

VEECO INSTRUMENTS INC

FORM 8-K (Current report filing)

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Address	TERMINAL DRIVE PLAINVIEW, NY 11803
Telephone	516 677-0200
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Industry	Semiconductors
Sector	Technology
Fiscal Year	12/31

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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **April 28, 2008**

VEECO INSTRUMENTS INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-16244
(Commission
File Number)

11-2989601
(IRS Employer
Identification No.)

100 Sunnyside Boulevard, Suite B, Woodbury, New York 11797
(Address of principal executive offices, including zip code)

(516) 677-0200
(Registrant's telephone number, including area code)

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 2 - Financial Information

Item 2.02 Results of Operations and Financial Condition.

On April 28, 2008, Veeco issued a press release announcing its financial results for the quarter ended March 31, 2008 . In connection with the release and the related conference call, Veeco posted a presentation relating to its first quarter 2008 financial results on its website (www.veeco.com). Copies of the press release and presentation are furnished as Exhibit 99.1 and Exhibit 99.2 to this report.

The information in this report, including the exhibits, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits* .

<u>Exhibit</u>	<u>Description</u>
99.1	Press release issued by Veeco Instruments Inc. dated April 28, 2008.
99.2	Veeco Q1 2008 Financial Data Presentation dated April 28, 2008.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VEECO INSTRUMENTS INC.

April 28, 2008

By: /s/ Gregory A. Robbins

Gregory A. Robbins
Senior Vice President and General Counsel

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
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99.2	Veeco Q1 2008 Financial Data Presentation dated April 28, 2008.

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NEWS

Veeco Instruments Inc., Terminal Drive, Plainview, NY 11803 Tel. 1 516-677-0200 Fax. 1 516-677-0380

FOR IMMEDIATE RELEASE

Financial Contact: Debra Wasser, SVP Investor Relations & Corporate Communications, 1 516-677-0200 x1472

Media Contact: Fran Brennen, Senior Director Marcom, 1 516-677-0200 x1222

VEECO ANNOUNCES FIRST QUARTER 2008 FINANCIAL RESULTS

Plainview, NY, April 28, 2008 — Veeco Instruments Inc. (Nasdaq: VECO) today announced its financial results for the first quarter ended March 31, 2008. Veeco reports its results on a generally accepted accounting principles ("GAAP") basis, and also provides results excluding certain items. Investors should refer to the attached table for details of the reconciliation of GAAP operating income to earnings excluding certain items.

Veeco will host a conference call reviewing these results at 5:00 pm EDT today at 1-877-723-9511 (toll free) or 1-719-325-4791. The call will also be webcast live on the Veeco website at <http://www.veeco.com>. A replay of the call will be available beginning at 8:00pm EDT through midnight on May 13, 2008 at 888-203-1112 or 719-457-0820, using passcode 3406596, or on the Veeco website. Please also see the Veeco website for a slide presentation reviewing financial data.

First Quarter 2008 Highlights

- Revenue was \$102.3 million, in line with Veeco's guidance of \$98-\$105 million;
- Bookings were \$109.3 million, in line with Veeco's guidance of \$105-\$112 million;
- Net loss was (\$1.6) million, or (\$0.05) per share, compared to net income of \$0.3 million, or \$0.01 per share, last year. The current quarter net loss includes a restructuring and asset impairment charge of \$3.2 million principally related to the consolidation and relocation of Veeco's Corporate headquarters in the first quarter.
- Veeco's earnings per share, excluding certain items, was \$0.09 compared to earnings per share of \$0.10 last year, ahead of Veeco's guidance of \$0.00-\$0.06 per share.

John R. Peeler, Veeco's Chief Executive Officer, commented, "We are pleased to report in-line revenues and better than expected earnings due to our restructuring and cost containment efforts and better than anticipated gross margins, up sequentially from 37.9% to 41.7%. We are on track to improve Veeco's performance on both the top and bottom line in 2008."

