

News Release

GSI Group Corporation Relocates to New Facility in Bedford, MA

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GSI Group Corporation is consolidating the operations of its three Massachusetts facilities into newly renovated corporate offices at 125 Middlesex Turnpike, Bedford, MA.

The transition will occur in three phases over a 45-day period to minimize any customer impact. According to CEO, Dr. Sergio Edelstein, "The move to a single facility will enable us to leverage our infrastructure for maximum efficiency

while enhancing our long term competitiveness. This undertaking will yield tremendous benefit to our people and to our share holders."

Wilmington operations, which include all semiconductor systems design and manufacturing capabilities, will be the first to move. This will be followed by the Billerica headquarters, which includes General Scanning Optical Scanning Products and General Scanning Thermal Printers. Last to move will be the MicroE Systems encoder design and manufacturing group of Natick. The new 180,000 sq. ft. facility is located two miles from the current Billerica operation.

Safe Harbor

Certain statements in this news release may constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 (the Reform Act), Section 27A of the United States Securities Act of 1933 and Section 21E of the United States Securities and Exchange Act of 1934. These forward-looking statements may relate to anticipated financial performance, management's plans and objectives for future operations, business prospects, outcome of regulatory proceedings, market conditions, tax issues and other matters. All statements contained in this news release that do not relate to matters of historical fact should be considered forward-looking statements, and are generally identified by words such as "anticipate," "believe," "estimate," "expect," "intend," "plan" and "objective" and other similar expressions. Readers should not place undue reliance on the forward-looking statements contained in this news release. Such statements are based on management's beliefs and assumptions and on information currently available to management and are subject to risks, uncertainties and changes in condition, significance, value and effect. Other risks include the fact that the Company's sales have been and are expected to continue to be dependent upon customer capital equipment expenditures, which are, in turn, affected by business cycles in the markets served by those customers. Other factors include volatility in the semiconductor industry, the risk of order delays and cancellations, the risk of delays by customers in introducing their new products and market acceptance of products incorporating subsystems supplied by the Company, similar risks to the Company of delays in its new products, our ability to continue to reduce costs and capital expenditures, our ability to focus R&D investment and other risks detailed in reports and documents filed by the Company with the United States Securities and Exchange Commission and with securities regulatory authorities in Canada. Such risks, uncertainties and changes in condition, significance, value and effect, many of which are beyond the Company's control, could cause the Company's actual results and other future events to differ materially from those anticipated. The Company does not, however, assume any obligation to update these forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements.

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