

Investor Presentation September 2008

Company
Opportunity
Vision
Markets
How to Achieve
Developments in 2008
Where we are today
Financial overview

Gooch & Housego PLC

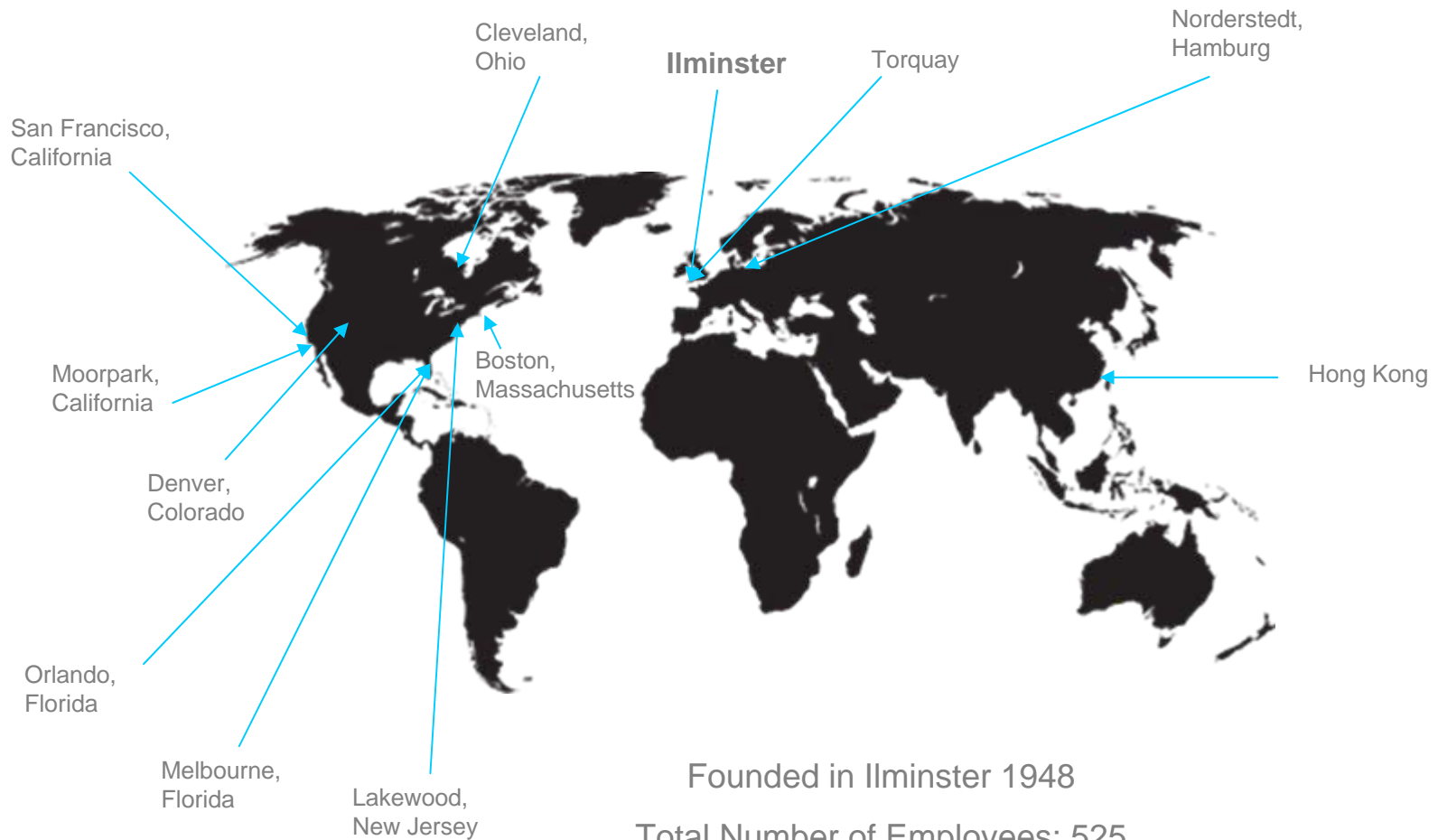
A Global **Technology Business**

The medium we work with is **LIGHT**

The technology is **PHOTONICS**

G&H provides ‘**enabling optical technologies**’

