

PALMER LINDA
Form 4
January 31, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
PALMER LINDA

2. Issuer Name and Ticker or Trading Symbol
GSI GROUP INC [GSIG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
01/30/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Vice President

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	01/30/2006		M		2,694	A	\$ 7.42
Common Stock	01/30/2006		S ⁽¹⁾		2,694	D	\$ 13 0
Common Stock	01/30/2006		M		1,142	A	\$ 9.92
Common Stock	01/30/2006		S		1,142	D	\$ 13 0
Common Stock	01/30/2006		M		16,164	A	\$ 4.45

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Common Stock 01/30/2006 S 16,164 D \$ 13 0 D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option (right to buy)	\$ 7.42	01/30/2006		M	2,694	<u>(2)</u> 09/18/2006	Common Stock	2,694
Stock Option (right to buy)	\$ 9.929	01/30/2006		M	1,142	<u>(4)</u> 06/04/2007	Common Stock	1,142
Stock Option (right to buy)	\$ 4.45	01/30/2006		M	16,164	<u>(6)</u> 12/04/2008	Common Stock	16,164

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PALMER LINDA			Vice President	

Signatures

Linda Palmer

01/30/2006

**Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Sales reported on this Form 4 are affected pursuant to a 10b5-1 Trading Plan adopted on July 18, 2005.
- (2) As of December 16, 2005, vesting accelerated 100%
- (3) Number of derivative securities of this class beneficially owned following reported transaction: 0 Total number of derivative securities of all classes beneficially owned: 146,739
- (4) As of December 16, 2005, vesting of options accelerated 100%
- (5) Number of derivative securities of this class beneficially owned following reported transaction: 3,841 Total number of derivative securities of all classes beneficially owned: 146,739
- (6) As of December 16, 2005, vesting accelerated 100%
- (7) Number of derivative securities of this class beneficially owned following reported transaction: 0 Total number of derivative securities of all classes beneficially owned: 146,739

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.