"Veeco's LED & Solar Process Equipment business reported revenues of \$42.1 million and EBITA of \$8.6 million, now representing our largest segment at 41% of revenues. These results were significantly improved both on a year-over-year and sequential basis. In Data Storage Process Equipment, while we reported a weak revenue quarter as expected, our bookings increased to over \$40 million, driven by increased capital expenditures and technology spending by key hard drive customers. We also reported a sequential recovery in the profitability of our Metrology business. Bookings in Metrology were weak due to slow scientific research/industrial spending which impacted our instruments products, and continued semiconductor industry softness."

First Quarter 2008 Summary

Veeco's revenue for the first quarter of 2008 was \$102.3 million, compared to \$99.2 million in the first quarter of 2007. First quarter 2008 operating income was \$0.1 million, which includes the previously noted \$3.2 million in restructuring and asset impairment charges, compared with operating income of \$1.7 million in the first quarter of 2007. Veeco's first quarter 2008 earnings before interest, taxes and amortization excluding certain charges (EBITA) was \$5.3 million, compared to \$5.6 million last year. First quarter 2008 net loss was (\$1.6) million, or (\$0.05) per share, compared to net income of \$0.3 million, or \$0.01 per share, in the first quarter of 2007. Excluding restructuring, asset impairment and amortization expenses and using a 35% tax rate in both periods, first quarter 2008 earnings per share were \$0.09, compared to \$0.10 in 2007.

Outlook

The Company forecasts second quarter 2008 revenues to be in the range of \$102-\$110 million. Veeco's earnings per share is currently forecasted to be between \$(0.02) – \$0.07 on a GAAP basis, and earnings per share are currently forecasted to be between \$0.05 to \$0.11 on a non-GAAP basis (excluding amortization of \$2.0 million and using a 35% tax rate). Veeco currently expects that its second quarter 2008 bookings will be greater than the first quarter, with a range of \$110-\$118 million. The Company currently anticipates sequential bookings increases in the LED & Solar Process Equipment and Metrology segments. For the full year, Veeco reaffirms its guidance of revenue growth at a minimum of 10% to \$440 million.

About Veeco

Veeco Instruments Inc. manufactures enabling solutions for customers in the HB-LED, solar, data storage, semiconductor, scientific research and industrial markets. We have leading technology positions in our three businesses: LED & Solar Process Equipment, Data Storage Process Equipment, and Metrology Instruments. Veeco's manufacturing and engineering facilities are located in New York, New Jersey, California, Colorado, Arizona and Minnesota. Global sales and service offices are located throughout the U.S., Europe, Japan and APAC. <http://www.veeco.com>

To the extent that this news release discusses expectations 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 risks 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, 2007 and in our subsequent quarterly reports on Form 10-Q, current reports on Form 8-K and press releases. Veeco does not undertake any obligation to update any forward-looking statements to reflect future events or circumstances after the date of such statements.

- financial tables attached-

Veeco Instruments Inc. and Subsidiaries
Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three months ended March 31,	
	2008	2007
Net sales	\$ 102,307	\$ 99,166
Cost of sales	59,681	55,471
Gross profit	42,626	43,695
Operating expenses:		
Selling, general and administrative expense	22,628	22,806
Research and development expense	14,726	15,389
Amortization expense	1,956	3,909
Restructuring expense	2,875	—
Asset impairment charge	285	—
Other expense (income), net	4	(147)
Operating income	152	1,738
Interest expense, net	892	819
Gain on extinguishment of debt	—	(738)
(Loss) income before income taxes and noncontrolling interest	(740)	1,657
Income tax provision	919	1,494
Noncontrolling interest	(76)	(130)
Net (loss) income	\$ (1,583)	\$ 293
(Loss) income per common share:		
Net (loss) income per common share	\$ (0.05)	\$ 0.01
Diluted net (loss) income per common share	\$ (0.05)	\$ 0.01
Weighted average shares outstanding	31,161	30,899
Diluted weighted average shares outstanding	31,161	31,281

Veeco Instruments Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands)

