



Veeco Instruments Inc.

Investor Fact Sheet | October 23, 2006

You will find Veeco's nanoscale solutions everywhere...in cell phones... personal data assistants... portable music players... personal video recorders... digital cameras... and in scientific breakthroughs that are just beginning to define tomorrow's technologies.

Veeco is a leading manufacturer of Process Equipment and Metrology technologies for the data storage, semiconductor, wireless and HB-LED markets. These industries continually require new methods for nano fabrication in order to build smaller, faster and less expensive devices. And, around the globe, scientific researchers are creating a new nanoscale world with Veeco's products.

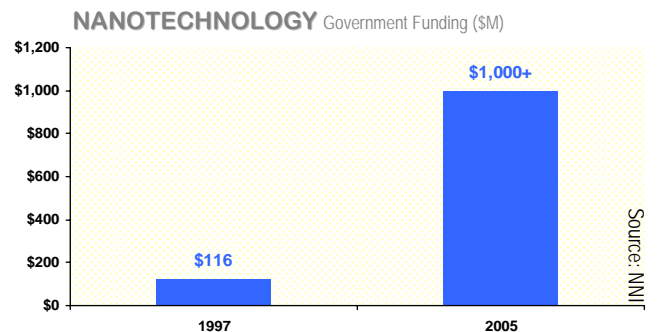
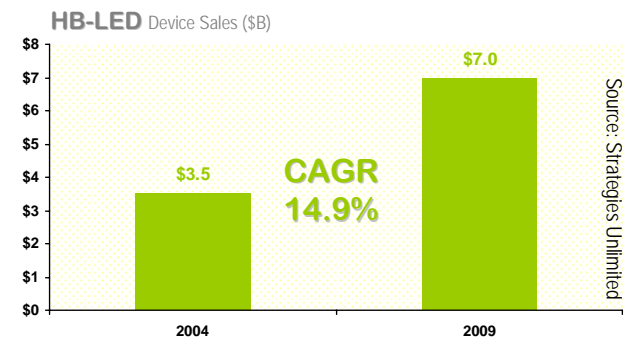
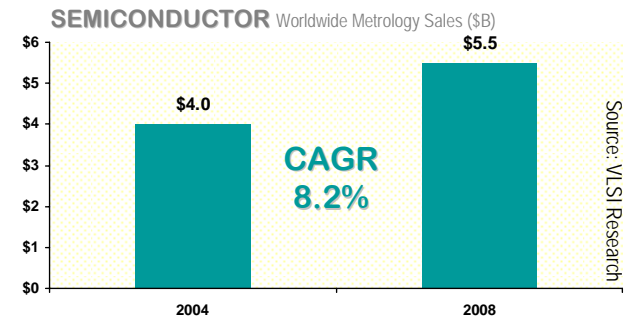
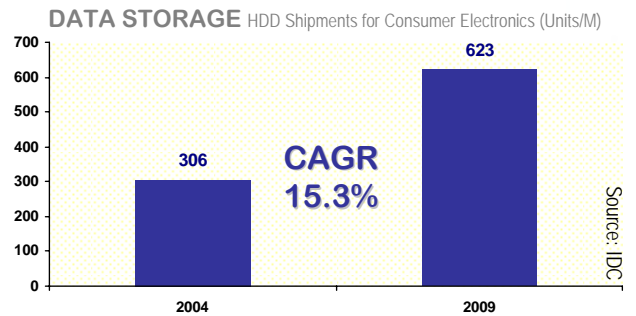
In 2005, Veeco reported a doubling of profitability on a 5% increase in revenues. This strong turnaround resulted from the Company's continued focus on gross margin improvements, cost reduction initiatives, mix shift to higher margin products and a series of operational excellence initiatives. In 2006, Veeco is experiencing improved market conditions in our core markets and significant new product introductions, and has forecasted revenues of \$440 million compared with \$410 million in 2005.

Veeco's strategy for growth and improved profitability is focused on the following activities:

- Maximizing our **broad line of process equipment and metrology** solutions to introduce new products which address customers' technology roadmaps;
- Leveraging our exposure to **high-growth end markets** – such as data storage, HB-LED/wireless and scientific research/nanotechnology – which we believe offer diversification and have the potential to outgrow the traditional semiconductor industry;
- Improving our **operational efficiency** through better supply chain management, including outsourcing of new products, and development of common hardware and software platforms for process equipment and metrology products;
- Capturing **leading market share** in all core products by delivering differentiated technology solutions;
- Developing **strategic relationships with worldwide technology leaders** and offering these customers world-class service and applications support in order to improve their time-to-market on leading edge devices.

