PALMER LINDA

Form 4 January 31, 2006

FORM 4

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

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES** Form 4 or

Form 5 obligations may continue. See Instruction 1(b).

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]				g	5. Relationship of Reporting Person(s) to Issuer			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 01/30/2006					(Check all applicable) Director 10% OwnerX_ Officer (give title Other (specify below) Vice President			
	(Street)			Filed(Month/Day/Year) App _X					6. Individual or Joint/Group Filing(Check Applicable Line) _X_ 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 E (Month/Day/Ye	ar) Execution	emed on Date, if Day/Year)	3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8) (A) or			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)			
Common Stock	01/30/2006			Code V M	Amount 2,694	(D)	Price \$ 7.42	2,694	D		
Common Stock	01/30/2006			S <u>(1)</u>	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		

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

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. Transactic Code (Instr. 8)	5. Number of tiorDerivative 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)	
				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	<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

Reporting Owners 2

Signatures

Linda Palmer 01/30/2006

**Signature of Date
Reporting Person

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 decrivative 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. 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.

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