	March 31, 2008 (Unaudited)	December 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 114,429	\$ 117,083
Accounts receivable, net	76,753	75,207
Inventories, net	105,169	98,594
Prepaid expenses and other current assets	7,739	8,901
Deferred income taxes	2,929	2,649
Total current assets	307,019	302,434
Property, plant and equipment, net	65,661	66,142
Goodwill	100,898	100,898
Other assets, net	58,382	59,860
Total assets	<u>\$ 531,960</u>	<u>\$ 529,334</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 38,101	\$ 36,639
Accrued expenses	55,883	60,201
Deferred profit	4,330	3,250
Income taxes payable	2,066	2,278
Current portion of long-term debt	25,418	25,550
Total current liabilities	125,798	127,918
Deferred income taxes	4,351	3,712
Long-term debt	120,987	121,035
Other non-current liabilities	3,026	1,978
Noncontrolling interest	938	1,014
Shareholders' equity	276,860	273,677
Total liabilities and shareholders' equity	<u>\$ 531,960</u>	<u>\$ 529,334</u>

Veeco Instruments Inc. and Subsidiaries
Reconciliation of operating income to earnings excluding certain items
(In thousands, except per share data)
(Unaudited)

	Three months ended March 31,	
	2008	2007
Operating income	\$ 152	\$ 1,738
Adjustments:		
Amortization expense	1,956	3,909
Restructuring expense	2,875(1)	—
Asset impairment charge	285(2)	—
Earnings before interest, income taxes and amortization excluding certain items (“EBITA”)	5,268	5,647
Interest expense, net	892	819
Gain on extinguishment of debt	—	(738)(3)
Adjustment to exclude gain on extinguishment of debt	—	738
Earnings excluding certain items before income taxes	4,376	4,828
Income tax provision at 35%	1,532	1,690
Noncontrolling interest, net of income tax provision at 35%	(49)	(85)
Earnings excluding certain items	\$ 2,893	\$ 3,223
Earnings excluding certain items per diluted share	\$ 0.09	\$ 0.10
Diluted weighted average shares outstanding	31,301	31,281

(1) During the first quarter of 2008, the Company recorded a restructuring charge of \$2.9 million, consisting of \$2.6 million of costs associated with the consolidation and relocation of the lease for our Corporate headquarters, and \$0.3 million of personnel severance costs.

(2) During the first quarter of 2008, the Company recorded a \$0.3 million asset impairment charge related to fixed asset write-offs associated with the consolidation and relocation of our Corporate headquarters.

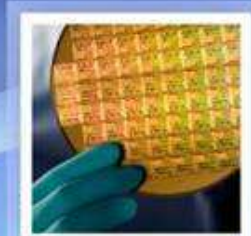
(3) During the first quarter of 2007, the Company repurchased \$56.0 million aggregate principal amount of its 4.125% convertible subordinated notes. As a result of these repurchases, the Company recorded a gain from the early extinguishment of debt in the amount of \$0.7 million.

NOTE - The above reconciliation is intended to present Veeco’s operating results, excluding certain items and providing income taxes at a 35% statutory rate. This reconciliation is not in accordance with, or an alternative method for, generally accepted accounting principles in the United States, and may be different from similar measures presented by other companies. Management of the Company evaluates performance of its business units based on EBITA, which is the primary indicator used to plan and forecast future periods. The presentation of this financial measure facilitates meaningful comparison with prior periods, as management of the Company believes EBITA reports baseline performance and thus provides useful information.

Veeco Instruments Inc. and Subsidiaries
Segment Revenues, Bookings, and Reconciliation
of Operating Income (Loss) to EBITA
(In millions)
(Unaudited)

