# Quarterly Investor Fact Sheet

**Veeco Instruments Inc.** — **July 27, 2007**

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 High-Brightness 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 2006, Veeco's revenues increased 8% to $441.0 million and EBITA increased 38% to nearly $40 million. Due to a slowdown in the data storage industry and semiconductor weakness, Veeco currently forecasts that 2007 revenues will decline 5-10% from 2006 revenues.

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

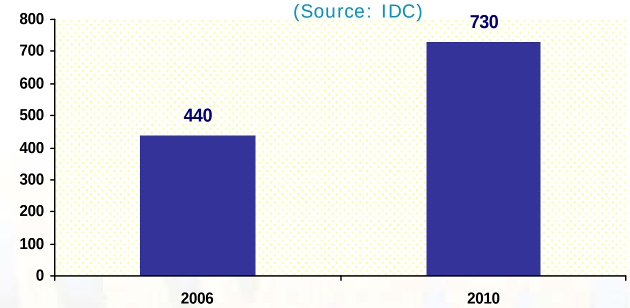
- Maximizing our **broad line of Process Equipment and Metrology** solutions to introduce new products that address customers' technology roadmaps;
- Leveraging our exposure to **high-growth end markets** – such as data storage, HB-LED/wireless and scientific research/nanotechnology;
- Improving our **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 long-term 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

### DATA STORAGE HDD Shipments (Units/M)

(Source: IDC)

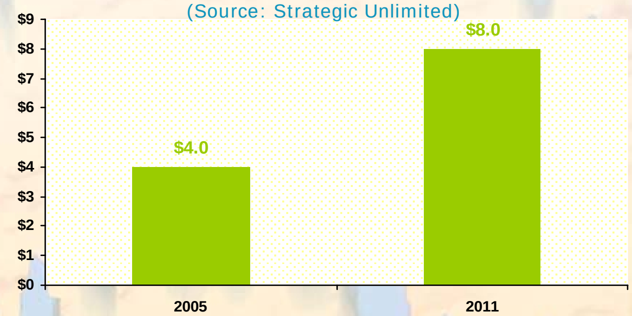



### SEMICONDUCTOR Worldwide Metrology Sales ($B)

(Source: VLSI)

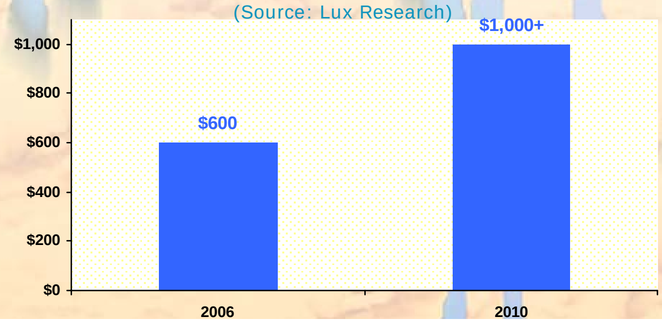

### HB-LED Device Sales ($B)

(Source: Strategic Unlimited)



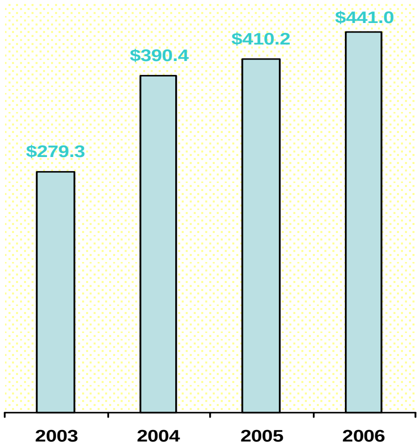

### NANOTECHNOLOGY Tool Business ($M)

(Source: Lux Research)

