For Immediate Release **6 October 2015**

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 2015 is expected to be in line with market expectations. The Company expects to report its audited results for the year ended 30 September on 1 December 2015.

Overall trading conditions in the year have been good, driven by demand for lasers servicing micro-electronic materials processing and telecommunication systems. The business has seen some recent softening in micro-electronic demand from China, but there has been an increase in the requirement for undersea telecommunications products. We are expecting our space satellite communications programme to generate commercial income in the new financial year. The order book on 30th September 2015 was 10% higher than at the beginning of the financial year.

During the year the business has made good progress against our stated strategy in its drive to:

a) ensure a consistent level of operational excellence across all sites, through the establishment of globally focused operational teams and the introduction of LEAN manufacturing principles.

b) develop deeper ties with key target customers, through the recruitment of experienced market focused business development staff.

c) ensure that there is a balanced R&D portfolio that meets the business's strategic goals, through focusing on and properly resourcing a smaller number of key strategic R&D projects.

The planned move of the Company's Palo Alto site to nearby Fremont, in order to provide improved facilities and room for further growth, has been delayed by three months due to construction and planning issues, which have since been resolved. The Fremont facility is now expected to be operational by the end of the calendar year. As previously disclosed the business in Palo Alto has built inventory reserves to satisfy expected customer requirements while the new facility is brought on line.

G&H has strengthened its financial position since 31 March 2015 and remains 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 expectations in the year to 30 September 2015. 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. The new management team has put in place a performance improvement programme prioritising operational excellence, business development and R&D; we have made good progress with this in FY2015 which will help 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.