
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **February 16 , 2017**

VEECO INSTRUMENTS INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-16244
(Commission
File Number)

11-2989601
(IRS Employer
Identification No.)

Terminal Drive, Plainview, New York 11803
(Address of principal executive offices)

(516) 677-0200
(Registrant's telephone number, including area code)

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On February 16, 2017, Veeco Instruments Inc. issued a press release announcing its financial results for the quarter and year ended December 31, 2016. In connection with the release and the related conference call, Veeco posted a presentation relating to its fourth quarter 2017 financial results on its website (www.veeco.com). Copies of the press release and presentation are furnished as Exhibit 99.1 and Exhibit 99.2 to this report.

Item 8.01 Other Events.

The information from Item 2.02 above is incorporated by reference in this Item 8.01.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits*.

Exhibit	Description
99.1	Press release issued by Veeco dated February 16, 2017
99.2	Veeco Q4 2016 Conference Call, February 16, 2017

The information in this report, including the exhibits, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section, nor shall this information or these exhibits be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

February 16, 2017

VEECO INSTRUMENTS INC.

By: /s/ Gregory A. Robbins
Name: Gregory A. Robbins
Title: Senior Vice President and General Counsel

EXHIBIT INDEX

Exhibit	Description
99.1	Press release issued by Veeco dated February 16, 2017
99.2	Veeco Q4 2016 Conference Call, February 16, 2017



NEWS

VEECO REPORTS FOURTH QUARTER AND FISCAL YEAR 2016 FINANCIAL RESULTS

Fourth Quarter 2016 Highlights

- Revenues of \$93.6 million
- GAAP net loss per share of \$0.13 and Non-GAAP earnings per share of \$0.09
- Non-GAAP adjusted EBITDA of \$6.2 million

Full Year 2016 Highlights

- Revenues of \$332.5 million
- GAAP net loss per share of \$3.11 and Non-GAAP net loss per share of \$0.29
- Non-GAAP adjusted EBITDA of \$4.2 million

Plainview, N.Y., February 16, 2017 — Veeco Instruments Inc. (Nasdaq: VECO) announced financial results for its fourth quarter and fiscal year ended December 31, 2016. Results are reported in accordance with U.S. generally accepted accounting principles (“GAAP”) and are also reported adjusting for certain items (“Non-GAAP”).

A reconciliation between GAAP and Non-GAAP operating results is provided at the end of this press release.

U.S. Dollars in millions, except per share data

GAAP Results	4 th Quarter		Full Year	
	Q4 '16	Q4 '15	2016	2015
Revenue	\$ 93.6	\$ 106.5	\$ 332.5	\$ 477.0
Net income (loss)	\$ (5.0)	\$ (9.8)	\$ (122.2)	\$ (32.0)
Diluted earnings (loss) per share	\$ (0.13)	\$ (0.25)	\$ (3.11)	\$ (0.80)

Non-GAAP Results	4 th Quarter		Full Year	
	Q4 '16	Q4 '15	2016	2015
Net income (loss)	\$ 3.8	\$ 0.6	\$ (11.3)	\$ 22.1
Adjusted EBITDA	\$ 6.2	\$ 4.4	\$ 4.2	\$ 41.7
Diluted earnings (loss) per share	\$ 0.09	\$ 0.01	\$ (0.29)	\$ 0.54

“Veeco’s fourth quarter financial results marked a strong finish to a challenging year. Revenues increased by 9% and adjusted EBITDA more than doubled sequentially over the prior quarter. We improved gross margins for the third consecutive year, delivering on our objective to achieve gross margins of 40% or better. Our performance demonstrates solid operational execution and underscores our focus on improving through-cycle profitability,” commented John R. Peeler, Chairman and Chief Executive Officer.

“Entering 2017, we are seeing healthy LED industry dynamics and positive business momentum. We closed an exclusive, multi-year agreement with OSRAM Opto Semiconductors GmbH to supply Metal Organic Chemical Vapor Deposition (“MOCVD”) and Precision Surface Processing (“PSP”) systems for their new high volume LED production facility in Kulim. We made significant progress in growing our Advanced Packaging business, increasing sales into the Advanced Packaging, MEMS & RF markets by ~10% year over year. In addition, our recently announced agreement to acquire Ultratech will establish Veeco as a leading equipment supplier to the Advanced Packaging industry. We are excited by this proposed combination, which is expected to increase our scale, diversify our revenue and provide a stable platform to drive long-term shareholder value. The transaction is subject to regulatory clearance and approval by Ultratech’s stockholders and is expected to close in the second quarter,” Mr. Peeler concluded.

Guidance and Outlook

The following guidance is provided for Veeco's first quarter 2017:

- Revenue is expected to be in the range of \$85 million to \$100 million
- Adjusted EBITDA is expected to be in the range of \$5 million to \$11 million
- GAAP earnings (loss) per share are expected to be in the range of (\$0.28) to (\$0.12) and includes a pre-tax interest expense estimated to be ~\$4 million associated with the 2023 Convertible Notes
- Non-GAAP earnings per share are expected to be in the range of \$0.00 to \$0.16 and includes a pre-tax interest expense estimated to be ~\$2 million associated with the 2023 Convertible Notes

Please refer to the tables at the end of this press release for further details.

