

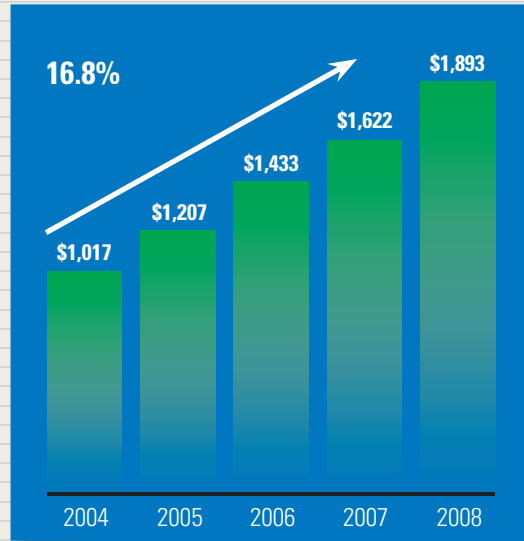


# Teledyne Technologies Incorporated

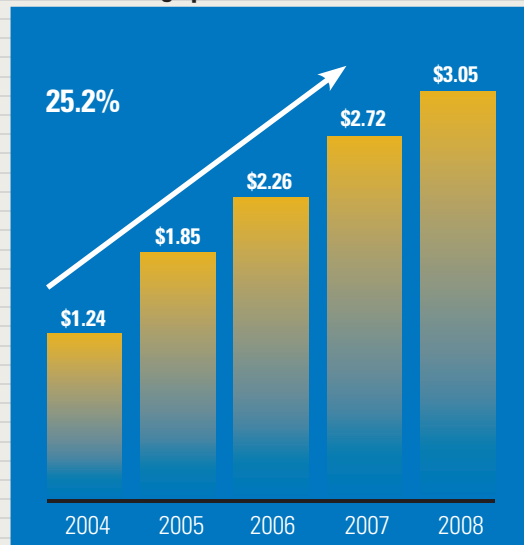
**2008**

**Annual Report**

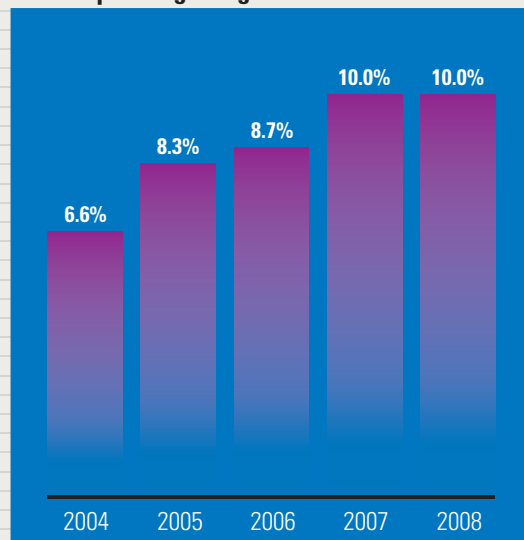
### Sales (In millions)



### Diluted Earnings per Share



### GAAP Operating Margin <sup>(1)</sup>



<sup>(1)</sup> Income before other income and expense and income taxes divided by sales

## 2008 FINANCIAL HIGHLIGHTS

**Selected Consolidated Financial Data**

(In millions, except per-share data)

**Summary Financial Information**

	2008	2007	2006	2005	2004
Sales	\$ 1,893.0	\$ 1,622.3	\$ 1,433.2	\$ 1,206.5	\$ 1,016.6
Net income	\$ 111.3	\$ 98.5	\$ 80.3	\$ 64.2	\$ 41.7
Diluted earnings per share	\$ 3.05	\$ 2.72	\$ 2.26	\$ 1.85	\$ 1.24
Weighted average diluted common shares outstanding	36.5	36.2	35.5	34.7	33.7

**Summary Balance Sheet Data**

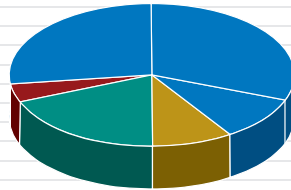
	2008	2007	2006	2005	2004
Cash and cash equivalents	\$ 20.4	\$ 13.4	\$ 13.0	\$ 9.3	\$ 11.4
Working capital	\$ 281.3	\$ 213.7	\$ 216.4	\$ 154.0	\$ 124.4
Total assets	\$ 1,534.5	\$ 1,159.4	\$ 1,061.4	\$ 728.2	\$ 624.8
Long-term debt and capital lease obligations	\$ 332.1	\$ 142.4	\$ 230.7	\$ 47.0	\$ 74.4
Stockholders' equity	\$ 530.0	\$ 530.2	\$ 431.8	\$ 326.0	\$ 262.1

See "Management's Discussion and Analysis of Financial Condition and Results of Operation" and the "Notes to Consolidated Financial Statements" in this 2008 Annual Report on Form 10-K for additional information regarding Teledyne Technologies Incorporated financial data.

