

VEECO INSTRUMENTS INC
 Form 4
 May 09, 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 *
KIERNAN JOHN P

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)
 SVP Finance & Corp. Controller

(Last) (First) (Middle)

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

3. Date of Earliest Transaction
 (Month/Day/Year)
05/05/2005

(Street)
WOODBURY, NY 11797

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

(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)	
				(A) or (D)	Price			
				Code	V	Amount		
Common Stock, par value \$.01 per share	05/05/2006		M	10,000	A	\$ 15.48	10,000	D
Common Stock, par value \$.01 per share	05/05/2006		S	10,000	D	\$ 27.10	0	D

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
Employee Stock Option (Right to Purchase)	\$ 15.48	05/05/2006		M	10,000	<u>(1)</u> 03/31/2010	Common Stock	10,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

KIERNAN JOHN P
VEECO INSTRUMENTS INC.,
100 SUNNYSIDE BOULEVARD, SUITE B
WOODBURY, NY 11797

SVP Finance & Corp. Controller

Signatures

Gregory A. Robbins,
Attorney-in-fact 05/09/2006

__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).

The original grant provided that the option would become exercisable in 33 1/3% increments on the 1st, 2nd & 3rd anniversaries of the (1) grant date. On 4/12/2005, the Compensation Committee of Veeco's Board of Directors approved the acceleration of vesting of all unvested stock options granted prior to 9/1/2004 which were then out-of-the-money (exercise price greater than \$15.26).

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.