Conference Call Information

A conference call reviewing these results has been scheduled for today, February 16, 2017 starting at 5:00pm ET. To join the call, dial 877-741-4245 (toll free) or 719-325-4942 and use passcode 2499397. The call will also be webcast live on the Veeco website at ir.veeco.com. A replay of the webcast will be made available on the Veeco website beginning at 8:00pm ET this evening. **We will post an accompanying slide presentation to our website prior to the beginning of the call.**

About Veeco

Veeco's process equipment solutions enable the manufacture of LEDs, displays, power electronics, compound semiconductors, hard disk drives, semiconductors, MEMS and wireless chips. We are the leader in MOCVD, MBE, Ion Beam, Wet Etch single wafer processing and other advanced thin film process technologies. Our high performance systems drive innovation in energy efficiency, consumer electronics and network storage and allow our customers to maximize productivity and achieve lower cost of ownership. For information on our company, products and worldwide service and support, please visit www.veeco.com.

Additional Information and Where to Find It

In connection with the proposed acquisition of Ultratech ("Ultratech") by Veeco ("Veeco") pursuant to the terms of an Agreement and Plan of Merger by and among Ultratech, Veeco and Merger Sub, Veeco will file with the Securities and Exchange Commission (the "SEC") a Registration Statement on Form S-4 (the "Form S-4") that will contain a proxy statement of Ultratech and a prospectus of Veeco, which proxy statement/prospectus will be mailed or otherwise disseminated to Ultratech's stockholders when it becomes available. Investors are urged to read the proxy statement/prospectus (including all amendments and supplements) because they will contain important information. Investors may obtain free copies of the proxy statement/prospectus when it becomes available, as well as other filings containing information about Veeco and Ultratech, without charge, at the SEC's Internet site (<http://www.sec.gov>). Copies of these documents may also be obtained for free from the companies' web sites at www.Veeco.com or www.Ultratech.com.

Participants in Solicitation

Veeco, Ultratech and their respective officers and directors may be deemed to be participants in the solicitation of proxies from the stockholders of Ultratech in connection with the proposed transaction. Information about Veeco's executive officers and directors is set forth in its Annual Report on Form 10-K, which was filed with the SEC on February 25, 2016 and its proxy statement for its 2016 annual meeting of stockholders, which was filed with the SEC on March 22, 2016. Information about Ultratech's executive officers and directors is set forth in its Annual Report on Form 10-K, which was filed with the SEC on February 26, 2016, Amendment No. 1 to its Annual Report on Form 10-K, which was filed with the SEC on April 22, 2016, and the proxy statements for its 2016 annual meeting of stockholders, which were filed with the SEC on June 10, 2016 and June 13, 2016. Investors may obtain more detailed information regarding the direct and indirect interests of the Veeco, Ultratech and their respective executive officers and directors in the acquisition by reading the preliminary and definitive proxy statement/prospectus regarding the transaction, which will be filed with the SEC.

Forward-Looking Statements

This written communication also contains forward-looking statements that involve risks and uncertainties concerning Veeco's proposed acquisition of Ultratech, Ultratech's and Veeco's expected financial performance, as well as Ultratech's and Veeco's strategic and operational plans. Actual events or results may differ materially from those described in this written communication due to a number of risks and uncertainties. The potential risks and uncertainties include, among others, the possibility that Ultratech may be unable to obtain required stockholder approval or that other conditions to closing the transaction may not be satisfied, such that the transaction will not close or that the closing may be delayed; the reaction of customers to the transaction; general economic conditions; the transaction may involve unexpected costs, liabilities or delays; risks that the transaction disrupts current plans and operations of the parties to the transaction; the ability to recognize the benefits of the transaction; the amount of the costs, fees, expenses and charges related to the transaction and the actual terms of any financings that will be obtained for the transaction; the outcome of any legal proceedings related to the transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the transaction agreement. In addition, please refer to the documents that Veeco and Ultratech file with the SEC on Forms 10-K, 10-Q and 8-K. The filings by Veeco and Ultratech identify and address other important factors that could cause its financial and operational results to differ materially from those contained in the forward-looking statements set forth in this written communication.

All forward-looking statements speak only as of the date of this written communication nor, in the case of any document incorporated by reference, the date of that document. Neither Veeco nor Ultratech is under any duty to update any of the forward-looking statements after the date of this written communication to conform to actual results.

- financial tables attached -

Veeco Contacts:

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Veeco Instruments Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)

	Three months ended December 31,		For the year ended December 31,	
	2016	2015	2016	2015
Net sales	\$ 93,609	\$ 106,543	\$ 332,451	\$ 477,038
Cost of sales	57,601	67,757	199,593	299,797
Gross profit	36,008	38,786	132,858	177,241
Operating expenses, net:				
Research and development	17,471	20,639	81,016	78,543
Selling, general, and administrative	19,412	21,036	77,642	90,188
Amortization of intangible assets	3,434	5,802	19,219	27,634
Restructuring	1,646	1,170	5,640	4,679
Asset impairment	(142)	—	69,520	126
Other, net	(660)	98	223	(697)
Total operating expenses, net	41,161	48,745	253,260	200,473
Operating income (loss)	(5,153)	(9,959)	(120,402)	(23,232)
Interest income, net	245	145	958	586
Income (loss) before income taxes	(4,908)	(9,814)	(119,444)	(22,646)
Income tax expense	90	(26)	2,766	9,332
Net income (loss)	\$ (4,998)	\$ (9,788)	\$ (122,210)	\$ (31,978)
Income (loss) per common share:				
Basic	\$ (0.13)	\$ (0.25)	\$ (3.11)	\$ (0.80)
Diluted	\$ (0.13)	\$ (0.25)	\$ (3.11)	\$ (0.80)
Weighted average number of shares:				
Basic	39,267	39,794	39,340	39,742
Diluted	39,267	39,794	39,340	39,742

Veeco Instruments Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands)

