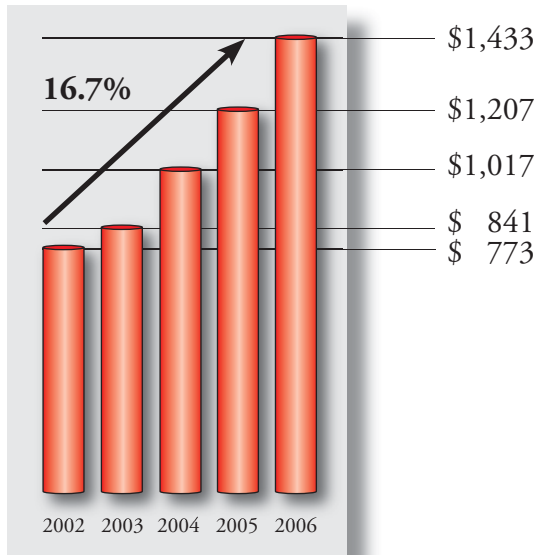




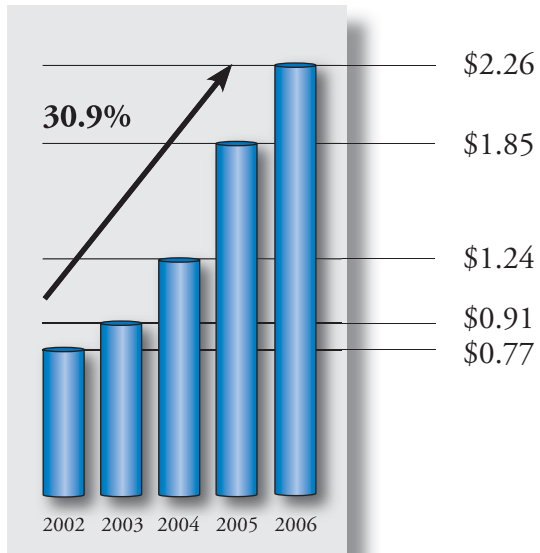
**Teledyne Technologies Incorporated**

**2006  
Annual Report**

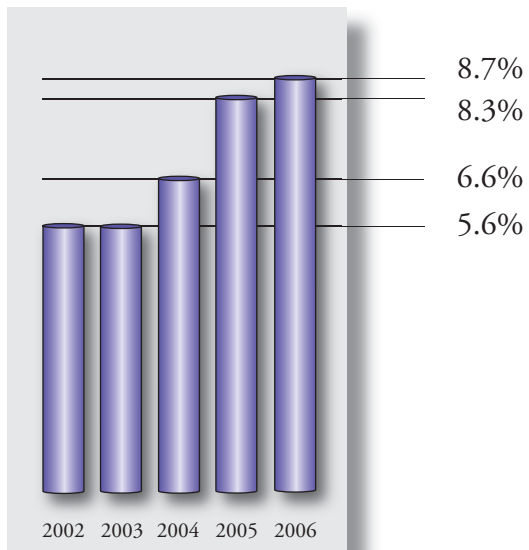
**Sales** (in millions)



**Diluted Earnings per Share**



**Operating Margin**





## 2006 FINANCIAL HIGHLIGHTS

### Selected Consolidated Financial Data

(In millions, except per-share data)

#### Summary Financial Information

	2006	2005	2004	2003	2002
Sales	\$ 1,433.2	\$ 1,206.5	\$ 1,016.6	\$ 840.7	\$ 772.7
Net income	\$ 80.3	\$ 64.2	\$ 41.7	\$ 29.7	\$ 25.4
Diluted earnings per share	\$ 2.26	\$ 1.85	\$ 1.24	\$ 0.91	\$ 0.77
Weighted average diluted common shares outstanding	35.5	34.7	33.7	32.7	32.9