Global Locations



Founded in Iminster 1948
Total Number of Employees: 525
8 Facilities 4 Sales Offices



The Company

- Innovative, dynamic, successful
- Technically superior
- Peerless performance, quality, delivery and service
- A trusted partner
- A provider of critical products and services
- The market leader – the one to beat

Mission statement –
To be our customer's first choice

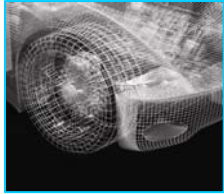


The Opportunity

Photonics is becoming ubiquitous

- optical communications
- laser surgery
- solar energy
- ophthalmic imaging
- aerospace, defence & security
- displays
- lighting
- diagnostics

Realising the opportunities



We Need to

- Know our customers & markets – be market led
- Anticipate the trends
- Reach a global market (routes to market)
- Introduce new products for new markets
- Leverage our components & materials expertise
- Move up the value chain
- Build a strong IP portfolio

i.e. we need to be in the right place at the right time with the right materials/products/technologies/capabilities



Via

- Organic Development
- Acquisitions

Our Vision

Be a Global Technology Business

Complete the 'Components & Materials' Platform

Near term - Annualised revenue to £50m

Derive Benefits from Integration

- New products
- Move up the value chain
- More value from existing customer base

Develop New Markets

- Biomedical & Life Sciences
- Aerospace & Defence

Acquisitions

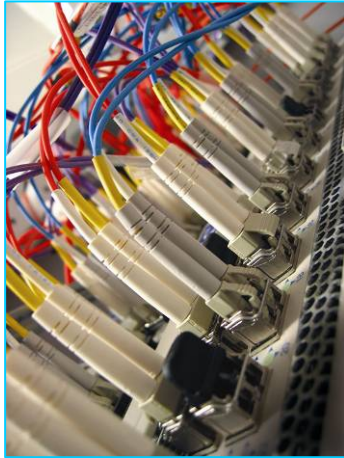
- Facilitate new market penetration
- Grow
- Instruments & Systems rather than Components & Materials

Medium term - £100m revenues

Sustainable revenue and profit growth

And Beyond...

Medical Diagnostics, Biomedical Instrumentation, Aerospace & Defence Systems.....



Today's Core Market

Industrial

- Laser
- Metrology
- Research
- Analytical
- Semiconductors

Tomorrow's Markets

Aerospace & Defence

- Fibre optics network in civil & military aircraft
- Inertial navigation systems
- Counter measures
- Range finders & target designators
- Directional energy weapons
- Secure communications
- Remote sensing
- Threat detection (gas, explosives, biological)

