Veeco Instruments Inc.

Investor Fact Sheet | July, 24 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 and earnings to increase to $455 - $465M.

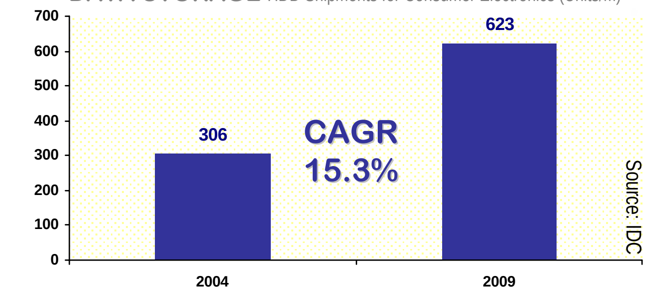
Veeco's strategy for growth and improved profitability is focused on the following activities:

- 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.

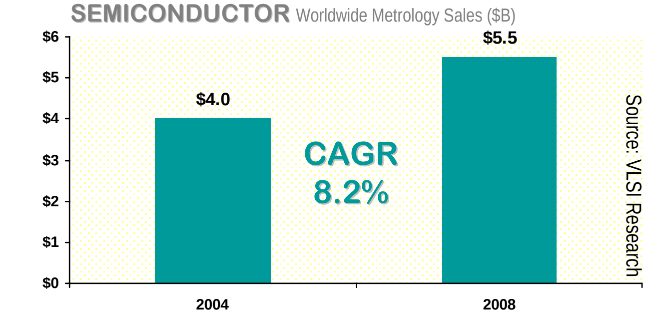
Veeco is well positioned to benefit from the continued dramatic growth of new wireless digital consumer electronics products based on the convergence of embedded data storage, full-color HB-LED displays and semiconductor technology. We also remain at the forefront of research being conducted at nanoscience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

End-Market Industry Forecasts

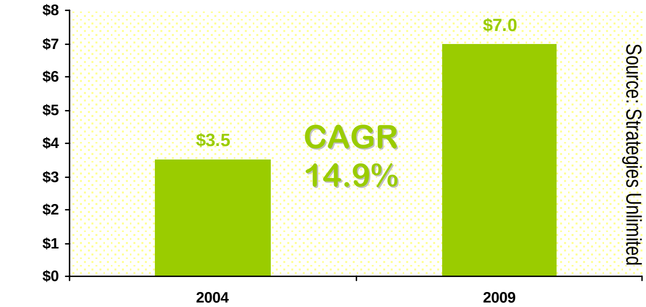
DATA STORAGE HDD Shipments for Consumer Electronics (Units/M)



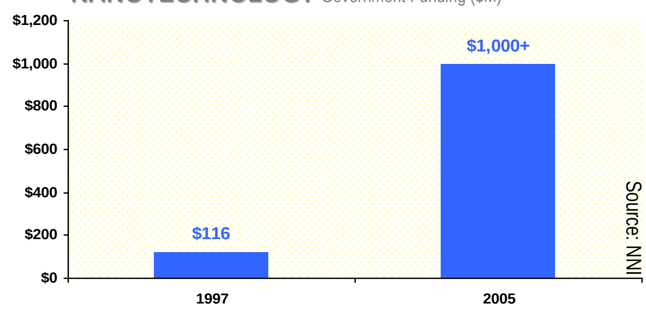
SEMICONDUCTOR Worldwide Metrology Sales ($B)



HB-LED Device Sales ($B)

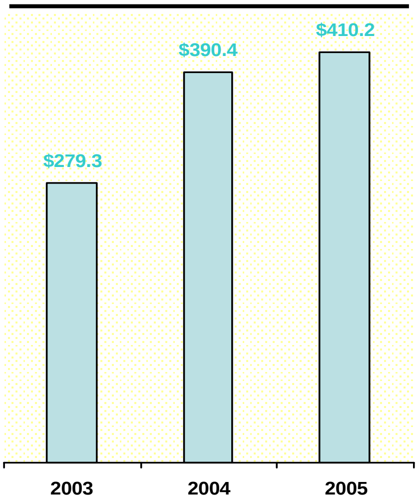


NANOTECHNOLOGY Government Funding ($M)



Three Year Financial Results

SALES ($M)



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

RESEARCH & DEVELOPMENT ($M)

Q206 Highlights

- Revenues were $111.6M, up 8% versus Q205; ahead of guidance.
- Bookings were $143.2M, up 13% sequentially and up 21% from Q205. Bookings were significantly ahead of guidance driven by growth in all markets.
- Net income was $3.0M, $0.10 per share (GAAP) compared to a net loss of ($0.4M), or ($0.02) per share last year, above guidance.

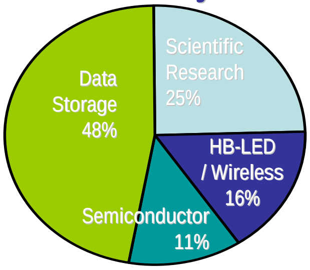
Q2 and 6 Month '06 - Financial Highlights

($M except EPS)

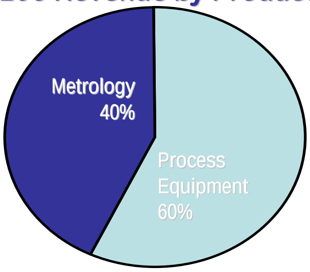
	2Q06		6 Months Ended Jun 30	
	2006	**2005**	**2006**	**2005**
Bookings	$143.2	$118.6	$269.9	$217.5
Sales	$111.6	$103.4	$205.6	$197.3
Oper income	$5.6	$2.0	$7.2	$0.2
EBITA*	$9.6	$6.1	$15.3	$8.7
EPS*	$0.18	$0.09	$0.27	$0.10

* See Earnings Per Share (EPS) reconciliation to GAAP in Q206 Press Release

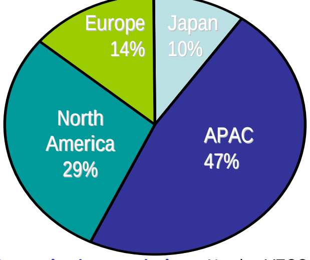
Q206 Revenue by Market



Q206 Revenue by Product



Q206 Revenue by Geographic Region



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