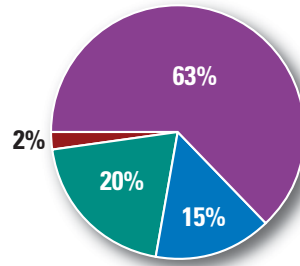
#### Summary Balance Sheet Data

	2006	2005	2004	2003	2002
Cash and cash equivalents	\$ 13.0	\$ 9.3	\$ 11.4	\$ 37.8	\$ 19.0
Working capital	\$ 216.4	\$ 154.0	\$ 124.4	\$ 129.5	\$ 102.6
Total assets	\$ 1,061.4	\$ 728.2	\$ 624.8	\$ 433.6	\$ 398.9
Long-term debt and capital lease obligations	\$ 230.7	\$ 47.0	\$ 74.4	\$ —	\$ —
Stockholders' equity	\$ 431.8	\$ 326.0	\$ 262.1	\$ 221.0	\$ 176.8

See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Notes to Consolidated Financial Statements" in this 2006 Annual Report on Form 10-K for additional information regarding Teledyne Technologies Incorporated financial data.

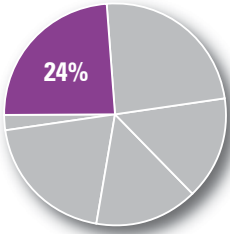
## OPERATIONS AT A GLANCE

### Sales by Segment



- Electronics and Communications
- Systems Engineering Solutions
- Aerospace Engines and Components
- Energy Systems

#### Defense Electronics



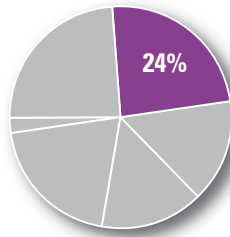
#### Overview

Through our defense electronics businesses, Teledyne provides a wide array of highly specialized components, subsystems and engineering resources to our government, as well as to other defense contractors

#### Selected Products / Services

- Integrated microwave assemblies
- Infrared and visible light imaging sensors
- High-voltage connector assemblies
- Government funded applied research
- Defense electronics manufacturing services

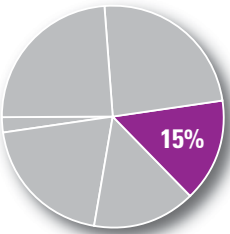
#### Electronic Instrumentation



Teledyne's instruments detect trace contaminants in air and water, help locate and retrieve new energy reserves, are used in drug discovery and assist with industrial process control applications

- Ambient air monitoring instruments
- Acoustic Doppler water current profilers
- Hydrophones and streamer cables
- Continuous emissions monitoring systems
- Subsea wet-mateable connectors
- Flash chromatography systems

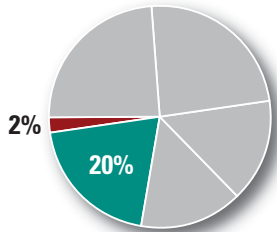
#### Other Commercial Electronics



Our aircraft information management solutions are designed to increase the reliability and efficiency of aircraft transportation. In addition, alongside our defense electronics, we produce precision electronics for other markets, including implantable medical devices, commercial aviation and wireless communication

- Wireless aircraft data acquisition systems
- Electromechanical relays and coaxial switches
- Tranceivers for cellular infrastructure
- Medical device electronics manufacturing

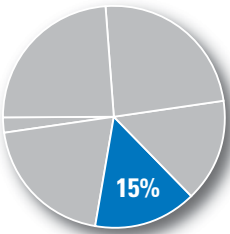
#### Systems Engineering Solutions and Energy Systems



Our government engineering services are focused on protecting the United States, expanding national interests in space, and improving environmental safety. We also provide long-life power systems for government applications, as well as high purity hydrogen gas generation systems

- Missile defense systems engineering
- Space hardware and engineering services
- Chemical weapons demilitarization services
- Power systems for deep space probes
- Hydrogen gas generators