# OPERATIONS AT A GLANCE

## Sales by Segment

Approximate sales by end market for fiscal year 2008



**68%** Electronics and Communications Segment

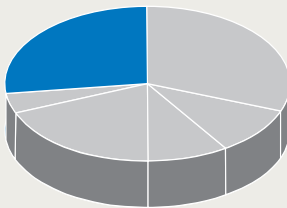
**19%** Engineered Systems Segment

**9%** Aerospace Engines and Components Segment

**4%** Energy and Power Systems Segment

### Electronics and Communications 68%

#### Defense Electronics 27%



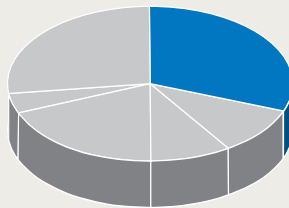
#### Overview

Defense electronics businesses provide a range of highly specialized electronic subsystems to our government, as well as other defense contractors

#### Selected Products / Services

- Integrated microwave assemblies
- Harsh environment interconnects
- Infrared and visible light imaging sensors
- Electronic manufacturing services

#### Instrumentation 31%



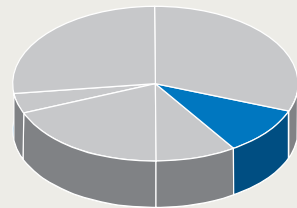
#### Overview

Instrumentation provides power to subsea drilling systems, helps locate new energy reserves, reports subtle changes to the environment, and detects trace contaminants in air and water

#### Selected Products / Services

- Ocean bottom interconnects
- Acoustic Doppler water current profilers
- Hydrophones and streamer cables
- Emissions monitoring instrumentation

#### Electronics (Avionics & Other) 10%



#### Overview

Aircraft information management solutions are designed to increase flight safety and efficiency of aircraft transportation. In addition, alongside our defense electronics, we produce precision electronics for other commercial markets

#### Selected Products / Services

- Wireless aircraft data acquisition systems
- Electronic Flight Bags (EFBs)
- Commercial microwave subsystems
- High performance relays

### Engineered Systems 19%



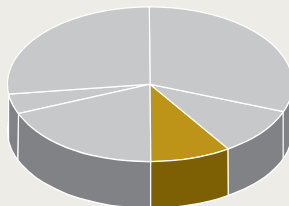
#### Overview

Within the Engineered Systems segment, our products and services center on protecting America, expanding national interests in space, and improving environmental safety

#### Selected Products / Services

- Missile defense systems engineering
- Space hardware and engineering services
- Chemical, biological, radiological and nuclear, (CBRN) systems and services
- Manufacturing services

### Aerospace Engines and Components 9%



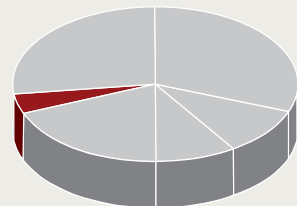
#### Overview

Teledyne Continental Motors provides piston engines for a number of today's most popular general aviation aircraft

#### Selected Products / Services

- Aircraft piston engines for OEM aircraft
- Aftermarket engines, parts and services
- Digital electronic engine control systems

### Energy and Power Systems 4%



#### Overview

We provide highly reliable power and propulsion systems primarily for aerospace and defense applications, as well as high purity hydrogen generation systems

#### Selected Products / Services

- Power systems for government applications
- Military small turbine engines
- Gill™ brand aerospace batteries
- Hydrogen gas generators

## TO OUR STOCKHOLDERS

Teledyne achieved record sales and earnings in 2008 despite the rapid deterioration in the world economy that started in the second half of 2008. Unfortunately, the economic contraction has accelerated in 2009.

Cognizant of the challenges in the commercial sector of our businesses, we initiated a number of focused actions, which started in the second half of 2008 and are continuing in 2009. These actions include workforce and other expenditure reductions, heightened emphasis on operational excellence, investments to protect and improve our markets and emphasis on generating cash from operations.

While no company is immune to the rapidly changing market conditions, I firmly believe that our balanced mix of government and commercial businesses, which have strong positions in defensible niche markets, will allow us to successfully navigate the current worldwide economic recession.

