FOR IMMEDIATE RELEASE **21 February 2018**

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 photonic components & systems, will hold its Annual General Meeting at 11.00 am this morning at the Company's headquarters in Ilminster, Somerset. G&H's Chairman Gareth Jones will provide the following update on trading performance.

The Company has benefited from positive overall market conditions in the first four months of the current financial year and expects full year trading to be in line with management's expectations, with a typically higher H2 weighting. We are experiencing exceptional demand for critical components used in microelectronic manufacturing. There has been a slowing in demand for high reliability fibre couplers since the start of the year, but it is expected to come back in the second half of the year.

Our order book has reached record levels. As at 31 January 2018, it stood at £89.7 million, an increase of 48.4% compared with the same time last year. Excluding the impact of foreign exchange and acquisitions this represents an increase of 49.2%.

As previously mentioned, our ten manufacturing sites have been organised into three manufacturing centres, based on our areas of technical expertise, namely Acousto Optic / Electro Optic, Precision Optic and Fibre Optic. This is part of our drive to create a more scalable organisational model for our future growth. We have already seen some benefits from this approach as we continue to upgrade capacity and performance to meet current high levels of demand for critical components used in microelectronic manufacturing.

The Company has undertaken a review of the likely outcomes of the recent US Tax Reforms. Our expectation is that these will result in a one-off, non-cash benefit to the income statement of circa £0.5 million resulting from the revaluation of deferred tax liabilities. In addition, we expect the underlying effective tax rate to fall by 3% to 24% in FY2018 and thereafter to be around 23% on a full year basis.

G&H remains in a strong financial position and intends to make further investment in the business.

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

"*Overall market conditions for the first four months of the year have been good, we have a record order book and full year trading remains in line with management's expectations.*

"As previously announced Gary Bullard will be appointed to the Board as Non-Executive Chairman after the AGM and the Board looks forward to benefiting from his counsel and expertise. At the conclusion of today's AGM Gareth Jones will step down from the Board after almost 37 years of service with the Company.

"I would like to thank Gareth both personally and on behalf of G&H for his wisdom and guidance over the past three years as Chairman and for his immense contribution to G&H's growth as a business over many years."

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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.