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**Gooch & Housego PLC
(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: -

"Coinciding with the start of our current financial year in October 2009, a steady recovery in our core markets combined with a growth in new business has strengthened our order book and enabled us to make a positive start to the year.

While the upturn has impacted most aspects of the business, some product sectors have benefitted more than others. Traditional Gooch & Housego products such as Q-switches and quartz crystal optics have seen the greatest increase in demand as a result of recovery in the semiconductor and microelectronics sector. Regionally, demand from the Asia-Pacific market has grown rapidly while the European and the US markets have been slower to recover. Despite the unevenness of the recovery the net effect on Gooch & Housego has been positive. At the end of January our order book was 21% higher than at the start of the year and stood at £18.8 million, approximately 75% of which is scheduled for shipment by the end of the current financial year.

In parallel with the recovery in our core business we have also been successful in securing new business in key target markets such as aerospace and defence. It is encouraging that our investment over the past few years in developing the capabilities and infrastructure necessary to meet the requirements of new and highly specialised markets is beginning to deliver tangible benefits.

The immediate future presents a number of challenges and uncertainties, including whether the recovery will be sustained and whether governments and businesses have the confidence to place long term contracts. We will continue to respond to the improving market conditions in a positive but cautious way. "

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