

VEECO INSTRUMENTS INC

Reported by
KANIA DON R

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 08/03/06 for the Period Ending 08/03/06

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

VEECO INSTRUMENTS INC

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 8/3/2006 For Period Ending 8/3/2006

Address	TERMINAL DR PLAINVIEW, New York 11803
Telephone	516-349-8300
CIK	0000103145
Industry	Semiconductors
Sector	Technology
Fiscal Year	12/31

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FORM 4

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

OMB APPROVAL
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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(f) of the
Investment Company Act of 1940

1. Name and Address of Reporting Person *	2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
KANIA DON R	VEECO INSTRUMENTS INC [VECO]	<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) President and COO
(Last) (First) (Middle)	3. Date of Earliest Transaction (MM/DD/YYYY)	
VEECO INSTRUMENTS INC., 100 SUNNYSIDE BOULEVARD, SUITE B	8/3/2006	
(Street)	4. If Amendment, Date Original Filed (MM/DD/YYYY)	6. Individual or Joint/Group Filing (Check Applicable Line)
WOODBURY, NY 11797		<input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
(City) (State) (Zip)		

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

1. Title of Security (Instr. 3)	2. Trans. Date	2A. Deemed Execution Date, if any	3. Trans. 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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, par value \$.01 per share	8/1/2006		M		19432	A	\$21.36	39870	D	
Common Stock, par value \$.01 per share	8/1/2006		S		19432	D	\$22.00 (1)	20438	D	
Common Stock, par value \$.01 per share	8/2/2006		M		54839	A	\$21.36	75277	D	
Common Stock, par value \$.01 per share	8/2/2006		S		54839	D	\$22.02 (2)	20438	D	
Common Stock, par value \$.01 per share	8/2/2006		M		161	A	\$15.48	20599	D	
Common Stock, par value \$.01 per share	8/2/2006		S		161	D	\$22.11	20438	D	

Table II - Derivative Securities Beneficially Owned (e.g. , puts, calls, warrants, options, convertible securities)

1. Title of Derivate Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Trans. Date	3A. Deemed Execution Date, if any	4. Trans. 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		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction (s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Employee Stock Option (Right to Purchase)	\$21.36	8/1/2006		M		19432	(3)	7/27/2011	Common Stock	19432	\$0	54839	D	
Employee Stock Option (Right to Purchase)	\$21.36	8/2/2006		M		54839	(3)	7/27/2011	Common Stock	54839	\$0	0	D	
Employee Stock Option (Right to Purchase)	\$15.48	8/2/2006		M		161	(4)	3/31/2010	Common Stock	161	\$0	19839	D	

Explanation of Responses:

- (1) Represents the average sale price for sales of this security on the date shown. Actual sale prices ranged from \$22.00 to \$22.04 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 \$22.11
- (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 (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).
- (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 (April 1, 2003). 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 4, 2006.

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

8/3/2006

** Signature of Reporting Person

Date

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.

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