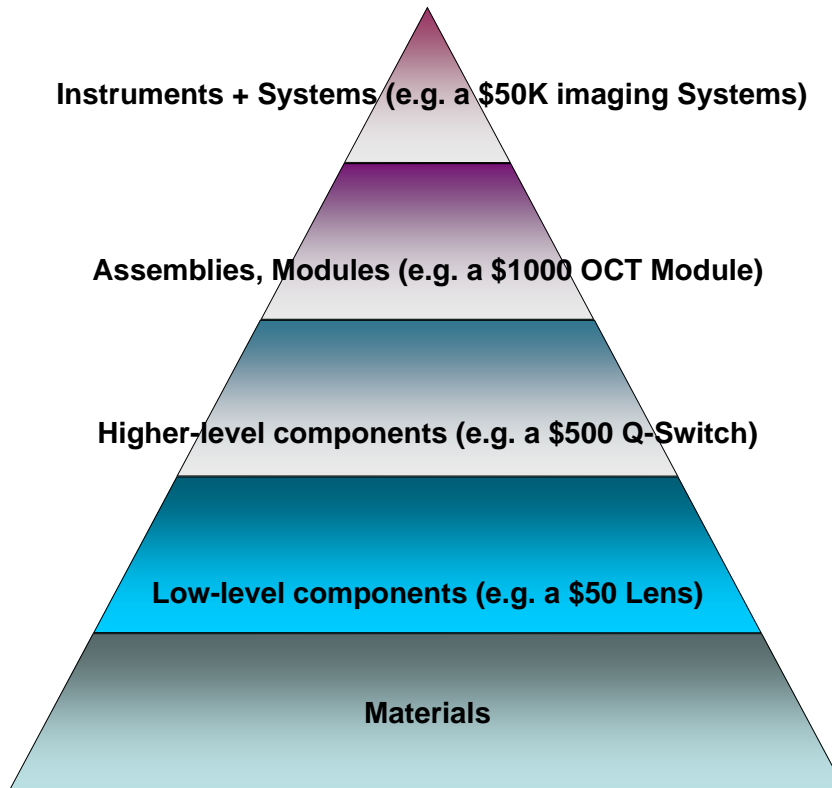


Biomedical & Life Sciences

- Ophthalmic imaging (OCT)
- Ophthalmic surgery
- Urology
- Diagnostics
- Biomedical research
- Drug discovery