	December 31, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 277,444	\$ 269,232
Short-term investments	66,787	116,050
Accounts receivable, net	58,020	49,524
Inventories	77,063	77,469
Deferred cost of sales	6,160	2,100
Prepaid expenses and other current assets	16,034	22,760
Assets held for sale	—	5,000
Total current assets	501,508	542,135
Property, plant and equipment, net	60,646	79,590
Intangible assets, net	58,378	131,674
Goodwill	114,908	114,908
Deferred income taxes	2,045	1,384
Other assets	21,047	21,098
Total assets	\$ 758,532	\$ 890,789
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 22,607	\$ 30,074
Accrued expenses and other current liabilities	33,201	49,393
Customer deposits and deferred revenue	85,022	76,216
Income taxes payable	2,311	6,208
Current portion of long-term debt	368	340
Total current liabilities	143,509	162,231
Deferred income taxes	13,199	11,211
Long-term debt	826	1,193
Other liabilities	6,403	1,539
Total liabilities	163,937	176,174
Total stockholders' equity	594,595	714,615
Total liabilities and stockholders' equity	\$ 758,532	\$ 890,789

Veeco Instruments Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Financial Data
(in thousands, except per share amounts)
(unaudited)

Three months ended December 31, 2016	GAAP	Non-GAAP Adjustments			Non-GAAP
		Share-based Compensation	Amortization	Other	
Net sales	\$ 93,609				\$ 93,609
Gross profit	36,008	316		362	36,686
Gross margin	38.5%				39.2%
Research and development	17,471	(292)			17,179
Selling, general, and administrative and Other	18,752	(2,971)		(44)	15,737
Net income (loss)	(4,998)	3,579	3,434	1,740	3,755
Income (loss) per common share:					
Basic	\$ (0.13)				\$ 0.09
Diluted	(0.13)				0.09
Weighted average number of shares:					
Basic	39,267				39,579
Diluted	39,267				39,990

Veeco Instruments Inc. and Subsidiaries
Other Non-GAAP Adjustments
(in thousands)
(unaudited)

Three months ended December 31, 2016	
Asset impairment	(142)
Restructuring	1,646
Acquisition related	44
Accelerated depreciation	362
ALD liquidation	(429)
Non-GAAP tax adjustment *	259
Total Other	1,740

* - The 'with or without' method is utilized to determine the income tax effect of all non-GAAP adjustments.

These tables include financial measures adjusted for the impact of certain items; these financial measures are therefore not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). These Non-GAAP financial measures exclude items such as: share-based compensation expense; charges relating to restructuring initiatives; non-cash asset impairments; certain other non-operating gains and losses; and acquisition-related items such as transaction costs, non-cash amortization of acquired intangible assets, and incremental transaction-related compensation.

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Veeco Instruments Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Financial Data
(in thousands, except per share amounts)
(unaudited)

Three months ended December 31, 2015	GAAP	Non-GAAP Adjustments			Non-GAAP
		Share-based Compensation	Amortization	Other	
Net sales	\$ 106,543				\$ 106,543
Gross profit	38,786	393			39,179
Gross margin	36.4%				36.8%
Research and development	20,639	(1,292)			19,347
Selling, general, and administrative and Other	21,134	(2,277)		(188)	18,669
Net income (loss)	(9,788)	3,962	5,802	598	574
Income (loss) per common share:					
Basic	\$ (0.25)				\$ 0.01
Diluted	(0.25)				0.01
Weighted average number of shares:					
Basic	39,794				40,644
Diluted	39,794				40,731

Veeco Instruments Inc. and Subsidiaries
Other Non-GAAP Adjustments
(in thousands)
(unaudited)

Three months ended December 31, 2015	
Restructuring	1,170
Acquisition related	188
Non-GAAP tax adjustment *	(760)
Total Other	598

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Veeco Instruments Inc. and Subsidiaries
Reconciliation of GAAP Net Income (loss) to Adjusted EBITDA
(in thousands)
(unaudited)

	Three months ended December 31,	
	2016	2015
GAAP Net income (loss)	\$ (4,998)	\$ (9,788)
Share-based compensation	3,579	3,962
Amortization	3,434	5,802
Asset impairment	(142)	—
Restructuring	1,646	1,170
Acquisition related	44	188
Accelerated depreciation	362	—
ALD liquidation	(429)	—
Interest income	(245)	(145)
Depreciation	2,845	3,282
Income tax expense (benefit)	90	(26)
Adjusted EBITDA	<u>\$ 6,186</u>	<u>\$ 4,445</u>

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Veeco Instruments Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Financial Data
(in thousands, except per share amounts)
(unaudited)

For the year ended December 31, 2016	GAAP	Non-GAAP Adjustments			Non-GAAP
		Share-based Compensation	Amortization	Other	
Net sales	\$ 332,451				\$ 332,451
Gross profit	132,858	1,956		716	135,530
Gross margin	40.0%				40.8%
Research and development	81,016	(3,324)			77,692
Selling, general, and administrative and Other	77,866	(10,433)		(1,537)	65,896
Net income (loss)	(122,210)	15,713	19,219	75,954	(11,324)
Income (loss) per common share:					
Basic	\$ (3.11)				\$ (0.29)
Diluted	(3.11)				(0.29)
Weighted average number of shares:					
Basic	39,340				39,340
Diluted	39,340				39,340

Veeco Instruments Inc. and Subsidiaries
Other Non-GAAP Adjustments
(in thousands)
(unaudited)

For the year ended December 31, 2016	
Asset impairment	69,520
Restructuring	5,640
Acquisition related	232
Accelerated depreciation	716
Pension termination	1,305
ALD liquidation	(429)
Non-GAAP tax adjustment *	(1,030)
Total Other	75,954

* - The 'with or without' method is utilized to determine the income tax effect of all non-GAAP adjustments.

