted move to Fremont.

A good second half trading performance is expected to be driven by orders for our fibre business, in particular high reliability undersea fibre components, fibre based space satellite communications and fibre optic sensing, a recovering microelectronics sector and operational efficiencies.

Our continuous improvement programme is proceeding well. Operationally the move to a lean manufacturing environment is set to deliver efficiency savings in 2016 and the drive for fewer more productive R&D projects combined with enhanced business development support has started to deliver an increased number of product opportunities.

The Company's next scheduled announcements are the post close announcement for the six months ending 31 March 2016, which is due for release on 5 April 2016 and the interim results announcement on 7 June 2016.

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

''*The Company remains committed to the twin pillars of our strategy, namely diversification and moving up the value chain. Current mixed market conditions have emphasised the value of having a more diversified business where the strong performance of our fibre business has allowed us to ameliorate some of the first half impact and remain on course to meet our expectations for the full year.*

''We will continue to pursue this strategy and invest in our continuous improvement programme prioritising further operational excellence,enhanced business development in our key markets and a more focused R&D portfolio; all of which will underpin our future performance.''

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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.