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VEECO INSTRUMENTS INC
Form 425
December 03, 2002

Filed by Veeco Instruments Inc.

Filed pursuant to Rules 165 and 425 promulgated under the Securities Act of 1933, as amended, and deemed filed pursuant to Rule 14a-12 promulgated under the Securities Exchange Act of 1934, as amended.

Subject Company: Veeco Instruments Inc.

Commission File No.: 0-016244

On December 3, 2002, Veeco Instruments Inc. and FEI Company jointly presented the following material.

CSFB TECHNOLOGY CONFERENCE
DECEMBER 3, 2002

Jack Rein
EVP, CFO Veeco Instruments

Jay Lindquist
SVP Corporate Marketing, FEI Company

STRATEGICALLY COMPELLING VALUE

| | | |
|--|---|--|
| \$680 M Revenue* | | Critical Mass & Accelerated Growth Opportunities |
| Expanded Leadership in 3D Metrology and Nanotechnology | | |
| Complementary Products and Strong Technology Portfolio | = | |
| Strong Global Channels for 24x7 Coverage | | |
| Strong Management Team | | |

*Trailing 12 months

MOVING TOWARD TOP TIER
OF SEMICONDUCTOR EQUIPMENT SUPPLIERS

Veeco FEI to become 6th largest in peer group
and #1 in 3D metrology, AFM, FIB, TEM, SEM combinations

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| | |
|------|---------|
| AMAT | \$5,060 |
| KLAC | \$1,510 |
| TER | \$1,110 |
| NVLS | \$ 822 |
| LRCX | \$ 801 |
| VECO | \$ 681 |
| KLIC | \$ 465 |
| DPMI | \$ 349 |
| VSEA | \$ 335 |
| BRKS | \$ 263 |
| ZIGO | \$ 84 |
| ADEX | \$ 71 |
| UTEK | \$ 69 |
| RTEC | \$ 51 |
| TWAV | \$ 50 |
| NANO | \$ 33 |

Source: Yahoo! Finance 11.15.02

VEECO FEI OFFERS DISTINCT 3D METROLOGY PRODUCTS

| | 2001 REVENUE* | WAFER INSPECTION | DEFECT ANALYSIS | CD-SEM | 3D AFM METROLOGY |
|-------------------|------------------|---------------------|--------------------|--------|---------------------|
| KLA-TENCOR | \$1.419B | X | X | X | |
| APPLIED MATERIALS | \$378.4M | X | X | X | |
| VEECO FEI | \$241.1M | | X | | X |
| THERMA-WAVE | \$ 97.9M | | | | |
| RUDOLPH | \$ 75.9M | | | | |
| ADE | \$ 68.9M | X | | | |
| NANOMETRICS | \$ 39.2M | | | | |

*U.S. company revenues in Semiconductor Equipment

Source: VSLI

Veeco FEI becomes the leader in high growth, high margin 3D Metrology

WER OF COMBINED PRODUCT PORTFOLIOS

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| | | |
|---|-----|---|
| Scientific Research | 43% | - Broader penetration of core customers |
| Semiconductor | 32% | |
| Data Storage | 17% | |
| Telecom/Wireless | 8% | - Balanced market segments |
| Based on Veeco and FEI Sales in First 9 months 2002 (approximation) | | - Market diversification helps offset industry cyclicality |
| | | - Greater contribution from higher margin metrology markets |

ENABLING NANOTECHNOLOGY

| | | |
|-----------------------------|---|-----------------|
| Surface Metrology | | Faster Time to |
| Sub-Surface Metrology | | Market Advanced |
| Defect Analysis | = | Devices |
| Nanoscale Process Equipment | | |
| Advanced Mask Solutions | | |

Veeco Products
FEI Products
Veeco & FEI Products

Veeco Products
FEI Products
Veeco & FEI Products

Veeco Products
FEI Products

MERGER INTEGRATION PLANNING

- Veeco and FEI continue to work with the Department of Justice and the SEC to gain regulatory approvals of the merger. At this time it is not possible to predict the timing of gaining such approvals or the other actions necessary to complete the merger.

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- Integration Planning:
 - Combined expertise of seasoned management
 - Best practices applied to new organization
 - Joint integration teams making progress in operational areas
 - Employees of both companies are being kept apprised of integration efforts through joint newsletter FUSION

VEECO AND FEI: COMBINED STRENGTH IN DIFFICULT MARKET ENVIRONMENT

- Each company taking actions to maximize profitability throughout industry-wide downturn
- Breadth of complementary products
- Veeco FEI will have sizeable growth opportunities in semiconductor, scientific research and added strength in data storage
- Combined cash position of greater than \$450m

SAFE HARBOR STATEMENT

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements, which include statements about prospects for future growth, market acceptance of each company's technology, the consummation and success of the pending merger, and other statements relating to future plans, actions, events or results, are subject to risks and uncertainties. Factors that could materially affect these forward looking statements include, but are not limited to, the companies' ability to successfully consummate the merger, difficulties in integrating the two companies, difficulties in retaining employees, customers and suppliers in connection with the merger, regulatory actions in connection with the merger, the accounting treatment of the merger and other general risks of mergers and acquisitions that would cause the companies not to realize the anticipated benefits of the merger, lower than expected customer orders, cancellation of customer orders, increased competition and new product offerings from competitors, failure to introduce products as planned, failure of products and technologies to find acceptance with customers, fluctuations in interest and exchange rates (including changes in relevant foreign currency exchange rates between time of sale and time of payment), changes in trade policies and tariff regulations, downturns in the electronics or semiconductor industries and general economic conditions. Factors that could delay or terminate the pending merger of FEI and Veeco include, but are not limited to, the timing and results of the antitrust and other regulatory review processes, the timing and results of the shareholder meetings to approve the merger and other matters affecting the closing conditions to the merger. There can be no assurance that the necessary shareholder approvals will be obtained, that the antitrust and other regulatory review processes will be completed successfully, that the other

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closing conditions to the merger will be met, or that the merger will be consummated at all. Please refer to FEI's and Veeco's Form-10K, Form-10Q and other filings made with the U.S. Securities and Exchange Commission for additional information on risk factors that could cause actual results to differ materially from the forward-looking statements

SEC FILINGS

In connection with their proposed merger, FEI Company and Veeco Instruments have jointly prepared and filed with the U.S. Securities and Exchange Commission a registration statement on Form S-4 containing a proxy statement/prospectus relating to the proposed merger. Investors and security holders are urged to read this document because it contains important information about the proposed merger. Copies of the document as well as other SEC filings of FEI and Veeco may be obtained, free of charge, from the SEC's website at www.sec.gov as well as from the applicable company by directing a request to Investor Relations for FEI at (503) 640-7500 Ext. 7527 or Investor Relations for Veeco at (516) 677-0200 Ext. 1403.

FEI and its executive officers and directors may be deemed to be participants in the solicitation of proxies with respect to the Veeco/FEI transaction. Information regarding such individuals is included in FEI's proxy statement dated April 16, 2002 relating to its 2002 annual meeting of shareholders, available free of charge from the SEC and FEI as indicated above.

Veeco and its executive officers and directors may be deemed to be participants in the solicitation of proxies with respect to the Veeco/FEI transaction. Information regarding such individuals is included in Veeco's Proxy Statement dated April 9, 2002 relating to its 2002 annual meeting of stockholders, available free of charge from the SEC and Veeco as indicated above.