# Quarterly Investor Fact Sheet

**Veeco Instruments Inc.** **October 22, 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 approximately 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 nano science centers and universities worldwide that will change tomorrow's technology. Aligning our roadmap with industry experts keeps Veeco one step ahead of the curve.**

**End market growth drivers remain positive*:**

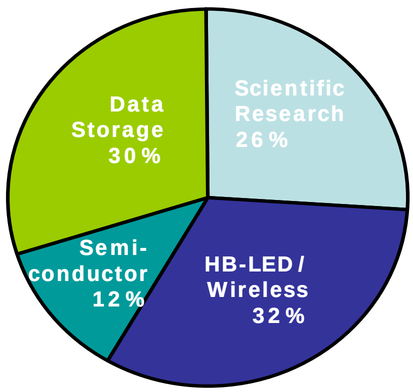
- Hard Disc Drive shipments are predicted to increase 60% over the next 3 years
- Worldwide metrology sales to the semiconductor market will climb to $6.2 billion by 2010, up from $4 billion in 2004
- HB-LED Device sales are expected to double from $4 billion in 2005 to $8 billion in 2011
- Nanotechnology tool business will reach $1 billion by 2010

**Q3 '07 Highlights**

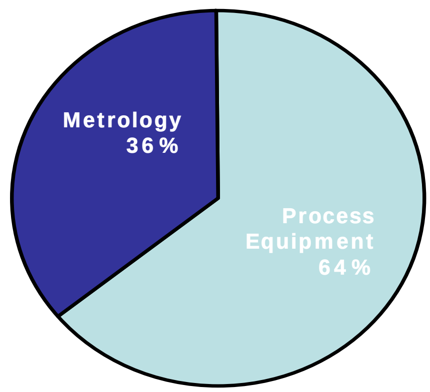
- Revenues were $97.7M, flat sequentially and down 13% versus Q3 2006 revenues
- Bookings were $118.3M, above guidance of $100-115, and up 5% sequentially, and up 3% compared to Q3 2006
- Net loss was $(5.7)M, ($0.18) per share (GAAP)
- While results were in line with guidance, Veeco has initiated a multi-quarter profit turnaround plan, including expense reduction and gross margin improvement.

*Sources include: IDC, VLSI, Strategic Unlimited and Lux Research

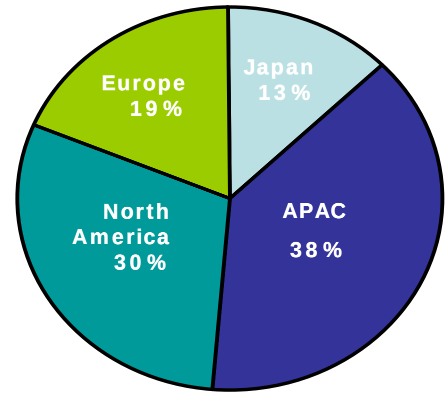
## Q3 '07 Revenue by Market




## Q3 '07 Revenue by Product




## Q3 '07 Revenue by Geographic Region

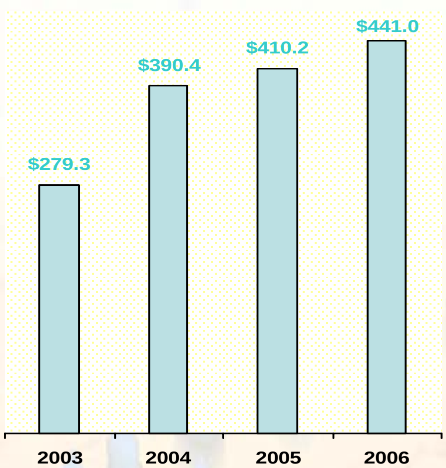



## Q3 '07 Financial Highlights

| ($M except EPS) | Q3 2007 | 2006 | 9 Months 2007 | 2006 |
|---|---|---|---|---|
| **Bookings** | $118.3 | $114.8 | $336.7 | $384.8 |
| **Sales** | $97.7 | $112.4 | $295.7 | $317.9 |
| **Op. Income (Loss)** | ($4.2) | $5.0 | ($3.5) | $12.2 |
| **EBITA*** | ($1.7) | $10.2 | $6.8 | $25.4 |
| **EPS* (non-GAAP)** | ($0.05) | $0.21 | $0.10 | $0.48 |

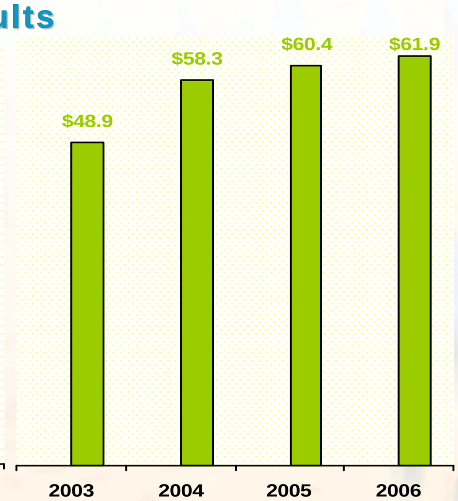
*See Earnings Per Share (EPS) reconciliation to GAAP in Q3 '07 Press Release

## Four Year Financial Results




**SALES** ($M)


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




**RESEARCH & DEVELOPMENT** ($M)

## Veeco Analyst Coverage

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*To the extent that this news release 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, 2006, 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.*