Product Strategy



IP DOMIMANT



Know-how dominant



The Last 12 Months

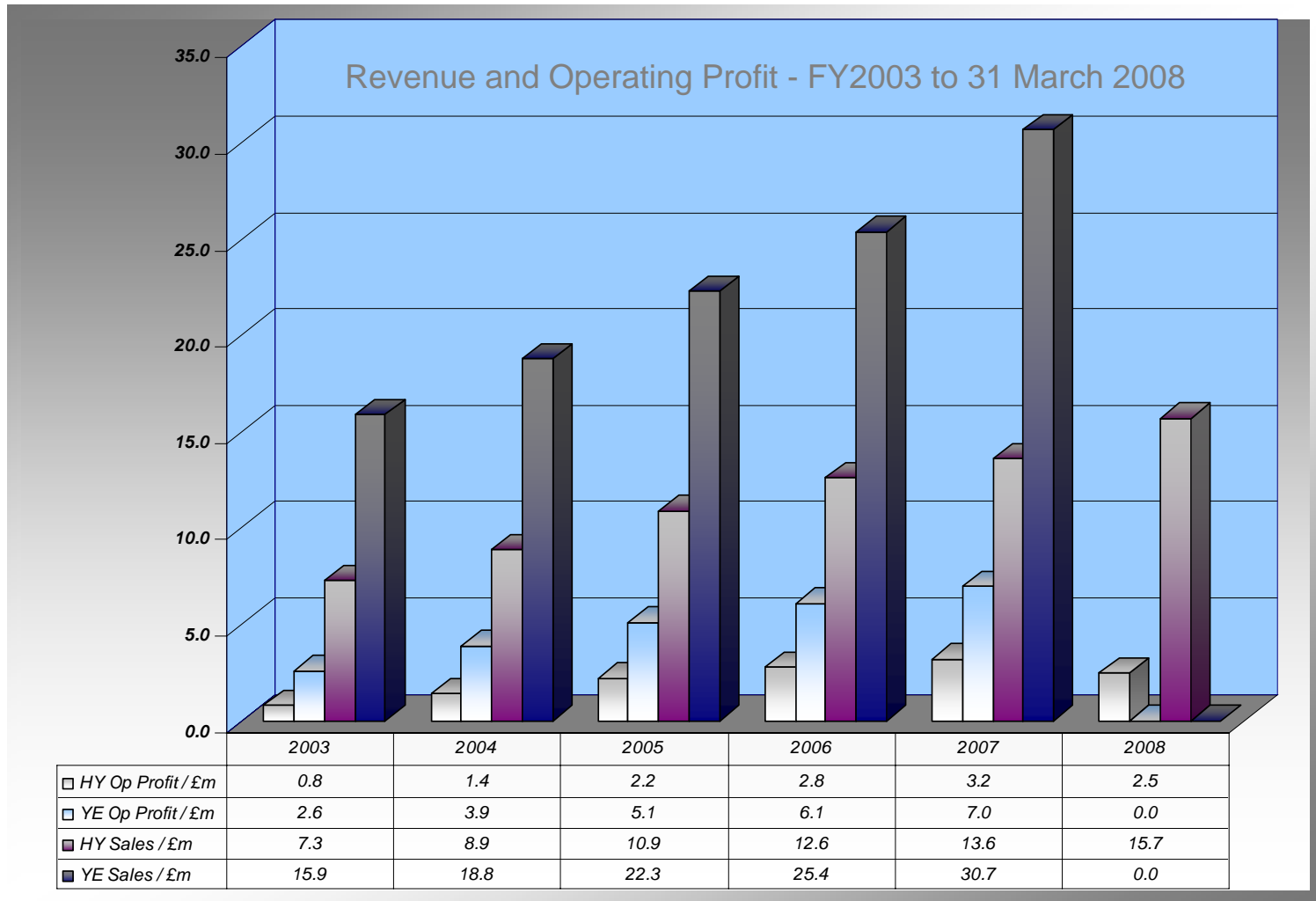


- Strengthened the board
- Strengthened the management team
- Established global sales force
- Launched ~ Re-Branded ~ Integrated
- Re-located Gooch & Housego Headquarters
- Launched exciting New Products
- Extended Torquay manufacturing facility
- Acquired General Optics

