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FEI CO
Form SC 13D
July 22, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
(RULE 13D-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13D-1(A) AND AMENDMENTS THERETO FILED PURSUANT TO
RULE 13D-2(A)

(AMENDMENT NO. *)

FEI Company

(NAME OF ISSUER)

Common Stock

(TITLE OF CLASS OF SECURITIES)

92240800

(CUSIP NUMBER)

Gregory A. Robbins, Esq.
Veeco Instruments Inc.
100 Sunnyside Boulevard
Woodbury, New York 11797
(516) 677-0200

With a copy to:

Rory Greiss, Esq.
Kaye Scholer LLP
425 Park Avenue
New York, New York 10022
(212) 836-8000

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS)

July 11, 2002

(DATE OF EVENT WHICH REQUIRES FILING OF THIS STATEMENT)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box. []

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter

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disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP NO. 92240800

1. NAMES OF REPORTING PERSON: Veeco Instruments Inc.
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY): 11-29

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

3. SEC USE ONLY

4. SOURCE OF FUNDS
OO

5. CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2 (d) OR 2 (e)

6. CITIZENSHIP OR PLACE OR ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
7. SOLE VOTING POWER
8. SHARED VOTING POWER 8,957,876
9. SOLE DISPOSITIVE POWER
10. SHARED DISPOSITIVE POWER

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
8,957,876

12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
27.7

14. TYPE OF REPORTING PERSON
CO

ITEM 1. SECURITY AND ISSUER

The securities to which this Statement on Schedule 13D relates are the common stock, no par value (the "Common Stock"), of FEI Company ("FEI"). The principal executive office of FEI is located at 7451 NW Evergreen Parkway, Hillsboro, Oregon 97124.

ITEM 2. IDENTITY AND BACKGROUND

This Statement on Schedule 13D is being filed by Veeco Instruments Inc. ("Veeco"). Veeco is organized under the laws of the State of Delaware and its principal place of business and principal office is 100 Sunnyside Boulevard, Woodbury, New York 11797. Veeco is a supplier of process and metrology equipment for data storage, telecommunications/wireless, semiconductor and research applications. The name, residence or business address, present principal occupation or employment, including the name, principal business and address of any corporation or other organization in which such employment is conducted, and citizenship of each director and executive officer of Veeco is set forth in Annex A hereto and is incorporated herein by reference.

During the last five years neither Veeco nor, to the best of Veeco's knowledge, any of the individuals referred to in Annex A has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors). During the last five years neither Veeco nor, to the best of Veeco's knowledge, any of the individuals referred to in Annex A was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

Veeco is filing this statement on Schedule 13D as a result of its entering into a Voting Agreement, dated as of July 11, 2002, among Veeco and various FEI stockholders listed on Annex B hereto and a Voting Agreement, dated as of July 11, 2002, between Veeco and Philips Business Electronics International B.V. (each a "Voting Agreement" and collectively, the "Voting Agreements") and not as a result of any acquisition of Common Stock by Veeco.

ITEM 4. PURPOSE OF TRANSACTION

Pursuant to that certain Agreement and Plan of Merger, dated as of July 11, 2002, among Veeco, Venice Acquisition Corp. ("Venice Acquisition") and FEI (the "Merger Agreement"), filed as Exhibit 2.1 to the Current Report on Form 8-K filed by Veeco with the Securities and Exchange Commission on July 12, 2002, and incorporated herein by reference, Venice Acquisition shall, subject to the terms and satisfaction of the conditions set forth therein, be merged with and into FEI (the "Merger"), and FEI will become a wholly-owned subsidiary of Veeco. As a result of the merger, and immediately after the Effective Time (as such term is defined in the Merger Agreement), FEI will cause the Common Stock to cease to be quoted on The Nasdaq National Market and the Common Stock will become eligible for termination of registration pursuant to Section 12(g) (4) of the Act. The directors of FEI immediately after the Effective Time shall be Edward H. Braun, Vahe A. Sarkissian and John F. Rein, Jr. The officers of FEI

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immediately after the Effective Time shall be the officers of FEI

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immediately prior to the Effective Time but the following individuals shall occupy the office set forth opposite their respective names:

| | |
|--------------------|---------------------------------------|
| Edward H. Braun | President and Chief Executive Officer |
| Vahe A. Sarkissian | Chairman and Chief Strategy Officer |
| John P. Kiernan | Vice President |
| John F. Rein, Jr. | Vice President |
| Gregory A. Robbins | Vice President |

The description of the Merger Agreement contained in this Schedule 13D is qualified in its entirety by reference, and is subject, to the Merger Agreement and the Merger Agreement is incorporated herein by reference.

