PALMER LINDA
Form 4
January 31, 2006

FORM 4

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

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

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).

(Print or Type Responses)

1. Name and Address of Reporting Person *
PALMER LINDA

(Last) (First) (Middle)

(Street)

(City) (State) (Zip)

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

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

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Vice President

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

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/30/2006		M		2,694	A	$ 7.42	2,694	D	
Common Stock	01/30/2006		S(1)		2,694	D	$ 13	0	D	
Common Stock	01/30/2006		M		1,142	A	$ 9.92	1,142	D	
Common Stock	01/30/2006		S		1,142	D	$ 13	0	D	
Common Stock	01/30/2006		M		16,164	A	$ 4.45	16,164	D	

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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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 D S (I
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Option (right to buy)	$ 7.42	01/30/2006		M			2,694	(2)	09/18/2006	Common Stock	2,694	
Stock Option (right to buy)	$ 9.929	01/30/2006		M			1,142	(4)	06/04/2007	Common Stock	1,142	
Stock Option (right to buy)	$ 4.45	01/30/2006		M			16,164	(6)	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 deerivative 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 classess 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.
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