	Three months ended	
	March 31, 2008	March 31, 2007
LED & Solar Process Equipment		
Bookings	\$ 38.7	\$ 36.4
Revenues	42.1	22.4
Operating income (loss)	8.1	(0.5)
Amortization expense	0.5	2.3
EBITA	8.6	1.8
Data Storage Process Equipment		
Bookings	40.6	32.3
Revenues	24.1	35.7
Operating (loss) income	(2.6)	1.4
Amortization expense	1.0	1.0
Restructuring expense	0.1	—
EBITA	(1.5)	2.4
Metrology		
Bookings	30.0	37.2
Revenues	36.1	41.1
Operating income	1.2	3.6
Amortization expense	0.4	0.4
Restructuring expense	0.2	—
EBITA	1.8	4.0
Unallocated Corporate		
Operating loss	(6.6)	(2.8)
Amortization expense	0.1	0.2
Restructuring expense	2.6	—
Asset impairment charge	0.3	—
EBITA	(3.6)	(2.6)
Total		
Bookings	109.3	105.9
Revenues	102.3	99.2
Operating income	0.1	1.7
Amortization expense	2.0	3.9
Restructuring expense	2.9	—
Asset impairment charge	0.3	—
EBITA	\$ 5.3	\$ 5.6

** Refer to footnotes on Reconciliation of operating income to earnings excluding certain items



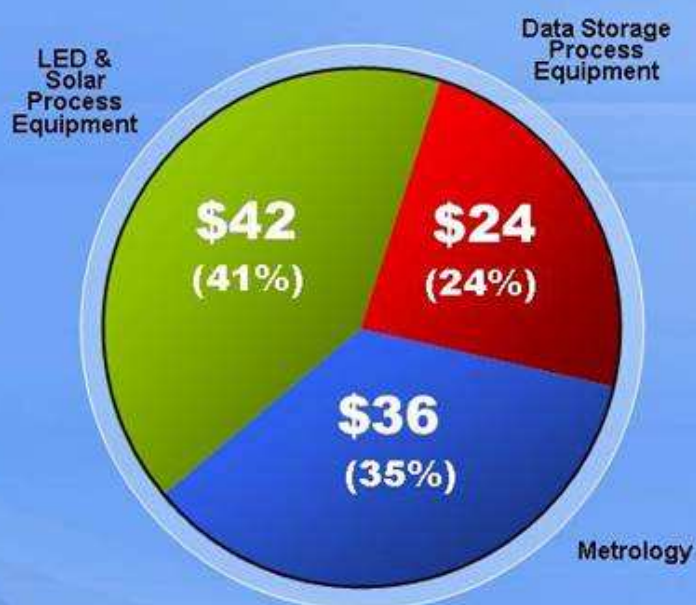
Veeco

Q1 '08 Financial Data

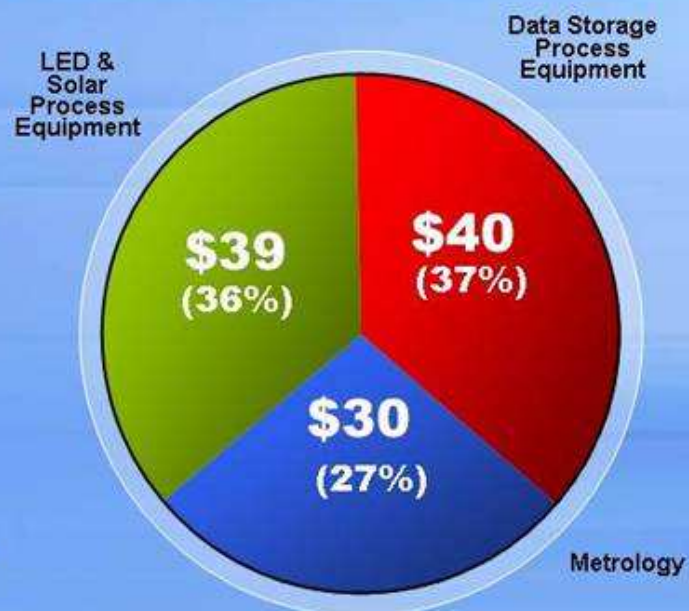
April 28, 2008

First Quarter Segment Results

Q1 08 Revenues (\$M) \$102 Million



Q1 08 Bookings (\$M) \$109 Million



Q1 2008 Financials

(\$M except EPS)