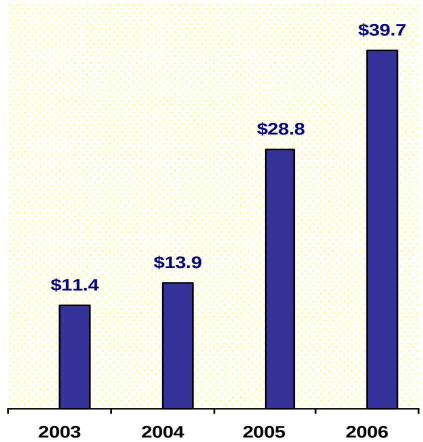


# Four Year Financial Results

**SALES** ($M)




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




**RESEARCH & DEVELOPMENT** ($M)


## Q2 '07 Highlights

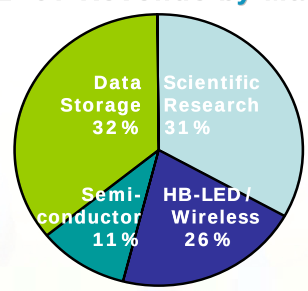
- Revenues were $98.8M, flat sequentially and down 12% versus 2006 revenues
- Bookings were $112.5M, in line with guidance, and up 6% sequentially but down 21% versus prior year
- Net loss was $2.6M, ($0.08) per share (GAAP)
- Veeco's revenues were below guidance due primarily to the field acceptance delay of a data storage PVD tool and end of the quarter data storage customer factory shut-downs.

## Q2 '07 Financial Highlights

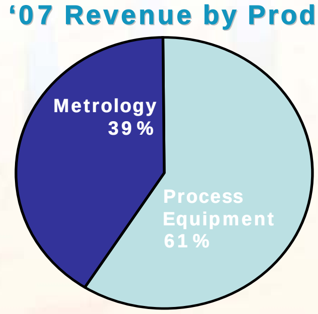
| ($M except EPS) | Q2'07 | Q2'06 | 1H'07 | 1H'06 |
|---|---|---|---|---|
| **Bookings** | $112.5 | $143.2 | $218.4 | $269.9 |
| **Sales** | $98.8 | $111.6 | $197.9 | $205.6 |
| **Op. Income (Loss)** | ($1.0) | $5.6 | $0.7 | $7.2 |
| **EBITA*** | $2.8 | $9.6 | $8.5 | $15.3 |
| **EPS* (non-GAAP)** | $0.05 | $0.18 | $0.15 | $0.27 |

*See Earnings Per Share (EPS) reconciliation to GAAP in Q207 Press Release

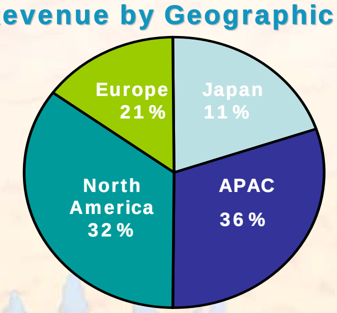
## Q2 '07 Revenue by Market




## Q2 '07 Revenue by Product




## Q2 '07 Revenue by Geographic Region




## Veeco Analyst Coverage

**American Technology Research, Inc.**
Bill Ong. 1 415 490 3914

**Bank of America Securities**
Mark Fitzgerald. 1 415 627 2355

**Bear Stearns**
Mike Winters. 1 415 772 3251

**Brean Murray**
Mark Miller. 1 925 648 2692

**Citigroup Smith Barney**
Tim Arcuri. 1 415 951 1734

**D.A. Davidson**
Matt Petkun. 1 503 603 3056

**FTN Midwest Securities Corp.**
JoAnne Feeney. 1 212 418 6728

**Global Crown**
Nicholas Tishchenko. 1 415 402 0511

**Merrill Lynch**
Brett Hodess. 1 415 676 3546

**Merriman Curhan & Ford**
David Duley. 1 971 544 3601

**Needham & Company**
Robert Maire. 1 212 705 0481

**Thomas Weisel**
Douglas Reid. 1 212 271 3841


**Veeco Instruments Inc.** Nasdaq **VECO**
**Corporate Office** 100 Sunnyside Boulevard, Suite B, Woodbury, New York 11797
**Tel** 1 516 677 0200 **Fax** 1 516 677 0380 **Email** investorrelations@veeco.com
**Contacts:**
Debra Wasser, Senior Vice President, Investor Relations, x1472
Kevin Long, Investor Relations, x1057