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These Non-GAAP financial measures may be different from Non-GAAP financial measures used by other companies. Non-GAAP financial measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. By excluding these items, Non-GAAP financial measures are intended to facilitate meaningful comparisons to historical operating results, competitors' operating results, and estimates made by securities analysts. Management is evaluated on key performance metrics including adjusted EBITDA, which is used to determine management incentive compensation as well as to forecast future periods. These Non-GAAP financial measures may be useful to investors in allowing for greater transparency of supplemental information used by management in its financial and operational decision-making. In addition, similar Non-GAAP financial measures have historically been reported to investors; the inclusion of comparable numbers provides consistency in financial reporting. Investors are encouraged to review the reconciliation of the Non-GAAP financial measures used in this news release to their most directly comparable GAAP financial measures.

Veeco Instruments Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Financial Data
(in thousands, except per share amounts)
(unaudited)

For the year ended December 31, 2015	GAAP	Non-GAAP Adjustments			Non-GAAP
		Share-based Compensation	Amortization	Other	
Net sales	\$ 477,038				\$ 477,038
Gross profit	177,241	2,495		1,311	181,047
Gross margin	37.2%				38.0%
Research and development	78,543	(4,031)			74,512
Selling, general, and administrative and Other	89,491	(11,474)		(958)	77,059
Net income (loss)	(31,978)	18,000	27,634	8,408	22,064
Income (loss) per common share:					
Basic	\$ (0.80)				\$ 0.54
Diluted	(0.80)				0.54
Weighted average number of shares:					
Basic	39,742				40,759
Diluted	39,742				40,905

Veeco Instruments Inc. and Subsidiaries
Other Non-GAAP Adjustments
(in thousands)
(unaudited)

For the year ended December 31, 2015	
Restructuring	4,679
Acquisition related - PSP inventory fair value step-up	1,311
Acquisition related	563
Asset Impairment	126
One-time legal settlement	395
Non-GAAP tax adjustment *	1,334
Total Other	8,408

* - The 'with or without' method is utilized to determine the income tax effect of all non-GAAP adjustments.

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Veeco Instruments Inc. and Subsidiaries
Reconciliation of GAAP Net Income (loss) to Adjusted EBITDA
(in thousands)
(unaudited)

	For the year ended December 31,	
	2016	2015
GAAP Net income (loss)	\$ (122,210)	\$ (31,978)
Share-based compensation	15,713	18,000
Amortization	19,219	27,634
Asset impairment	69,520	126
Restructuring	5,640	4,679
Acquisition related - PSP inventory fair value step-up	—	1,311
Acquisition related	232	563
One-time legal settlement	—	395
Accelerated depreciation	716	—
ALD liquidation	(429)	—
Pension termination	1,305	—
Interest income	(958)	(586)
Depreciation	12,714	12,216
Income tax expense (benefit)	2,766	9,332
Adjusted EBITDA	\$ 4,228	\$ 41,692

This table includes financial measures adjusted for the impact of certain items; these financial measures are therefore not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). These Non-GAAP financial measures exclude items such as: share-based compensation expense; charges relating to restructuring initiatives; non-cash asset impairments; certain other non-operating gains and losses; and acquisition-related items such as transaction costs, non-cash amortization of acquired intangible assets, and incremental transaction-related compensation.

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Veeco Instruments Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Financial Data
(in millions, except per share amounts)
(unaudited)

Guidance for the three months ended March 31, 2017	GAAP			Non-GAAP Adjustments			Non-GAAP		
				Share-based Compensation	Amortization	Other			
Net sales	\$ 85	-	\$ 100				\$ 85	-	\$ 100
Gross profit	32	-	39	1	-	0	33	-	40
Gross margin	37%	-	39%				38%	-	40%
Net income (loss)	\$ (11)	-	\$ (5)	4	3	4	\$ 0	-	\$ 6
Income (loss) per diluted common share	\$ (0.28)	-	\$ (0.12)				\$ 0.00	-	\$ 0.16
Weighted average number of shares	39		39				40		40

Veeco Instruments Inc. and Subsidiaries
Reconciliation of GAAP Net Income (loss) to Adjusted EBITDA
(in millions)
(unaudited)

Guidance for the three months ended March 31, 2017			
GAAP Net income (loss)	\$ (11)	-	\$ (5)
Share-based compensation	4	-	4
Amortization	3	-	3
Restructuring	2	-	2
Acquisition related expense	2	-	2
Interest (income) expense	4	-	4
Depreciation	3	-	3
Income tax expense (benefit) *	(2)	-	(2)
Adjusted EBITDA	\$ 5	-	\$ 11

Note: Amounts may not calculate precisely due to rounding.

* - The 'with or without' method is utilized to determine the income tax effect of all non-GAAP adjustments.

These tables include financial measures adjusted for the impact of certain items; these financial measures are therefore not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). These Non-GAAP financial measures exclude items such as: share-based compensation expense; charges relating to restructuring initiatives; non-cash asset impairments; certain other non-operating gains and losses; and acquisition-related items such as transaction costs, non-cash amortization of acquired intangible assets, and incremental transaction-related compensation.

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A photograph of the San Francisco Bay Bridge at night, illuminated with white lights, spanning the water. The bridge's reflection is visible in the calm water below. A semi-transparent red rectangular overlay covers the right portion of the image, serving as a background for the text.