#### Aerospace Engines and Components



In business for over 100 years, Teledyne Continental Motors currently provides piston engines for a number of today's most popular general aviation aircraft, including models from Cirrus, Raytheon, Columbia and Liberty

- Aircraft piston engines and spare parts
- Small turbine engines for military applications
- Gill brand general aviation batteries
- Digital electronic engine control systems

## To Our Stockholders



**Robert Mehrabian**  
*Chairman, President and  
Chief Executive Officer*

In **2006**, Teledyne achieved a number of milestones:

- Sales increased 18.8% to over \$1.43 billion, from approximately \$1.21 billion in 2005
- Earnings per share increased 22.2% to \$2.26 compared to \$1.85 in 2005
- Market value of Teledyne's common stock increased 37.9% from year-end 2005 to year-end 2006
- We closed five acquisitions, including our largest to date

For the last five years, we have been successfully executing a strategy to strengthen our core businesses, improve operational efficiency and grow both organically and by acquisition. We have focused primarily on two of our core markets, defense electronics and instrumentation, both of which require specialized technology and have high barriers to entry. Teledyne is now a much stronger competitor in each of those markets, with a much greater breadth and depth of products, and the ability to provide integrated solutions to our customers.

As a result of this focused strategy and our continuous emphasis on operational excellence, our sales have grown by about 85% from \$773 million in 2002 to over \$1.43 billion in 2006, or at a compound annual growth rate of 16.7%. Over the same timeframe, our earnings per share have improved from \$0.77 to \$2.26, or at a compound annual growth rate of over 30.9%. Our operating margin has increased 318 basis points since 2002 due to a combination of improved

operational performance and the acquisition of complementary higher-margin product lines in our core markets.

In 2006, we continued our strong financial performance and made five acquisitions, including our largest and most strategic to date, the

Rockwell Scientific Company.

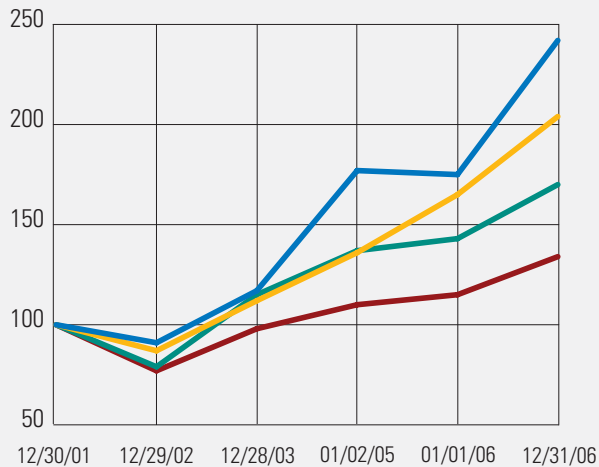
This acquisition provides Teledyne a greatly expanded base of technology and highly-skilled scientists and engineers, enabling us to accelerate the pace of product development in our current markets and giving us the resources to become a significant competitor in adjacent markets.

### Cumulative Total Stockholder Return

The graph set forth below shows the cumulative total stockholder return (i.e., price change plus reinvestment of dividends) on our common stock from our fiscal year end December 30, 2001 through our fiscal year end December 31, 2006, as compared to the Standard & Poor's 500 Composite Index, the Russell 2000 Index and the Dow Jones World Aerospace & Defense Index.

The graph assumes that \$100 was invested on December 28, 2001.

In accordance with the rules of the Securities and Exchange Commission, this presentation is not incorporated by reference into any of our registration statements under the Securities Act of 1933.



