VEECO INSTRUMENTS INC

Form 4

August 07, 2006

FORM 4

Check this box

if no longer

Section 16.

Form 4 or

subject to

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(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]

(Middle) (First) 3. Date of Earliest Transaction

(Month/Day/Year)

VEECO INSTRUMENTS INC.,, 100 08/03/2006 SUNNYSIDE BOULEVARD,

SUITE B

(Last)

(Street) 4. If Amendment, Date Original

Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

OMB APPROVAL

Estimated average

burden hours per

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Director 10% Owner X_ Officer (give title Other (specify

below)

President and COO

6. Individual or Joint/Group Filing(Check

Applicable Line) _X_ 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. Securit on(A) or Dia (Instr. 3, 4)	sposed	of (D)	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)	
Common Stock, par value \$.01 per share	08/03/2006		M	19,839	` ′		40,277	D		
Common Stock, par value \$.01 per share	08/03/2006		S	19,839	D	\$ 22	20,438	D		
Common Stock, par	08/03/2006		M	40,100	A	\$ 15.27	60,538	D		

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value \$.01 per share							
Common Stock, par value \$.01 per share	08/03/2006	S	40,100	D	\$ 22.24 (1)	20,438	D
Common Stock, par value \$.01 per share	08/04/2006	M	9,900	A	\$ 15.27	30,338	D
Common Stock, par value \$.01 per share	08/04/2006	S	9,900	D	\$ 22.66 (2)	20,438	D

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

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SEC 1474 (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. Transactic Code (Instr. 8)	orDeri Secu Acq or D (D)	urities uired (A) visposed of tr. 3, 4,	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Purchase)	\$ 15.48	08/03/2006		M		19,839	(3)	03/31/2010	Common Stock	19,839
Employee Stock Option (Right to Purchase)	\$ 15.27	08/03/2006		M		40,100	<u>(4)</u>	03/02/2010	Common Stock	40,100
Employee Stock Option	\$ 15.27	08/04/2006		M		9,900	<u>(4)</u>	03/02/2010	Common Stock	9,900

(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

08/07/2006

**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 \$22.00 to \$22.49 per share.
- (2) Represents the average sale price for sales of this security on the date shown. Actual sale prices ranged from \$22.50 to \$22.85 per share.
- 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).
- 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 (March 3,2003). 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 Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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