

VEECO INSTRUMENTS INC

Reported by **PEELER JOHN R**

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 04/07/10 for the Period Ending 04/05/10

Address TERMINAL DRIVE

PLAINVIEW, NY 11803

Telephone 516 677-0200

CIK 0000103145

Symbol VECO

SIC Code 3559 - Special Industry Machinery, Not Elsewhere Classified

Industry Semiconductors

Sector Technology

Fiscal Year 12/31



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

UNITED STATES SECURITIES AND EXCHANGE **COMMISSION**

Washington, D.C. 20549

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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(f) of the Investment Company Act of 1940

| 1. Name and Address of Reporting Person * | | | | 2 | 2. Issuer Name and Ticker or Trading Symbol | | | | | | ng Symb | | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | | | | |
|--|---|----------|----------------|-----------------------------------|--|--|----------------------------------|---|--------------|-------------------|---------|---------------------|---|------------------------------|------------|---|------------|
| PEELER JOHN R | | | | | VEECO INSTRUMENTS INC [VECO] | | | | | | NC | X Direc | X Director 10% Owner | | | | |
| (Last) (First) (Middle) | | | | 3 | 3. Date of Earliest Transaction (MM/DD/YYYY) | | | | | | DD/YYYY | X Office below) CEO | | | | | |
| VEECO INSTRUMENTS INC., TERMINAL DRIVE | | | | | 4/5/2010 | | | | | | | CEO | | | | | |
| , | | | | | 4. If Amendment, Date Original Filed (MM/DD/YYYY) | | | | | | ed | | 6. Individual or Joint/Group Filing (Check Applicable Line) | | | | |
| PLAINVIEW, NY 11803 (City) (State) (Zip) | | | | | | | | | | | | | _ X _ Form filed by One Reporting Person Form filed by More than One Reporting Person | | | | |
| Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned | | | | | | | | | | | | | | | | | |
| | | | 2. Tra Date | e Deemed Execution Date, if | | 3. Trans. Code (Instr. 8) | | 4. Securities Acquor Disposed of (D (Instr. 3, 4 and 5) | | (D) | | | Amount of Securities Beneficially wned Following Reported Transaction(s) nstr. 3 and 4) | | | Beneficial Ownership | |
| | | | | | | any | Code | v | Amou | or (D) | | Price | | | | or Indirect (I) (Instr. 4) | (Instr. 4) |
| Common Stock 4/5 | | | | 4/5/20 | 010 | | M | | 25000 | A | \$2 | 20.74 | 203825 | | D | | |
| Common Stock 4/5 | | | | 4/5/20 | 010 | | s | | 25000 (1) | D | \$45. | 9500 (2) | 178825 | | D | | |
| Tab | le II - Dei | ivative | Securiti | ies Be | enef | ficially | Owne | d (| e.g. , | puts, | cal | ls, warr | ants, options | , convert | ible secur | ities) | |
| 1. Title of Derivate Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | Date | | Code | 8) S | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exerci and Expiration | | | | | Security | lerlying Derivative Security | | 10. Ownership Form of Derivative Security: Direct (D) or Indirect | Beneficial |
| | | | | Code | V (A) (D) Date Exercisable Date Date Title | Title | Amount or Number of Shares | Reported Transaction (s) (Instr. 4) | | (I) (Instr. 4) | | | | | | | |
| Stock Option (right to purchase) | \$20.74 | 4/5/2010 | | M | | 250 | 00 | | (3) | 6/30/20 | 14 | Common Stock | 25000 | \$0 | 125000 | D | |

Explanation of Responses:

- (1) Represents securities sold pursuant to a 10b5-1 sales plan adopted by the reporting person.
- (2) Reflects weighted average sale price. Actual sale prices ranged from \$45.95 to \$45.96 per share. The reporting person undertakes to provide, upon the request of the SEC staff, the issuer or any security holder of the issuer, full information regarding the number of shares sold at each separate price.
- (3) The option was granted on July 1, 2007 and became exercisable with respect to 1/3 of such shares on each of the first, second and third anniversaries of the date of grant.

Reporting Owners

| Demonting Overson Name / Address | Relationships | | | | | |
|----------------------------------|---------------|-----------|---------|-------|--|--|
| Reporting Owner Name / Address | Director | 10% Owner | Officer | Other | | |
| | | | | | | |

| PEELER JOHN R VEECO INSTRUMENTS INC. | X | СЕО | |
|---|---|-----|--|
| TERMINAL DRIVE PLAINVIEW, NY 11803 | | | |

Signatures

Gregory A. Robbins, Attorney-in-fact 4/7/2010

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

- * 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).

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

^{**} Signature of Reporting Person