Where we are today

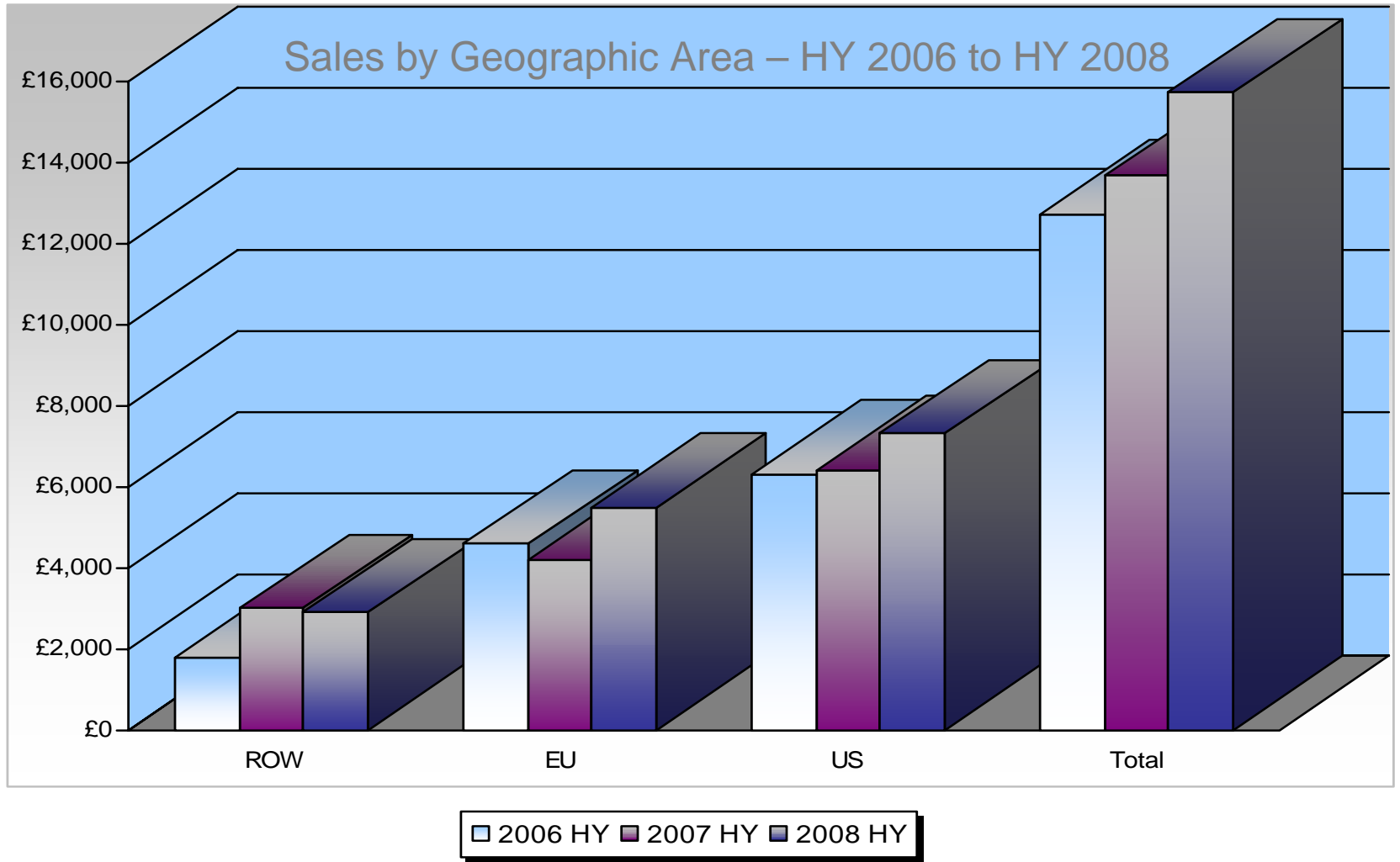


- Making the most of challenging market conditions
- Driving efficiency & effectiveness
- Investing in New Product development
 - Optical isolator
 - Fibre coupled AO device platform
- Maintaining our leading / dominant market positioning
- Positive outlook for 2009



Income Statement - FY2003 to HY 2008

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-------------------------------|-------------------|-------------|-------------|-------------|-------------|-------------|
| | Full Year | Full Year | Full Year | Full Year | Full Year | Half Year |
| | £m | £m | £m | £m | £m | £m |
| Revenue | 15.9 | 18.8 | 22.3 | 25.4 | 30.7 | 15.7 |
| Profit before income taxation | 2.2 | 3.3 | 4.7 | 5.5 | 6.5 | 2.2 |
| Income taxation expense | (0.9) | (1.2) | (1.8) | (2.1) | (2.4) | (0.6) |
| Profit after taxation | 1.3 | 2.1 | 2.9 | 3.4 | 4.1 | 1.6 |
| Growth | | | | | | |
| - Year on Year | n/a | 62% | 38% | 17% | 21% | n/a |
| - CAGR | ←————— 33% —————→ | | | | | n/a |



Cash Flow Highlights - FY 2003 to HY 2008

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | Full Year | Full Year | Full Year | Full Year | Full Year | Half Year |
| | £m | £m | £m | £m | £m | £m |
| Cash flow from operating activitie | 2.7 | 4.8 | 5.5 | 5.7 | 6.5 | 1.9 |
| Interest, Dividends & Tax | (1.3) | (2.0) | (2.5) | (2.6) | (3.5) | (1.3) |
| Cash flow before investing activit | 1.4 | 2.8 | 3.0 | 3.1 | 3.0 | 0.6 |
| Acquisitions | - | (0.7) | - | (0.7) | (1.7) | - |
| Capital expenditure (net of disposal) | (0.9) | (1.1) | (1.1) | (1.7) | (4.4) | (4.7) |
| Cash Inflow/(Outflow) | 0.5 | 1.0 | 1.9 | 0.7 | (3.1) | (4.1) |

Earnings per Share – FY 2003 to HY 2008

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| | Full Year | Full Year | Full Year | Full Year | Full Year | Half Year |
| EPS - Basic | 7.3p | 11.5p | 16.1p | 18.7p | 22.6p | 8.4p |
| Amortisation of acquired intangible assets/goodwill | £0.30m | £0.31m | £0.34m | £0.38m | £0.55m | £0.22m |
| EPS excluding amortisation | 9.0p | 13.2p | 18.0p | 20.8p | 24.8p | 9.2p |

**Financial Impact -
General Optics**

- Financial Performance – FY 2007

- Revenue \$11.7m (i.e. £5.9m)
- EBITDA \$ 2.8m (i.e. £1.4m)

- Impact on Gooch & Housego FY 2007

- Revenue £30.7m plus £5.9m = £36.6m -
Up 19.2%
- EBITDA £ 7.7m plus £1.4m = £ 9.1m -
Up 18.2%

- Impact on Adjusted EPS FY 2007¹

- Basic 25.6p plus 1.4p = 27.0p - Up 5.5%

¹Excluding amortization of acquired intangible assets