As a condition and inducement to the execution of the Merger Agreement, Veeco entered into the Voting Agreements with certain stockholders of FEI. Pursuant to the Voting Agreements, these FEI stockholders agreed to cause their shares of Common Stock to be counted as present for purposes of establishing a quorum at the meeting of FEI's stockholders to be called pursuant to the Merger Agreement (including any adjournment or adjournments thereof), in person or by proxy, and to vote, or cause to be voted (or, if the stockholders of FEI act by written consent, to consent in writing, or cause to consent in writing) with respect to all shares of Common Stock, whether issued heretofore or hereafter, that such FEI stockholder owns or has the right to vote or consent in favor of approval of the Merger. In addition, each of the FEI stockholders who are parties to the Voting Agreements has granted an irrevocable proxy to Veeco for such purpose. As a result, Veeco has shared voting power with respect to an aggregate of 8,957,876 shares of Common Stock held by the FEI stockholders who are parties to the Voting Agreements, representing 27.7% of the 32,393,766 shares of Common Stock outstanding as of June 30, 2002 (as represented by FEI in the Merger Agreement). In addition, each FEI stockholder agreed in such FEI stockholder's Voting Agreement that, until consummation of the Merger or the termination of the Voting Agreement, it will not, directly or indirectly, sell, transfer, pledge or otherwise dispose of, any of the shares of Common Stock owned by it to any person, except to a transferee that has made a Superior FEI Proposal (as that term is defined in the Merger Agreement), or grant an option with respect to any of the foregoing, or enter into any other agreement or arrangement with respect to any of the foregoing.

In addition, under the Voting Agreements, each FEI stockholder has agreed not to solicit, initiate, encourage, induce or facilitate the making, submission or announcement of any FEI Acquisition Proposal (as such term is defined in the Merger Agreement), or engage in discussions or negotiations with any person or entity (other than with FEI and Veeco or any of their affiliates or representatives) with respect to any FEI Acquisition Proposal, other than any Superior FEI Proposal or related FEI Acquisition Transaction (as such term is defined in the Merger Agreement). Each FEI stockholder has agreed to promptly advise FEI and Veeco of any FEI Acquisition Proposal (including the identity of the person or entity making or submitting such FEI Acquisition Proposal and the terms thereof) that is made or submitted by any person or entity after the date of such FEI stockholders Voting Agreement. Such FEI Stockholder has also agreed to immediately cease and cause to be terminated any existing discussions with any person or entity that relate to any FEI Acquisition Proposal or FEI Acquisition Transaction, other than discussions or negotiations with FEI and

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Veeco or their affiliates or representatives.

The Voting Agreements and the irrevocable proxy granted by each FEI stockholder shall terminate upon the earliest to occur of (i) the termination of the Merger Agreement in accordance with its terms, (ii) the Effective Time and (iii) the execution and delivery by any party to the Merger Agreement of any amendment thereto which would cause each share of Common Stock to be converted into the right to receive fewer than 1.355 shares of Veeco common stock.

No purchases of Common Stock will be made pursuant to the Voting Agreement. Veeco entered into the Voting Agreement with the FEI stockholders to ensure that the FEI stockholders will vote in favor of the Merger.

The foregoing descriptions of the Voting Agreements are qualified in their entirety by reference, and are subject, to the Voting Agreements, copies of which have been filed as exhibits to the Current Report on Form 8-K filed by Veeco with the Securities and Exchange Commission on July 12, 2002, and such Voting Agreements are incorporated herein by reference.