Q4 2016 Conference Call

Veeco Instruments Inc.
February 16, 2017

Cautionary Statements

Forward-looking Statements

This written communication contains forward-looking statements that involve risks and uncertainties concerning the Company's proposed acquisition of Ultratech, Ultratech's and the Company's expected financial performance, as well as Ultratech's and the Company's strategic and operational plans. Actual events or results may differ materially from those described in this written communication due to a number of risks and uncertainties. The potential risks and uncertainties include, among others, the possibility that Ultratech may be unable to obtain required stockholder approval or that other conditions to closing the transaction may not be satisfied, such that the transaction will not close or that the closing may be delayed; the reaction of customers to the transaction; general economic conditions; the transaction may involve unexpected costs, liabilities or delays; risks that the transaction disrupts current plans and operations of the parties to the transaction; the ability to recognize the benefits of the transaction; the amount of the costs, fees, expenses and charges related to the transaction and the actual terms of any financings that will be obtained for the transaction; the outcome of any legal proceedings related to the transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the transaction agreement. In addition, please refer to the documents that the Company and Ultratech file with the SEC on Forms 10-K, 10-Q and 8-K. The filings by the Company and Ultratech identify and address other important factors that could cause its financial and operational results to differ materially from those contained in the forward-looking statements set forth in this written communication.

All forward-looking statements speak only as of the date of this written communication nor, in the case of any document incorporated by reference, the date of that document. Neither the Company nor Ultratech is under any duty to update any of the forward-looking statements after the date of this written communication to conform to actual results.

Cautionary Statements

Additional Information and Where to Find It

In connection with the proposed acquisition of Ultratech ("Ultratech") by Veeco (the "Company") pursuant to the terms of an Agreement and Plan of Merger by and among Ultratech, the Company and Ultratech, the Company will file with the Securities and Exchange Commission (the "SEC") a Registration Statement on Form S-4 (the "Form S-4") that will contain a proxy statement of Ultratech and a prospectus of the Company, which proxy statement/prospectus will be mailed or otherwise disseminated to Ultratech's stockholders when it becomes available. Investors are urged to read the proxy statement/prospectus (including all amendments and supplements) because they will contain important information. Investors may obtain free copies of the proxy statement/prospectus when it becomes available, as well as other filings containing information about the Company and Ultratech, without charge, at the SEC's Internet site (<http://www.sec.gov>). Copies of these documents may also be obtained for free from the companies' web sites at www.Veeco.com or www.Ultratech.com.

Participants in Solicitation

The Company, Ultratech and their respective officers and directors may be deemed to be participants in the solicitation of proxies from the stockholders of Ultratech in connection with the proposed transaction. Information about the Company's executive officers and directors is set forth in its Annual Report on Form 10-K, which was filed with the SEC on February 25, 2016 and its proxy statement for its 2016 annual meeting of stockholders, which was filed with the SEC on March 22, 2016. Information about Ultratech's executive officers and directors is set forth in its Annual Report on Form 10-K, which was filed with the SEC on February 26, 2016, Amendment No. 1 to its Annual Report on Form 10-K, which was filed with the SEC on April 22, 2016, and the proxy statements for its 2016 annual meeting of stockholders, which were filed with the SEC on June 10 and June 13, 2016. Investors may obtain more detailed information regarding the direct and indirect interests of the Company, Ultratech and their respective executive officers and directors in the acquisition by reading the preliminary and definitive proxy statement/prospectus regarding the transaction, which will be filed with the SEC.



CEO Introduction

John Peeler

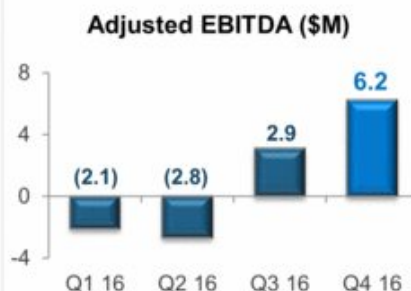
Q4 Financial Results

Revenue \$94M



Increased ~9% Q/Q
In-line with revised guidance

Adjusted EBITDA \$6.2M



More than doubled Q/Q

Bookings \$127M



Continued to grow bookings
and build backlog

Strongest Quarterly Performance of 2016
Positive momentum entering 2017

Note: A reconciliation of GAAP to Non-GAAP financial measures may be found in Back-up & Reconciliation Tables

Executing Well Against Strategic Objectives



Strengthening our Core

- Named exclusive supplier for Osram's LED production facility in Kulim (MOCVD & PSP)
- Launched K475i As/P MOCVD system to expand our positions in Red, Orange, Yellow LEDs
- Grew Advanced Packaging, MEMS & RF sales by ~10% Y/Y



Enhancing Profitability


- Executing restructuring initiatives to lower cost structure and enhance through-cycle profitability
- Progressing plans to remove ~\$30M in annualized costs



Positioning for Profitable Growth

- Announced acquisition of Ultratech⁽¹⁾ expected to increase scale, diversify revenue, and be accretive to non-GAAP EPS
- Provides platform to deliver enhanced shareholder value

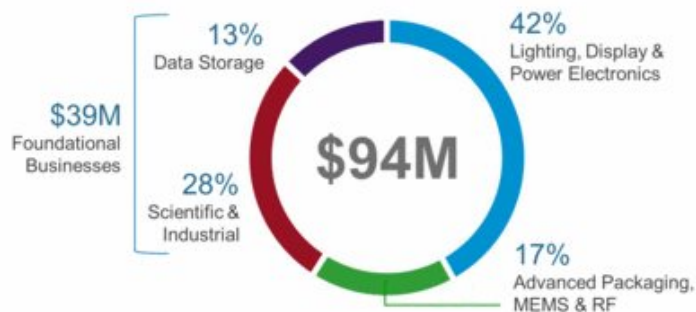
(1) The acquisition is expected to close in the Q2 2017, subject to regulatory clearance and the approval of Ultratech's stockholders



CFO Financial Review Sam Maheshwari

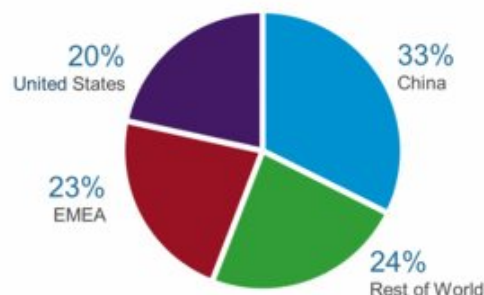
Q4 2016 Revenue Breakdown by End Market and Geography

