

**For immediate release**

**7 January 2010**

**Gooch & Housego PLC  
(The “Company”)**

**Award of share-based incentives**

The Remuneration Committee of the Board of Gooch & Housego PLC recently carried out a review of share-based incentive schemes in order to ensure that appropriate incentives are in place to encourage shareholder value creation in the medium-term. After seeking professional advice and consulting major shareholders the Board adopted the Gooch & Housego PLC Value Creation Plan on 17 December 2009. Awards under the Value Creation Plan have no value at grant but give the participants the opportunity to be awarded Company shares proportionate to a percentage of the value created for shareholders over and above a threshold value over a three year period.

On 7 January 2010 awards were made under the Value Creation Plan to a number of key employees, including the following directors of the Company: -

Gareth Jones  
Terry Scribbins  
Andrew Boteler

This is the only award that will be made under the Value Creation Plan.

The threshold share price has been set at £2.00. If, on the third anniversary of the award, the share price is below £2.00 the awards will lapse. If the share price is above £2.00 on the third anniversary of the award the value created over and above the threshold value will be split between shareholders and the participants in the Value Creation Plan according to a formula. At a share price of £2.00 the participants will receive in aggregate a 7.5% share of the value created, rising to a 15% share of the value created at a share price of £6.00. Half of the awards will be released as soon as is practicable after the third anniversary of grant, and the remaining half will be released after a further twelve months.

A pre-condition for participation in the Value Creation Plan is that participants surrender any awards that they have received under the Gooch & Housego PLC 2007 Long Term Incentive Plan and that they waive any rights to future awards under that plan.

For further information please contact:

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