	Q1 '08	Q1 '07	Q4 '07
Orders	\$109.3	\$105.9	\$114.9
Revenues	\$102.3	\$99.2	\$106.8
Gross Margin	42%	44%	38%*
Operating Income (Loss)	\$0.2	\$1.7	(\$8.6)
EBITA**	\$5.3	\$5.6	\$4.1
EPS (Non-GAAP)**	\$0.09	\$0.10	\$0.07

- In-line revenues and better than forecasted earnings due to restructuring and cost-containment
- Better than anticipated Gross Margins, up 380 basis points sequentially

* Excludes \$4.8M inventory write-off associated with restructuring. Reported gross margin is 33%

** See reconciliation to GAAP at end of presentation

Q1 Segment Data: Y/Y and Sequential Highlights

(\$ millions)

	Q1 2008	Q1 2007	Q4 2007
LED/Solar Process Equipment			
Bookings	\$38.7	\$36.4	\$42.5
Revenues	42.1	22.4	33.7
Gross Margin	41.0%	38.2%	39.8%
EBITA	8.6	1.8	5.2
Data Storage Process Equipment			
Bookings	40.6	32.3	35.8
Revenues	24.1	35.7	37.3
Gross Margin	35.3%	41.6%	34.9%
EBITA	(1.5)	2.4	2.8
Metrology			
Bookings	30.0	37.2	36.6
Revenues	36.1	41.1	35.8
Gross Margin	48.6%	49.4%	39.3%
EBITA	1.8	4.0	(1.5)
Unallocated Corporate	(3.6)	(2.6)	(2.4)
Total			
Bookings	109.3	105.9	114.9
Revenues	102.3	99.2	106.8
Gross Margin	41.7%	44.1%	37.9%
EBITA	5.3	5.6	4.1

2008 “Recovery Year”

- Goal is revenue growth at a minimum of 10% to \$440M
- Operating spending forecasted to decline as a percentage of sales (38% in '07 to 36-37% '08)
- Continued focus on gross margin improvements:
 - Better than anticipated GMs in Q1 (41.7% vs. guidance of 39%)... anticipate continued GM improvements in 2H '08s
 - Driving margin improvement independent of volume
 - Better pricing
 - Global supply chain initiatives
 - Outsourcing
- Cost containment focus so that spending does not get ahead of revenue growth... continued improvements in expense structure

Veeco's 2008 Growth Outlook

	2007 Revenue	2008 Revenue Growth Range [*]	2008 Revenue Range
LED & Solar Process Equipment	\$116M	~20-25%	\$140-145M
Data Storage Process Equipment	\$136M	~0-5%	\$137-143M
Metrology	\$150M	~5-7%	\$157-160M
TOTAL	\$402M	~10%	~\$440M

^{*} Based upon end market industry forecasts (Strategy Analytics, IDC) and Veeco Estimates

Q2 '08 Guidance

Q2 '08 Revenues	\$102-\$110 million
Q2 '08 Earnings	(\$0.02)-\$0.07 per share GAAP
Non-GAAP EPS	\$0.05 - \$0.11 excluding amortization of \$2.0 million, using a 35% tax rate
Q2 '08 Orders	\$110-\$118 million



Gross Margin Improvement Model

	Q4 2007	2007 Full Year	Q1'08	Q2'08 F	Peak Quarter	2008 Target
Revenue	\$106.8M	\$402M	\$102.3M	\$102-\$110M	\$125-130M	> \$440M
Gross Margin						
<i>Process Equipment</i>	37.2%	38.1%	39.0%	39%	43%	
<i>Metrology</i>	39.3%	44.1%	46.6%	46%	52%	
TOTAL	37.9%	40%	41.7%	41%	45-46%	42%
Operating Expenses	34.1%	37.6%	36.5%	36-38%	32 - 34%	36-37%
EBITA (%)	3.8%	2.7%	5.1%	3-5%	11 - 14%	>5%

Anticipate higher Q2 spending levels due to raises, additional hiring in LED & Solar PE

Veeco Balance Sheet

(in millions)

March 31, 2008

December 31, 2007

Cash and Investments	\$114.4	\$117.1
Working Capital	181.2	174.5
Fixed Assets	65.7	66.1
Total Assets	532.0	529.3
Long-Term Debt <small>(including current portion)</small>	146.4	146.6
Shareholder's Equity	\$276.9	\$273.7

Safe Harbor Statement

To the extent that this presentation discusses expectations or otherwise make 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 risk 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, 2007 and 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 includes 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 10-K and 10-Q filings available on www.veeco.com.

