

Edgar Filing: GSI GROUP INC - Form 8-K

options held by a consultant and 171,875 options held by other employees. The options represent approximately 16% of the total options presently outstanding. The total weighted average option exercise price per share is \$10.64. The closing price of GSI Group Inc. stock on December 21, 2005 was \$11.20.

In order to prevent unintended personal benefit to executive officers and directors, restrictions are imposed on any shares received through the exercise of accelerated options held by those individuals. Those restrictions prohibit the sales of shares purchased under accelerated options until the earlier of: 1.) the date on which the options would otherwise have vested under the original option grants; or 2.) twelve months from the date of acceleration; or 3.) termination of employment or resignation from the Board. A specimen copy of the Stock Sale Restriction Agreement is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

The Board's decision to accelerate the vesting of these options was made primarily to reduce future compensation expense that would have been recorded in the Company's income statement upon the adoption of Financial Accounting Standards Board Statement No. 123R in 2006.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of Businesses Acquired.

Not applicable.

(b) Pro Forma Financial Information.

Not applicable.

(c) Exhibits.

99.1 Stock Sale Restriction Agreement

The information in this Current Report on Form 8-K (including the agreement attached as Exhibit 99.1 hereto) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, unless the Company expressly sets forth in such future filing that such information is to be considered "filed" or incorporated by reference therein.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GSI GROUP INC.
(Registrant)

Date: December 22, 2005

By: /s/ Daniel J. Lyne

Daniel J. Lyne
Vice President and General Counsel

EXHIBIT INDEX

Edgar Filing: GSI GROUP INC - Form 8-K

Exhibit No.	Description
99.1	Stock Sale Restriction Agreement.