Q4 2016 Revenue by End Market



- > Bookings increased to ~\$127M; continuing to build backlog
- > Strong growth in Foundational Business supported by MBE sales for high-power lasers

Q4 2016 Revenue by Geography



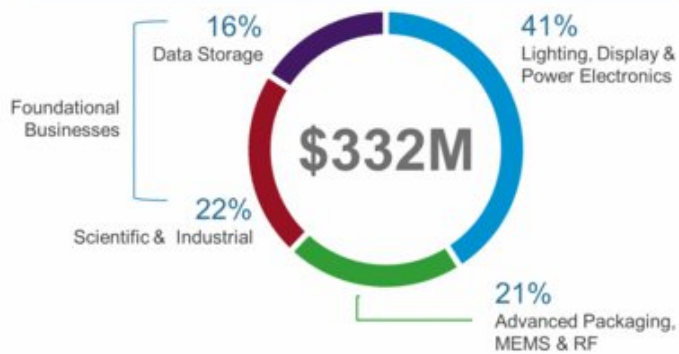
- > Balanced sales mix across all geographies
- > Sales into China increased by ~47% Q/Q; reflecting increased MOCVD demand

Solid sales across all end markets and geographic regions

Note: Amounts may not calculate precisely due to rounding
MBE – Molecular Beam Epitaxy

2016 End Market and Geographic Revenue Diversification

2016 Revenue by End Market



- > Advanced Packaging, MEMS & RF sales grew 10% Y/Y, reflecting ongoing penetration in Advanced Packaging
- > Foundational business provides stable revenue stream; ~\$128M in 2016

2016 Revenue by Geography



- > Balanced exposure across geographies

Diversified end markets, global customer base

Note: Amounts may not calculate precisely due to rounding

P&L Highlights

(\$M)	GAAP			Non-GAAP		
	Q3 16	Q4 16	2016	Q3 16	Q4 16	2016
Revenue	\$85.5	\$93.6	\$332.5	\$85.5	\$93.6	\$332.5
Gross Profit	33.5	36.0	132.9	34.4	36.7	135.5
%	39.1%	38.5%	40.0%	40.3%	39.2%	40.8%
R&D	19.9	17.5	81.0	18.9	17.2	77.7
SG&A & Other	19.2	18.8	77.9	15.7	15.7	65.9
Net Income	(69.6)	(5.0)	(122.2)	(1.8)	3.8	(11.3)
EPS	(\$1.78)	(\$0.13)	(\$3.11)	(\$0.05)	\$0.09	(\$0.29)
Adjusted EBITDA				2.9	6.2	4.2
%				3.4%	6.6%	1.3%

Q4 Financial results

» Adjusted EBITDA benefitting from accelerated cost reduction efforts and lower than forecasted OPEX

2016 Financial results

» Delivered positive adjusted EBITDA and expanded gross margins for three consecutive years

Note: Amounts may not calculate precisely due to rounding

A reconciliation of GAAP to Non-GAAP financial measures is contained in the Back Up & Reconciliation Tables

10 | Investor Presentation



Successfully Executed Convertible Debt Offering

6-Year Convertible Notes Summary

- » \$345M upsized convertible note offering; includes 15% underwriter's option
- » 2.70% coupon rate, notes maturing 2023
- » Net proceeds of ~\$336M
- » Expect to use proceeds to fund the Ultratech acquisition

Key Terms

- » Non-GAAP cash pre-tax interest expense of ~\$9.3M annualized, based on 2.70% coupon rate
- » Conversion price of \$40.03

**Capitalized on strong demand in debt market
Provides Veeco with strategic flexibility**

Note: Information on Veeco's 2.70% Convert due 2023 may be found on Veeco's Investor Relations website; reference "VECO 2.7 Convert Due 2023 Supplemental Information"

11 | Investor Presentation



Financial Highlights

(\$M)	Q3 16	Q4 16
Cash & Short-term Investments	337	344
Accounts Receivable	50	58
Inventories	87	77
Accounts Payable	27	23
Cash Flow from Operations	7	0.4
DSO	53	56
DOI	163	134
DPO	48	36

- > Grew cash balance by ~\$7M
- > DOI trending down as we consume inventory

Note: Amounts may not calculate precisely due to rounding

Q1 2017 Guidance

	GAAP	Non-GAAP
Revenue	\$85M–\$100M	\$85M–\$100M
Gross Margins	37%–39%	38%–40%
Net Income (Loss)	(\$11M)–(\$5M)	\$0M–\$6M
Earnings Per Share	(\$0.28)–(\$0.12)	\$0.00–\$0.16
Adjusted EBITDA		\$5M–\$11M



Note: A reconciliation of GAAP to Non-GAAP financial measures is contained in the Back Up & Reconciliation Tables



Business Update & Outlook

2017 LED Industry - Off to a Healthy Start



TV industry dynamics bode well for panel makers and LED manufacturers

- » Panel pricing increased in 2H 2016; positively impacting panel maker profitability
- » Demand for larger size TVs and 4K TVs growing
- » 4K TVs require 30%-35% more LEDs



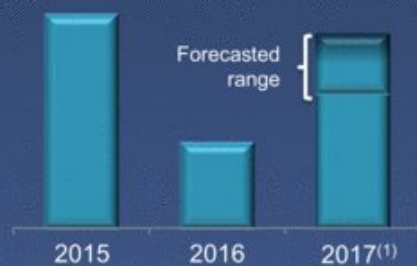
Rapid growth in Fine-pitch Signage is positive for LED and MOCVD demand

