

VEECO INSTRUMENTS INC  
 Form 4  
 July 31, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**KANIA DON R**

2. Issuer Name and Ticker or Trading Symbol  
**VEECO INSTRUMENTS INC  
 [VECO]**

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**President and COO**

(Last) (First) (Middle)

3. Date of Earliest Transaction  
 (Month/Day/Year)

**VEECO INSTRUMENTS INC., 100  
 SUNNYSIDE BOULEVARD,  
 SUITE B**

**07/27/2006**

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**WOODBURY, NY 11797**

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, par value \$.01 per share	07/27/2006		M		10,396	A	\$ 21.68
Common Stock, par value \$.01 per share	07/27/2006		S		10,396	D	\$ 22.44 (1)
Common Stoc, par	07/28/2006		M		15,729	A	\$ 21.36

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value \$.01  
per share

Common  
Stock, par  
value \$.01  
per share

07/28/2006

S 15,729 D \$ 22 20,438 D

Common  
Stock, par  
value \$.01  
per share

07/28/2006

M 59,604 A \$ 21.68 80,042 D

Common  
Stock, par  
value \$.01  
per share

07/28/2006

S 59,604 D \$ 22.12 20,438 D  
(2)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Purchase)	\$ 21.68	07/27/2006		M	10,396	<u>(3)</u> 06/24/2009	Common Stock	10,396	
Employee Stock Option (Right to Purchase)	\$ 21.36	07/28/2006		M	15,729	<u>(4)</u> 07/27/2011	Common Stock	15,729	
Employee Stock Option	\$ 21.68	07/28/2006		M	59,604	<u>(3)</u> 06/24/2009	Common Stock	59,604	

(Right to  
Purchase)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KANIA DON R VEECO INSTRUMENTS INC., 100 SUNNYSIDE BOULEVARD, SUITE B WOODBURY, NY 11797			President and COO	

## Signatures

Gregory A. Robbins,  
Attorney-in-fact  
Date: 07/31/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Represents the average sale price for sales of this security on the date shown. Actual sale prices ranged from \$22.40 to \$22.50 per share.
- (2) Represents the average sale price for sales of this security on the date shown. Actual sale prices ranged from \$22.00 to \$22.25 per share.
- (3) The original grant provided that the option would become exercisable in 33 1/3 increments on the first, second and third anniversaries of the grant date (June 25, 2002). On April 12, 2005, the Compensation Committee of Veeco's Board of Directors approved the acceleration of vesting of all unvested stock options granted prior to September 1, 2004 which were then out-of-the money (exercise price greater than \$15.26).
- (4) The original grant provided that the option would become exercisable in 33 1/3 increments on the first, second and third anniversaries of the grant date (July 28, 2004). On April 12, 2005, the Compensation Committee of Veeco's Board of Directors approved the acceleration of vesting of all unvested stock options granted prior to September 1, 2004 which were then out-of-the money (exercise price greater than \$15.26).

### Remarks:

Dr. Kania has resigned from his position as President and Chief Operating Officer of Veeco Instruments Inc. effective August

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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