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Except as otherwise set forth in this Item 4, Veeco has no present plans or proposals which relate to or would result in (i) the acquisition by any person of additional securities of FEI, or the disposition of securities of FEI; (ii) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving FEI or any of its subsidiaries; (iii) a sale or transfer of a material amount of assets of FEI or any of its subsidiaries; (iv) any change in the present board of directors or management of FEI; (v) any material change in the present capitalization or dividend policy of FEI; (vi) any other material change in FEI's business or corporate structure; (vii) changes to FEI's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of FEI by any person; (viii) causing the Common Stock to cease to be authorized to be quoted on The Nasdaq National Market; (ix) the Common Stock becoming eligible for termination of registration pursuant to Section 12(g) (4) of the Act; or (x) any action similar to any of those actions set forth in this paragraph.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

(a) and (b). The information set forth in Item 4 is incorporated in this Item 5 by reference. As a result of the Voting Agreements, Veeco may be deemed to be the beneficial owner of 8,957,876 shares of Common Stock, which constitutes approximately 27.7% of the issued and outstanding shares of Common Stock based on the number of shares of Common Stock outstanding as of June 30, 2002 (as represented by FEI in the Merger Agreement). Veeco may be deemed to have the shared power to vote (or to direct the vote of) such shares of Common Stock with respect to those matters described in Item 4; however, Veeco disclaims any beneficial ownership of the shares of Common Stock which are covered by the Voting Agreements. To Veeco's knowledge, no person listed in Annex A has an ownership interest in FEI.

Set forth in Annex B are the names of the stockholders of FEI that have entered into the Voting Agreements with Veeco, their residence or business address and their present principal occupation or employment, including the name, principal business and address of any corporation or other organization in which such employment is conducted, to Veeco's knowledge.

(c). To the knowledge of Veeco, there have been no transactions in shares of Common Stock by any of Veeco's executive officers or directors during

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the past 60 days.

(d). To the knowledge of Veeco, the right to receive dividends with respect to shares of Common Stock to which this Schedule 13D relates, and the power to direct the receipt of dividends from, or the proceeds of the sale of, such shares of Common Stock held by each of the FEI stockholders party to the Voting Agreement are held by such FEI stockholders.

(e). Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

The information set forth in Item 4 is incorporated in this Item 6 by reference. Other than the Merger Agreement, the Voting Agreements and the transactions contemplated thereby, there are no contracts, arrangements, understandings or relationships between Veeco and any other person, or, to the knowledge of Veeco, among any of Veeco's executive officers and directors or between any of Veeco's executive officers and directors and any other person, with respect to the Common Stock.

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ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

| Exhibit Number | Exhibit Description |
|----------------|---|
| 2.1 | Agreement and Plan of Merger, dated as of July 11, 2002, among Veeco Instruments Inc. Acquisition Corp. and FEI Company.* |
| 2.2 | Voting Agreement, dated as of July 11, 2002, between Veeco Instruments Inc. and the stockholders of FEI Company listed on Schedule A attached thereto, together with the Power of Attorney and Irrevocable Proxies.** |
| 2.3 | Voting Agreement, dated as of July 11, 2002, between Veeco Instruments Inc. and Philips Business Electronics International B.V., together with the related Power of Attorney and Proxy.* |

* Incorporated by reference to the Current Report on Form 8-K filed by Veeco Instruments Inc. with the Securities and Exchange Commission on July 12, 2002.

** Incorporated by reference to the Current Report on Form 8-K/A filed by Veeco Instruments Inc. with the Securities and Exchange Commission on July 22, 2002.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and

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belief, I certify that the information set forth in this statement is true, complete and correct.

Date: July 22, 2002

VEECO INSTRUMENTS INC.

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

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ANNEX A

DIRECTORS AND EXECUTIVE OFFICERS OF VEECO INSTRUMENTS INC.

The following table sets forth the name, business address and present principal occupation or employment of each director and executive officer of Veeco Instruments Inc. Unless otherwise indicated, Veeco Instruments Inc. employs each person identified below. The principal address of Veeco Instruments Inc., and unless otherwise indicated below, the current business address for each individual listed below is c/o Veeco Instruments Inc., 100 Sunnyside Boulevard, Woodbury, NY 11797. To Veeco's knowledge, unless otherwise indicated below, each of the individuals identified below is a citizen of the United States.

Table with 2 columns: NAME, TITLE AND ADDRESS; PRESENT PRINCIPAL OCCUPATION AND NAME OF EMPLOYER. Rows include Edward H. Braun, Richard A. D'Amore, Joel A. Elftmann, Heinz K. Fridrich, and Douglas A. Kingsley.

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75 State Street, 30th Floor
Boston, MA 02109

75 State Street, 30th Floor
Boston, MA 02109

Dr. Paul R. Low, Director
PRL Associates
11 Birchwood Drive
Greenwich, CT 06831

President and Chief Executive Officer
Associates, a technology consulting firm
11 Birchwood Drive
Greenwich, CT 06831

Roger D. McDaniel, Director

Director of Veeco Instruments Inc.