	12/30/01	12/29/02	12/28/03	01/02/05	01/01/06	12/31/06
Teledyne Technologies	100	91	117	177	175	242
Dow Jones World Aerospace & Defense	100	87	112	136	165	204
Russell 2000	100	79	115	137	143	170
S&P 500 Composite	100	77	98	110	115	134

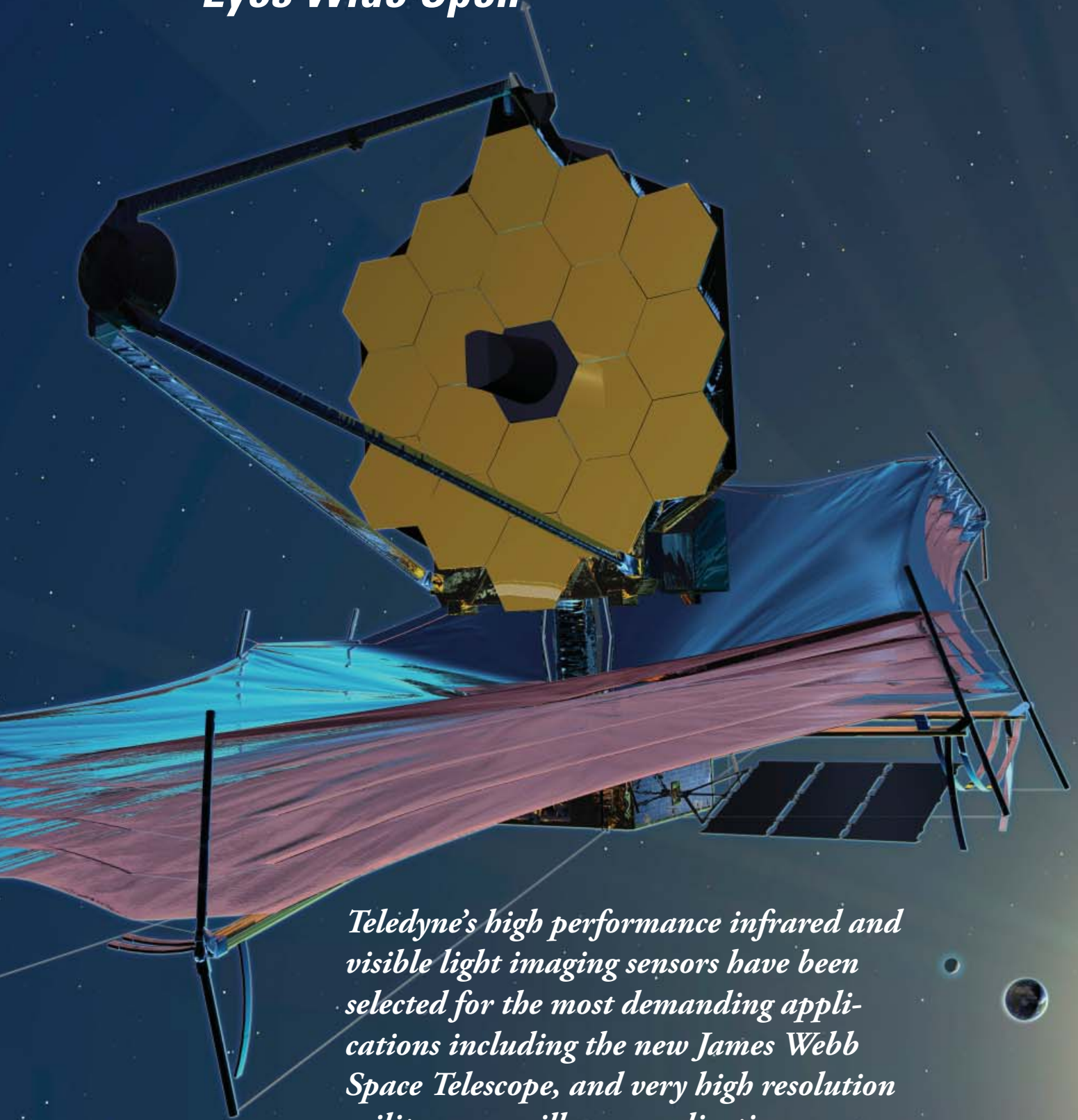
### Gaining Scale

Our strategy for making Teledyne Technologies a stronger, more competitive corporation has evolved progressively. Early on, we focused on manufacturing, updating our factories and training our workforce in lean manufacturing techniques that both reduce defects and improve manufacturing cycle times. By continually reducing the cost of rework, scrap and warranty

expense, we have not only improved our operating margins, but have also enhanced our reputation as a high-quality supplier with the flexibility to respond quickly to the changing needs of our customers.