- » Projecting ~25% CAGR for Fine-pitch LEDs (2015 – 2020)
- » MOCVD utilization rates continue to trend higher at sub-tier LED manufacturers and hold steady at Tier 1

Veeco MOCVD – Riding the LED Wave

LED industry recovery expected to drive strong MOCVD demand in 2017

MOCVD Industry Reactor Shipments



Source: IHS, Veeco

Veeco is poised to benefit as market leader in MOCVD

Market Share leader for Blue LEDs, five consecutive years



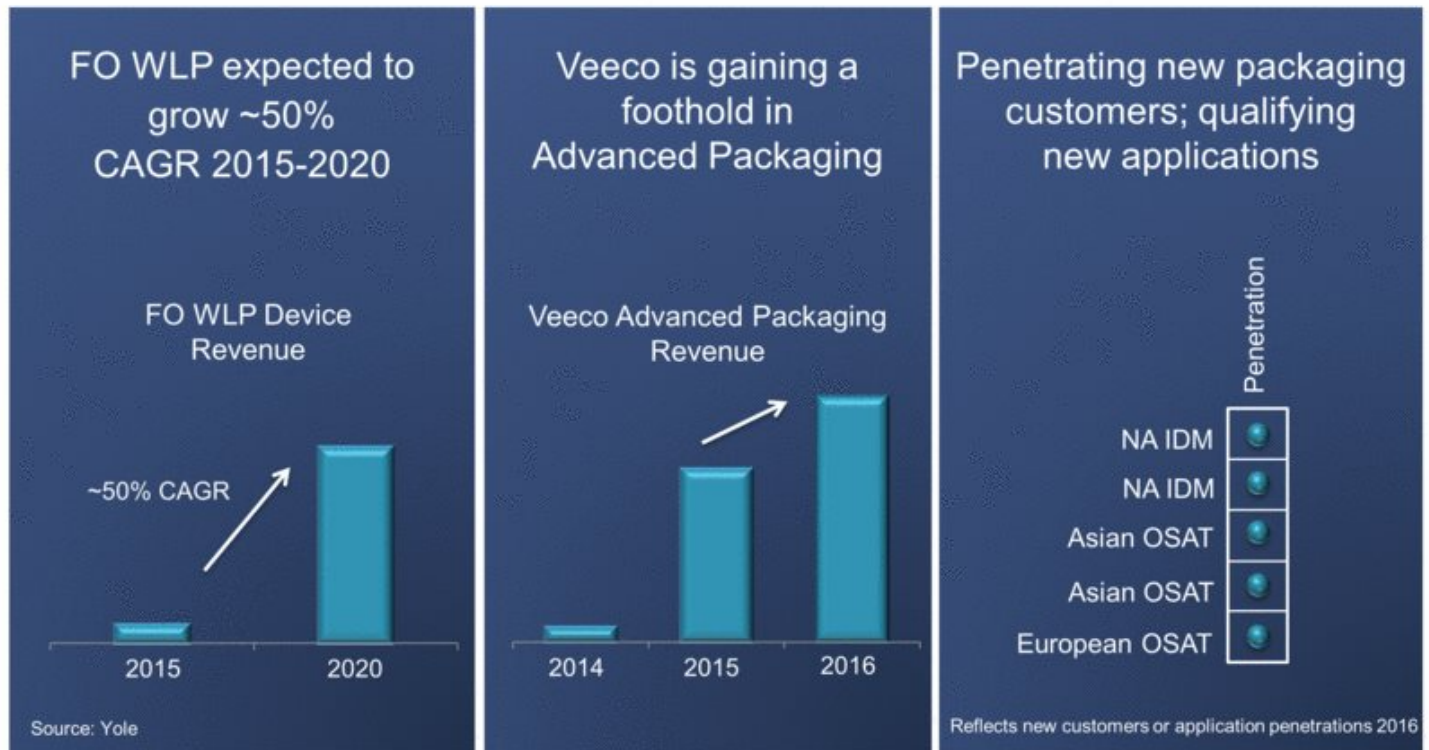
Strengthening ROY LED positions while expanding into other applications



Reflects K475i penetrations in 2016

(1) Reflects estimated range of K465i equivalent MOCVD reactor shipments
ROY – Red, Orange, Yellow

Veeco PSP - Sowing the Seeds for Growth

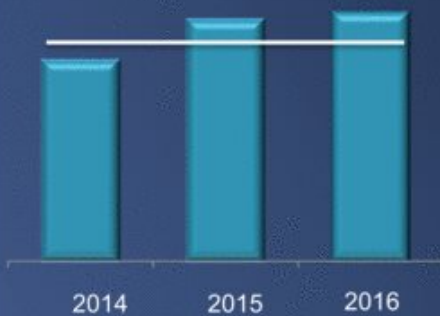


FO WLP – Fan-out Wafer Level Packaging

Veeco Foundational Business – Fortifying from the Ground Up

Stable revenue stream

Veeco Foundational Business Revenue



High-power laser demand driving MBE opportunities

Veeco MBE Revenue



Leaders in magnetic materials processing opening doors to new opportunities

Ion Beam Deposition

System order for EUV mask blank in Q4 2016

Ion Beam Etch

Won DTOR position at 2 semi device manufacturers for MRAM development

Starting 2017 Stronger and Well Positioned

> Stable business conditions

- » Positive LED industry dynamics
- » Healthy backlog of \$209M



> Strong technology portfolio

- » Strengthening leadership in MOCVD
- » Penetrating growing Advanced Packaging markets with PSP
- » Leveraging Ion Beam and MBE expertise to capture new opportunities