Irwin H. Pfister, Director
Schlumberger Ltd.
153 East 53rd Street, 57th Floor
New York, NY 10022

Executive Vice President of Schlumberger
energy company, and Chief Executive Officer
SchlumbergerSema, a leading information
services provider
153 East 53rd Street, 57th Floor
New York, NY 10022

Walter J. Scherr, Director

Consultant to Veeco Instruments Inc.

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Don R. Kania, Ph.D., President, Metrology Group

John P. Kiernan, Vice President, Finance and
Corporate Controller

Emmanuel N. Lakios, President, New York Process
Equipment

John F. Rein, Jr., Executive Vice President, Chief
Financial Officer, Treasurer and Secretary

Robert J. Valentine, Jr., President, Process
Equipment

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ANNEX B

The following table sets forth the name and present principal occupation or employment of each FEI Company stockholder that entered into the Voting Agreements with Veeco Instruments Inc. Unless otherwise indicated below, each person is a citizen of the United States. Unless otherwise indicated below, the business address of each such person is c/o FEI Company, 7425 NW Evergreen Parkway, Hillsboro, OR 97124.

| NAME | PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT | SHARES BE OWNED |
|--------------------|---|--------------------|
| Vahe A. Sarkissian | Chairman, Chief Executive Officer and | 377,624 |

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| | | |
|--|---|------------|
| | President of FEI Company | |
| Brad Thies | Vice President and General Counsel of FEI Company | 9,250(1) |
| Steven Berger | Senior Vice President and Chief Technical Officer of FEI Company | 18,321(2) |
| John A. Doherty | Senior Vice President - Worldwide Sales of FEI Company | 98,479 |
| Michel Epszstein | Senior Vice President and General Manager MEPG of FEI Company | 12,537(3) |
| Rob Fastenau (citizen of the Netherlands) | Senior Vice President and General Manager - Electron Optics Products Division of FEI Company | 13,200(4) |
| Jim D. Higgs | Senior Vice President - Human Resources of FEI Company | 60,152 |
| John M. Lindquist | Senior Vice President - Corporate Marketing of FEI Company | 34,089 (5) |
| Steve Loughlin | Vice President of Corporate Finance, acting Chief Financial Officer and Corporate Controller of FEI Company | 15,568(6) |
| Donald R. VanLuvanee | Director of FEI Company | 17,667 |
| Dr. Michael J. Attardo | Director of FEI Company | 10,667 |
| Jan C. Lobbezoo | Managing Director and Chief Financial Officer of Philips Semiconductors International B.V., an affiliate of Koninklijke Philips Electronics N.V. P.O. Box 218 Building BAE-4 5600 MD Eindhoven | 0 |
| William E. Curran | Chief Executive Officer of Philips North America Region an affiliate of Koninklijke Philips Electronics N.V. 1251 Avenue of the Americas 20th Floor New York, NY 10020 | 0 |
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| Dr. William W. Lattin | Director of FEI Company | 13,833 |
| Dr. Gerhard Parker | Director of FEI Company | 11,251 |
| Wilfred J. Corrigan (dual citizenship with United States) | Chairman and Chief Executive Officer of LSI Logic Corporation, a developer and | 417(7) |

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and United Kingdom)

manufacturer of integrated circuits
and storage systems
1621 Barber Lane
Milpitas, CA 95035

Philips Business Electronics
International B.V.
(a Netherlands corporation)

Building VP-1, PO Box 218
5600 MD Eindhoven
The Netherlands

8,264,821

- (1) Includes options to purchase 6,250 shares of Common Stock.
- (2) Includes options to purchase 5,279 shares of Common Stock.
- (3) Includes options to purchase 12,500 shares of Common Stock.
- (4) Includes options to purchase 13,200 shares of Common Stock.
- (5) Includes options to purchase 33,184 shares of Common Stock.
- (6) Includes options to purchase 15,000 shares of Common Stock.
- (7) Includes options to purchase 417 shares of Common Stock.

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EXHIBIT INDEX

Exhibit
Number

Exhibit Description

- 2.1 Agreement and Plan of Merger, dated as of July 11, 2002, among Veeco Instrument Acquisition Corp. and FEI Company.*
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