# *Eyes Wide Open*



*Teledyne's high performance infrared and visible light imaging sensors have been selected for the most demanding applications including the new James Webb Space Telescope, and very high resolution military surveillance applications.*

*Illustration courtesy of Northrop Grumman Corporation*



A white egret stands in a marshy area. The bird is positioned in the upper right quadrant of the image, facing left. It has a long, sharp beak and a long, curved neck. The background consists of a dense thicket of trees and branches, with many pine needles scattered on the ground. The water in the foreground is dark and reflects the surrounding environment. The overall scene is a natural, outdoor setting.

## ***Monitoring the Environment***

*Teledyne RD Instruments provides highly sensitive ocean and inland waterway current measurement devices. These instruments are used for a number of applications, including monitoring the health of river deltas and assisting in tsunami detection.*



The next step in our strategy was to build a stronger position in our core markets by acquiring attractive businesses with products that were complementary to our existing lines. Since our first acquisition of an environmental instrumentation business in 2001, we have acquired 14 additional defense electronics and instrumentation businesses.

Our defense electronics revenues have grown from approximately \$110 million in 2001, to a run-rate of approximately \$400 million at year-end 2006. We have acquired seven defense electronics companies, bringing us an ever-broader range of specialized products. Such products include traveling wave tubes, solid-state microwave components and subsystems, very high-speed mixed signal semiconductors, electromechanical and solid-state relays, high voltage connectors and cables, and infrared and visible light focal plane arrays.

With the new capabilities gained through our acquisitions, five of which had expertise in specialized defense microwave technologies, we are now one of a very limited number of companies that are able to develop highly integrated microwave assemblies that combine multiple functions into a single unit. During 2006, we delivered prototypes of several new integrated assemblies, including a broadband data link for an unmanned aerial vehicle and frequency converters for four new customers for military satellite communications systems. Noting that Teledyne is a key supplier to the Air Force for aircraft such as the F-15, F-16, B-52 and C-130, the Air Force Materials Command awarded a Teledyne company a ten year contract worth up to \$370 million for parts and assemblies. Teledyne is also a significant supplier to many defense industry prime contractors. During 2006, one of our first tier customers reduced its supplier base for outsourced manufacturing and chose all three relevant Teledyne business units as approved suppliers.

Our instrumentation revenues have also grown significantly, from \$45 million in 2001 to approximately \$350 million in 2006. Starting with a base in industrial gas analysis, we acquired five companies that added closely-related products, first in environmental gas analysis, then in laboratory organic and inorganic pollution analysis, and subsequently in instrumentation for wastewater collection and flow measurement.

In 2005, we embarked on a significant expansion in the marine instrumentation market with the acquisition of RD Instruments, Inc., a company which applies acoustic Doppler technology to the measurement of the speed of ocean and river currents and the speed of surface and underwater vehicles. This product line was very complementary to Teledyne's existing geophysical instrumentation business, which manufactures arrays of acoustic sensors, or hydrophones, used in offshore oil and gas exploration. Next, in January of 2006, we acquired Benthos, Inc., a manufacturer of hydrophones, underwater acoustic communication equipment, sonar systems and remotely operated vehicles.

In August of 2006, we acquired a majority interest in Ocean Design, Inc. (ODI), a leading manufacturer of subsea interconnect systems. ODI's largest market is offshore oil and gas production where its unique wet-mateable electrical and fiber-optic connectors and cables are installed at wellheads on the ocean bottom by remotely operated vehicles.