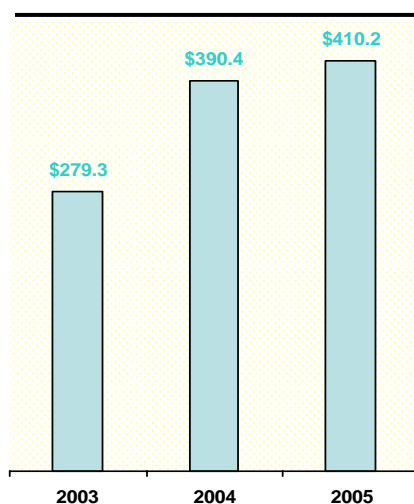
Veeco is well positioned to benefit from the continued growth of new wireless digital consumer electronics products based on the convergence of embedded data storage, full-color HB-LED displays and semiconductor technology. We also remain at the forefront of research being conducted at nanoscience centers and universities worldwide that will change tomorrow's technology.

End-Market Industry Forecasts

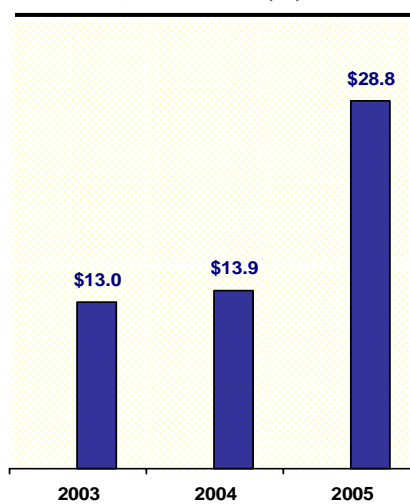


Three Year Financial Results

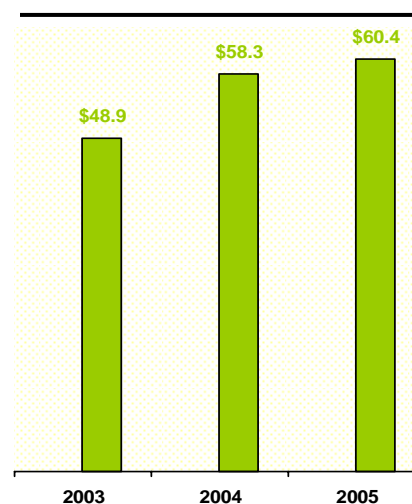
SALES (\$M)



EBITA Earnings before interest, taxes, amortization, and certain items (\$M)



RESEARCH & DEVELOPMENT (\$M)



Q306 Highlights

- Revenues were \$112.4M, up 12% versus Q305.
- Bookings were \$114.8M, up 36% from Q305.
- Net income was \$4.5M, \$0.14 per share (GAAP) compared to net income of \$1.6M, or \$0.05 per share last year.
- Veeco's third quarter results were below initial guidance due principally to Data Storage customers' rescheduling of capital equipment acceptances.

Q3 and 9 Month '06 - Financial Highlights

(\$M except EPS)

	3Q		9 Months Ended Sep 30	
	2006	2005	2006	2005
Bookings	\$114.8	\$84.6	\$384.8	\$302.0
Sales	112.4	100.1	317.9	297.3
Oper. income	5.0	4.2	12.2	4.4
EBITA*	10.2	8.3	25.4	16.9
EPS*	\$0.19	\$0.14	\$0.46	\$0.24

* See Earnings Per Share (EPS) reconciliation to GAAP in Q306 Press Release

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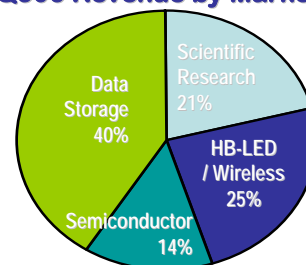
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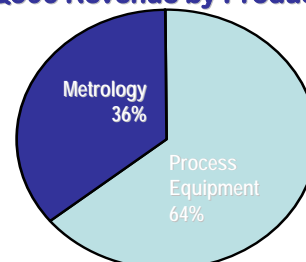
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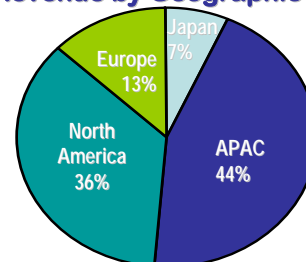
Q306 Revenue by Market



Q306 Revenue by Product



Q306 Revenue by Geographic Region



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To the extent that this document discusses expectations about market conditions, market acceptance and future sales of Veeco's products, Veeco's future financial performance, future disclosures, or otherwise makes statements about the future, such statements are forward-looking and are subject to a number of risks and uncertainties that could cause actual results to differ materially from the statements made. These factors include the challenges of volatility in end market conditions and the cyclical nature of the data storage, semiconductor, HB-LED/wireless and scientific research markets, risks associated with integrating acquired businesses and the acceptance of new products by individual customers and by the marketplace and other factors discussed in the Business Description and Management's Discussion and Analysis sections of Veeco's Annual Report on Form 10-K for the year ended December 31, 2005, subsequent Quarterly Reports on Form 10-Q and current reports on Form 8-K. Veeco does not undertake any obligation to update any forward-looking statements to reflect future events or circumstances after the date of such statements. In addition, this presentation may review non-GAAP financial measures. For GAAP reconciliation, please refer to the reconciliation section in this presentation as well as Veeco's financial press releases and 10K and 10Q filings available on www.veeco.com