Back-Up and Reconciliation Slides



Q1 '08 Veeco Reconciliation Table

Three months ended March 31,
2008 2007

Operating income	\$152	\$1,738
Adjustments:		
Amortization expense	1,956	3,909
Restructuring expense	2,875 ⁽¹⁾	-
Asset impairment charge	285 ⁽²⁾	-
Earnings before interest, income taxes and amortization excluding certain items ("EBITA")	5,268	5,647
Interest expense, net	892	819
Gain on extinguishment of debt	-	(738) ⁽³⁾
Adjustment to exclude gain on extinguishment of debt	-	738
Earnings excluding certain items before income taxes	4,376	4,828
Income tax provision at 35%	1,532	1,690
Noncontrolling interest, net of income tax provision at 35%	(49)	(85)
Earnings excluding certain items	\$2,893	\$3,223
Earnings excluding certain items per diluted share	\$0.09	\$0.10
Diluted weighted average shares outstanding	31,301	31,281

1. During the first quarter of 2008, the Company recorded a restructuring charge of \$2.9 million, consisting of \$2.6 million of costs associated with the consolidation and relocation of the lease for our Corporate headquarters, and \$0.3 million of personnel relocation costs.

2. During the first quarter of 2008, the Company recorded a \$0.3 million asset impairment charge related to the disposal of certain assets associated with the consolidation and relocation of our Corporate headquarters.

3. During the first quarter of 2007, the Company repurchased \$60 million aggregate principal amount of its 4.125% convertible subordinated notes. As a result of these repurchases, the Company recorded a gain from the early extinguishment of debt in the amount of \$0.7 million.

NOTE - The above reconciliation is intended to present Veeco's operating results, excluding certain items and providing income taxes at a 35% statutory rate. This reconciliation is not in accordance with, or an alternative method for, generally accepted accounting principles in the United States, and may be different from similar measures presented by other companies. Management of the Company evaluates performance of its business units based on EBITA, which is the primary indicator used to plan and forecast future periods. The presentation of this financial measure facilitates meaningful comparison with prior periods, as management of the Company believes EBITA reports baseline performance and thus provides useful information.

Q1 2008 Segment Reconciliation

Segment Revenues, Bookings, and Reconciliation of Operating Income (Loss) to EBITA
(In millions, unaudited)

	Three months ended	
	March 31, 2008	March 31, 2007
LED & Solar Process Equipment		
Bookings	\$ 38.7	\$ 36.4
Revenues	42.1	22.4
Operating income (loss)	8.1	(0.5)
Amortization expense	0.5	2.3
EBITA	8.6	1.8
Data Storage Process Equipment		
Bookings	40.6	32.3
Revenues	24.1	35.7
Operating (loss) income	(2.6)	1.4
Amortization expense	1.0	1.0
Restructuring expense	0.1	-
EBITA	(1.5)	2.4
Metrology		
Bookings	30.0	37.2
Revenues	36.1	41.1
Operating income	1.2	3.6
Amortization expense	0.4	0.4
Restructuring expense	0.2	-
EBITA	1.8	4.0
Unallocated Corporate		
Operating loss	(6.6)	(2.8)
Amortization expense	0.1	0.2
Restructuring expense	2.6	-
Asset impairment charge	0.3	-
EBITA	(3.6)	(2.6)
Total		
Bookings	109.3	105.9
Revenues	102.3	99.2
Operating income	0.1	1.7
Amortization expense	2.0	3.9
Restructuring expense	2.9	-
Asset impairment charge	0.3	-
EBITA	\$ 5.3	\$ 5.6