During 2006, all of our marine instrumentation businesses experienced strong demand for products for offshore oil and gas exploration and production. New orders at Ocean Design continued at a record pace subsequent to the acquisition, resulting in significant growth in year-end backlog. The growth in offshore production also enhanced sales of our Acoustic Doppler Current Profilers, which the Department of Interior mandates for safety on mobile offshore drilling units operating in the



# *Discovering Resources*



*During offshore oil and gas exploration, hydrophones from Teledyne Benthos and streamer cables from Teledyne Geophysical Instruments help find new energy reserves.*

*ODI connectors deliver electrical power to subsea oil production systems, as well as transmit sensor data from the well to the rig.*



# *Return to Space*



*Teledyne Brown Engineering captured NASA's highest honor for excellence and quality in 2006 - The George M. Low Award. Presented by NASA annually, the Low Award is bestowed upon a contractor that has demonstrated excellence and outstanding technical and managerial achievements in quality and performance.*

*Illustration courtesy of NASA*

Gulf of Mexico. To accommodate the strong demand for our fluid-free hydrophone streamer arrays, we increased manufacturing capacity at our operations in Houston, Texas and Gloucester, England and added a repair facility in Singapore to support the Asian market.

Today, the combined revenue run-rate of our marine instrumentation businesses represents over 40% of our overall instrumentation sales. All four business units serve three of the primary segments of the undersea market: petroleum exploration, oceanography and defense. This provides both strong brand recognition for Teledyne Marine Instruments businesses and the opportunity for joint product development.

### **Greater Technical Strength and a New Base in Imaging**

The next step in the evolution of Teledyne's capabilities is exemplified by the acquisition in September of Rockwell Scientific Company LLC, now known as Teledyne Scientific & Imaging, LLC. For over four decades Rockwell Scientific Company was a premiere research and development organization, serving the critical future technology needs of the Department of Defense, NASA, and several major companies. It also has a long track record of transitioning cutting-edge technology into successful products and businesses.

Teledyne Scientific & Imaging has a collection of innovative technology and intellectual property. These technologies are a valuable source for building new, high-margin products and enhancing the performance of existing Teledyne products. A few examples of many technologies that are closely related to Teledyne's core businesses include millimeter-wave semiconductors and very high-speed signal processing devices that are expected to enhance our integrated microwave products, advanced materials with applications such as marine instrumentation and turbine engines, optical devices for

military fiber optic communication systems and software algorithms for autonomous vehicle systems.

The acquisition of Rockwell Scientific Company also provides us an important foothold in high performance infrared and visible imaging for astronomy, space surveillance and battlefield applications. The imaging sensors business has already made a successful transition from research to production, and like other Teledyne defense electronics business units, provides highly-engineered components and subsystems. We believe that Teledyne Imaging Sensors, with a state-of-the-art manufacturing facility, will benefit from Teledyne's corporate-wide focus on operational excellence as well as our extensive channels to defense industry prime contractors. The infrared and visible light sensors complement our existing analog, digital, microwave and optoelectronic products, allowing us to be the supplier of choice for very diversified products to our key customers.

### **Looking Ahead**

Our strong financial performance since 2002 is a credit to the performance and quality of our products and the hard work of our skilled employees.

I believe that Teledyne Technologies will continue to grow and prosper by building on our strategy of focusing on technologically-demanding regulated niche markets, working relentlessly to reduce cost and cycle time in our operations and achieving critical mass in our core markets via complementary acquisitions.

While we have become a superior player in our niche markets, we are now more aggressively seeking ways to expand the size of our addressable markets, but without reaching beyond our core competencies or losing management focus.



Two F-35 fighter jets are shown in formation, flying over a green, hilly landscape. The jets are white with black accents and are viewed from a high angle. The top jet is slightly ahead and to the left of the bottom jet. The background is a clear blue sky with some light clouds.