> Platform to deliver enhanced shareholder value

- » Lowering costs to drive sustainable EBITDA profitability
- » Ultratech acquisition⁽¹⁾ expected to increase scale and diversify revenue

(1) The acquisition is expected to close in Q2 2017, subject to regulatory clearance and the approval of Ultratech's stockholders





Back Up & Reconciliation Tables

Note On Reconciliation Tables

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Supplemental Information—GAAP to Non-GAAP Reconciliation

US\$ millions	Q3 16	Q4 16	US\$ millions	Q3 16	Q4 16	US\$ millions, except per share data	Q3 16	Q4 16
Net Sales	\$85.5	\$93.6	GAAP Net Income (Loss)	(\$69.6)	(\$5.0)	GAAP Basic EPS	(1.78)	(0.13)
GAAP Gross Profit	33.5	36.0	Add: Share-Based Comp	3.7	3.6	GAAP Diluted EPS	(1.78)	(0.13)
GAAP Gross Margin	39.1%	38.5%	Add: Acquisition Related	0.1	0.1	GAAP Net Income (Loss)	(69.6)	(5.0)
Add: Share-Based Comp	0.6	0.3	Add: Restructuring	1.8	1.6	Add: Share-Based Comp	3.7	3.6
Add: Accelerated Depreciation	0.4	0.4	Add: Amortization	5.3	3.4	Add: Acquisition Related	0.1	0.1
Non-GAAP Gross Profit	\$34.4	\$36.7	Add: Asset Impairment	56.0	(0.1)	Add: Restructuring	1.8	1.6
Non-GAAP Gross Margin	40.3%	39.2%	Add: Interest (Income) Expense	(0.3)	(0.3)	Add: Amortization	5.3	3.4
			Add: Accelerated Depreciation	0.4	0.4	Add: Asset Impairment	56.0	(0.1)
			Add: Pension Termination	1.3	-	Add: Accelerated Depreciation	0.4	0.4
			Add: ALD Liquidation	-	(0.4)	Add: Pension Termination	1.3	-
			Add: Depreciation	3.1	2.8	Add: ALD Liquidation	-	(0.4)
			Add: Taxes	1.1	0.1	Add: Tax Adjustment from GAAP to Non-GAAP	(0.7)	0.3
			Adjusted EBITDA	\$2.9	\$6.2	Non-GAAP Net Income (Loss)	(1.8)	3.8
						Non-GAAP Basic EPS	(0.05)	0.09
						Non-GAAP Diluted EPS	(0.05)	0.09

Note: Amounts may not calculate precisely due to rounding

Q4 2016 GAAP to Non-GAAP Reconciliation

In millions, except per share data	GAAP	Non-GAAP Adjustments			Non-GAAP
		Share-Based Compensation	Amortization	Other	
Net Sales	\$93.6				\$93.6
Gross Profit	36.0	0.3		0.4	36.7
Gross Margin	38.5%				39.2 %
Research and Development	17.5	(0.3)			17.2
Selling, General, and Administrative and Other	18.8	(3.0)		(0.1)	15.7
Net Income (Loss)	(\$5.0)	3.6	3.4	1.7	\$3.7
Income (Loss) Per Common Share:					
Basic	(\$0.13)				\$0.09
Diluted	(0.13)				0.09
Weighted Average Number of Shares:					
Basic	39				40
Diluted	39				40
Other Non-GAAP Adjustments					
Asset Impairment					(0.1)
Restructuring					1.6
Other					(0.1)
Non-GAAP Tax Adjustment					<u>0.3</u>
Total Other					1.7

Note: Amounts may not calculate precisely due to rounding

"Other" includes charges relating to Acquisition Related, Accelerated Depreciation and Pension Termination

2016 GAAP to Non-GAAP Reconciliation

In millions, except per share data	GAAP	Non-GAAP Adjustments			Non-GAAP
		Share-Based Compensation	Amortization	Other	
Net Sales	\$332.5				\$332.5
Gross Profit	132.9	1.9		0.7	135.5
Gross Margin	40.0%				40.8 %
Research and Development	81.0	(3.3)			77.7
Selling, General, and Administrative and Other	77.9	(10.4)		(1.5)	66.0
Net Income (Loss)	(\$122.2)	15.7	19.2	76.0	(\$11.3)
Income (Loss) Per Common Share:					
Basic	(\$3.11)				(\$0.29)
Diluted	(3.11)				(0.29)
Weighted Average Number of Shares:					
Basic	39				39
Diluted	39				39
Other Non-GAAP Adjustments					
Asset Impairment					69.5
Restructuring					5.6
Other					1.9
Non-GAAP Tax Adjustment					(1.0)
Total Other					76.0

Note: Amounts may not calculate precisely due to rounding

"Other" includes charges relating to Acquisition Related, Accelerated Depreciation and Pension Termination

Q1 2017 Guidance GAAP to Non-GAAP Reconciliation

In millions, except per share data	GAAP	Non-GAAP Adjustments			Non-GAAP
		Share-Based Compensation	Amortization	Other	
Net Sales	\$85–\$100				\$85–\$100
Gross Profit	32–39	1	—	—	33–40
Gross Margin	37%–39%				38%–40%
Net Income (Loss)	(\$11)–(\$5)	4	3	4	\$0–\$6
Income (Loss) per Diluted Share	(\$0.28)–(\$0.12)				\$0.00–\$0.16

GAAP Net Income (Loss)	(\$11)–(\$5)
Share-Based Compensation	4
Amortization	3
Restructuring	2
Acquisition related expense	2
Interest Income (Expense)	4
Depreciation	3
Income Tax Expense (Benefit)	(2)
Adjusted EBITDA	\$5–\$11

Note: Amounts may not calculate precisely due to rounding