^{***} Refer to footnotes on reconciliation of operating income to earnings excluding certain items

Q2 '08 Guidance Reconciliation Table

Veeco Instruments Inc. and Subsidiaries
Reconciliation of operating (loss) income to earnings excluding certain items
(In thousands, except per share data)
(Unaudited)

	Guidance for the Three months ended June 30, 2008	
	LOW	HIGH
Operating income	\$1,000	\$4,000
Amortization expense	2,000	2,000
Earnings before interest, income taxes and amortization excluding certain items ("EBITA")	3,000	6,000
Interest expense, net	800	800
Earnings excluding certain items before income taxes	2,200	5,200
Income tax expense at 35%	770	1,820
Noncontrolling interest, net of income tax provision at 35%	(85)	(85)
Earnings excluding certain items	<u>\$1,495</u>	<u>\$3,445</u>
Earnings excluding certain items per diluted share	\$0.05	\$0.11
Diluted weighted average shares outstanding	31,600	31,600

Note: The forecasted income tax expenses for the three months ending June 30, 2008 is \$1.0 million for both high end and low end guidance.

NOTE: The above reconciliation is intended to present Veeco's operating results, excluding certain items and providing income taxes at a 35% statutory rate. This reconciliation is not in accordance with, or an alternative method for, generally accepted accounting principles in the United States, and may be different from similar measures presented by other companies. Management of the Company evaluates performance of its business units based on EBITA, which is the primary indicator used to plan and forecast future periods. The presentation of this financial measure facilitates meaningful comparison with prior periods, as management of the Company believes EBITA reports baseline performance and thus provides useful information.

2007 Quarterly Segment Data

Veeco Instruments Inc. and Subsidiaries
Segment Revenues, Bookings, and Reconciliation
of Operating (Loss) Income to EBITA
(in millions)
(unaudited)

	Three months ended			
	March 31, 2007	June 30, 2007	September 30, 2007	December 31, 2007
LED & Solar Process Equipment				
Bookings	\$ 36.1	\$ 36.1	\$ 40.3	\$ 42.5
Revenues	32.4	30.0	31.0	33.3
Operating income (loss)	(0.9)	2.0	2.3	4.3
Amortization expense	2.3	1.0	0.5	0.5
EBITDA	1.0	3.0	3.2	5.2
Chloride Storage Process Equipment				
Bookings	32.3	41.3	30.2	35.0
Revenues	35.1	32.1	31.1	31.3
Operating income (loss)	1.1	0.6	(0.2)	(6.1)
Amortization expense	1.0	1.0	1.0	1.0
Restructuring expense	-	-	0.2	2.3
Asset impairment charge	-	-	-	1.1
Inventory write-off	-	-	-	4.0
EBITDA	2.1	1.6	(0.2)	2.0
Metallurgy				
Bookings	39.2	31.0	39.4	36.6
Revenues	41.1	30.3	34.0	35.0
Operating income (loss)	3.6	(0.0)	(0.0)	(2.1)
Amortization expense	0.1	0.3	0.1	0.3
Restructuring expense	-	0.6	-	0.6
EBITDA	1.0	0.3	(0.1)	(1.5)
Unaffiliated Corporate				
Operating loss	(0.0)	(0.0)	(0.0)	(0.1)
Amortization expense	0.2	0.1	0.1	0.2
Restructuring expense	-	0.0	0.3	1.0
EBITDA	(0.0)	(0.0)	(0.0)	(0.1)
Total				
Bookings	105.9	112.5	110.3	114.9
Revenues	99.2	90.0	99.3	106.0
Operating income (loss)	1.3	(0.1)	(0.2)	(5.0)
Amortization expense	3.9	2.4	2.0	2.0
Restructuring expense	-	1.5	0.5	4.3
Asset impairment charge	-	-	-	1.1
Inventory write-off	-	-	-	4.0
EBITDA	\$ 5.6	\$ 2.0	\$ (0.3)	\$ 4.1