

For immediate release

23 February 2011

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

Progress Update for Today's Annual General Meeting

At the Annual General Meeting of the Company to be held later this morning, the Chairman will make the following statement: -

"I am pleased to report that our financial year has started positively with trading ahead of management expectations in the first four months. Against a background of favourable market conditions we have experienced strong demand for acousto-optics (Q-switches), electro-optics and precision optics for semiconductor, microelectronics and other industrial applications, while our strategy of diversification has been supported by continued sales growth in the Aerospace & Defence and Life Sciences sectors. At the end of January the order book stood at a record level of £25.5 million (excluding acquisitions), up from £23.5 million at the start of the financial year.

The acquisition of EM4, Inc. ("EM4") was completed on 24 January. The acquisition enhances our presence in the Aerospace & Defence market and has been well received by customers. We are already working together on a number of significant opportunities that can now be addressed using the combined capabilities of G&H and EM4. The process of integration is moving ahead swiftly in order to maximise these opportunities. As previously reported, we continue to evaluate other acquisition opportunities. "

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