# *System Engineering Strength*

*CollaborX became part of Teledyne Brown Engineering this year, adding new customers and allowing us to support systems from concept development to sustainment and support.*

*Photo courtesy of the Department of Defense*



## *Flying High*



*For over 75 years, Teledyne Continental Motors has been a leader in reciprocating engines for general aviation. Innovations like our PowerLink™ electronic engine control and maintenance system continue to advance engine technology for modern general aviation aircraft, such as the twin turbocharged Adam A500.*

As we continue to grow and to expand into adjacent markets, the perceptive advice and counsel provided by the broad spectrum of industry leaders who constitute our board of directors will be ever more valuable. Our board, which has been a critical factor in Teledyne's success to date, was further strengthened in 2006 by the addition of Kenneth C. Dahlberg, chairman and CEO of Science Applications International Corporation (SAIC), Wesley W. von Schack, chairman, president and CEO of Energy East Corporation, and Roxanne S. Austin, former president and chief operating officer of DIRECTV, who bring to us extensive experience in markets that are important to the future of Teledyne.



Chairman, President and Chief Executive Officer,  
Teledyne Technologies Incorporated

February 28, 2007





## Executive Management

Left to right

**DALE A. SCHNITTJER\***  
Senior Vice President and  
Chief Financial Officer

**ALDO PICHELLI\***  
Senior Vice President and  
Chief Operating Officer, Electronics  
and Communications Segment

**JOHN T. KUELBS\***  
Executive Vice President,  
General Counsel and Secretary

**ROBERT MEHRABIAN\***  
Chairman, President and  
Chief Executive Officer

**IVARS R. BLUKIS**  
Chief Business Risk  
Assurance Officer

**JASON VANWEES**  
Vice President,  
Corporate Development  
and Investor Relations

**SUSAN L. MAIN\***  
Vice President and Controller

**ROBERT W. STEENBERGE**  
Vice President,  
Chief Technology Officer

**ROBERT L. SCHAEFER**  
Associate General Counsel,  
Electronics and Communica-  
tions General Counsel and  
Assistant Secretary

**SHELLEY D. GREEN**  
Treasurer

**MELANIE S. CIBIK**  
Vice President, Associate  
General Counsel and  
Assistant Secretary

**ROBYN E. MCGOWAN**  
Vice President of Administra-  
tion, Human Resources and  
Assistant Secretary

**KEVIN J. RILEY**  
President, Teledyne  
Scientific & Imaging, LLC

\* Section 16 Officer

## Segment Executives

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**BRYAN L. LEWIS**  
*President,  
Aerospace Engines and  
Components Segment*



**JAMES M. LINK**  
*President,  
Systems Engineering  
Solutions Segment*



**ALDO PICELLI**  
*Senior Vice President  
and Chief Operating Officer,  
Electronics and  
Communications Segment*



**RHETT C. ROSS**  
*President,  
Energy Systems Segment*

## Stockholder Information

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### CORPORATE OFFICES

Teledyne Technologies Incorporated  
1049 Camino Dos Rios  
Thousand Oaks, CA 91360  
Telephone: (805) 373-4545  
Fax: (805) 373-4775  
[www.teledyne.com](http://www.teledyne.com)

### TRANSFER AGENT AND REGISTRAR

Mellon Investor Services LLC  
P.O. Box 3315  
South Hackensack, NJ 07606  
(800) 356-2017

### STOCKHOLDER PUBLICATIONS - FORM 10-K

Annual reports (including Form 10-K) and proxy statements are mailed to all stockholders of record. Copies of our SEC periodic reports, corporate governance guidelines, code of ethics and committee charters are also available on our web site at [www.teledyne.com](http://www.teledyne.com). For additional information, contact Corporate Communications or Investor Relations.

### STOCK EXCHANGE LISTING

The common stock of Teledyne Technologies Incorporated is traded on the New York Stock Exchange (symbol TDY).

### ANNUAL MEETING

The annual meeting of stockholders will be held on Wednesday, April 25, 2007, at 9:00 a.m., at Teledyne Technologies Incorporated, 1049 Camino Dos Rios, Thousand Oaks, CA 91360.

### INDEPENDENT AUDITORS

Ernst & Young LLP  
Los Angeles, California

### CURRENT NEWS AND GENERAL INFORMATION

Information about Teledyne is available at [www.teledyne.com](http://www.teledyne.com).

## Directors



**ROXANNE S. AUSTIN** <sup>(1)(2)</sup>  
*Former President and  
Chief Operating Officer  
DIRECTV, Inc.*



**KENNETH C. DAHLBERG** <sup>(1)(3)</sup>  
*Chairman of the Board  
and CEO of Science  
Applications International  
Corporation (SAIC)*



**MICHAEL T. SMITH** <sup>(2)(3)</sup>  
*Retired Chairman and Chief  
Executive Officer, Hughes  
Electronics Corporation*



**ROBERT P. BOZZONE** <sup>(1)(3)</sup>  
*Former Chairman,  
Allegheny Technologies  
Incorporated*



**SIMON M. LORNE** <sup>(1)(2)</sup>  
*Vice Chairman and Chief  
Legal Officer  
Millennium Partners, L.P.*



**WESLEY W. VON SCHACK** <sup>(2)(3)</sup>  
*Chairman, President and  
Chief Executive Officer  
Energy East Corporation*



**FRANK V. CAHOUET** <sup>(1)(2)</sup>  
*Retired Chairman and Chief  
Executive Officer, Mellon  
Financial Corporation*



**ROBERT MEHRABIAN**  
*Chairman, President and  
Chief Executive Officer,  
Teledyne Technologies  
Incorporated*

- <sup>(1)</sup> Audit Committee  
<sup>(2)</sup> Nominating and Governance Committee  
<sup>(3)</sup> Personnel and Compensation Committee



**CHARLES CROCKER** <sup>(2)(3)</sup>  
*Chairman, Crocker  
Capital and Retired  
Chairman and CEO,  
BEI Technologies, Inc.*



**PAUL D. MILLER** <sup>(1)(2)</sup>  
*Retired Chairman, Alliant  
Techsystems, Inc.*

## Forward-Looking Statements Cautionary Notice

This annual report contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, relating to earnings, growth opportunities, capital expenditures, pension matters, stock option expense and strategic plans. Actual results could differ materially from these forward-looking statements. Many factors, including changes in demand for products sold to the defense electronics, instrumentation, energy exploration and production, commercial aviation, semiconductor, and communications markets, funding, continuation and award of government programs, continued liquidity of our customers (including commercial aviation customers) and economic and political conditions, could change the anticipated results. In addition, stock market fluctuations affect the value of the Company's pension assets.

Global responses to terrorism and other perceived threats increase

uncertainties associated with forward-looking statements about our businesses. Various responses could realign government programs, and affect the composition, funding or timing of our programs. Flight restrictions would negatively impact the market for general aviation aircraft piston engines and components. Recent changes in the leadership of the U.S. Congress could result over time in reductions in defense spending and further changes in programs in which the Company participates.

The Company continues to take action to assure compliance with the internal controls, disclosure controls and other requirements of the Sarbanes-Oxley Act of 2002. While the Company believes its control systems are effective, there are inherent limitations in all control systems, and misstatements due to error or fraud may occur and not be detected.

While Teledyne's growth strategy includes possible acquisitions, the

Company cannot provide any assurance as to when, if, or on what terms, any acquisitions will be made. Acquisitions, involve various inherent risks, such as, among others, our ability to integrate acquired businesses and to achieve identified financial and operating synergies.

Additional information concerning factors that could cause actual results to differ materially from those projected in the forward-looking statements is contained in Teledyne's periodic filings with the Securities and Exchange Commission, including its 2006 Annual Report on Form 10-K. Forward looking statements are generally accompanied by such words as "estimates", "project", "predict", "believes" or "expect", that convey the uncertainty of future events or outcomes. The Company assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or otherwise.