#### 2008 Highlights

- ◆ Sales increased 16.7% to \$1,893 billion
- ◆ Earnings per share increased 12.1% to \$3.05, despite a \$0.30 charge related to a piston engine voluntary product recall and cylinder replacement program

In 2008 we maintained our focus on making Teledyne a stronger company by improving our operations and by acquiring high quality companies to add new products for our core markets.

Sales in our Electronics and Communications segment, which represents 68% of Teledyne's total revenue, increased 19.1% to approximately \$1.28 billion. During the year, we acquired nine complementary businesses for a total consideration of approximately \$250 million, as we continued to expand our core businesses in defense electronics and instrumentation.

In defense electronics, we were awarded important new contracts in infrared imaging, including development of new infrared scanning sensors for Earth observation from

space and a three year program to advance the state of the art of infrared detector technology. We also acquired assets of Judson Technologies to expand our capabilities in infrared detectors and cameras.

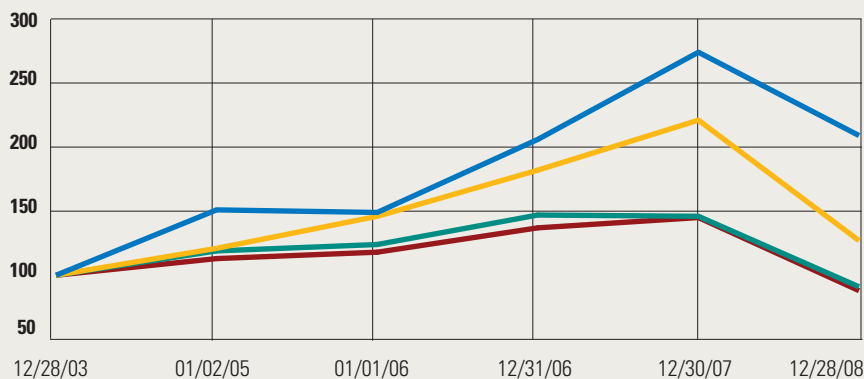
While we experienced some delays in new orders for defense microwave products, the demand for products related to “communications on the move” and classified satellite programs remained strong. We also added to our capabilities and expanded access to European markets by acquiring Filtronic Defence Limited, which develops and manufactures integrated electronic warfare subsystems.

**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 28, 2003 through our fiscal year end December 28, 2008, 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 26, 2003.

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.



	12/28/03	01/02/05	01/01/06	12/31/06	12/30/07	12/28/08
Teledyne Technologies	100	151	149	206	274	209
Dow Jones World Aerospace & Defense	100	121	146	182	221	127
Russell 2000	100	119	124	147	146	91
S&P 500 Composite	100	113	118	137	145	88

Teledyne’s Marine Instrumentation businesses, which represent approximately 19% of total sales for Teledyne, performed very well in 2008. However, given the reduction in oil and gas prices, we expect weakness in 2009 for those marine businesses which serve the oil exploration market due to reduced usage of existing exploration vessels and lower capital expenditures from some of our customers. At the moment, however, we do not expect lower oil prices to negatively affect the majority of our marine businesses which serve other markets, such as offshore energy production, oceanographic research, subsea defense and hydrographic survey. Over the long term, we continue to believe that the major factors driving our marine businesses are very attractive.

As evidence of our continued commitment to marine markets, we acquired six companies to broaden our range of Teledyne Marine products. We expanded our line of subsea interconnect products by the acquisitions of Impulse Enterprise and Storm Products Company, which also makes microwave and industrial products. TSS (International) Limited added motion sensors, inertial navigators and pipeline trackers, and Odom Hydrographic Systems, Inc. added hydrographic survey systems to our existing line of subsea acoustic instruments and Doppler navigation systems. With the acquisition of Cormon Limited, we added corrosion monitoring sensors for subsea pipelines. We also entered the market for robotic underwater vehicles used for long duration oceanographic research with the purchase of assets of Webb Research Corp., developer of the Slocum, the world's first subsea glider.

Our Engineered Systems segment achieved organic growth of 19.7% and reached record revenue and income. Utilizing its vertical scale, the segment grew rapidly in specialty manufacturing for the space, defense, and nuclear energy markets and continued to expand in the civil space and missile defense markets.

In 2008, manufacturing revenue within our Engineered Systems segment grew significantly primarily as a result of a \$120 million multi-year contract to manufacture Gas Centrifuge Service Modules for the American Centrifuge Project. The service modules are key components used to enrich uranium for commercial nuclear power plants.

Currently, we are aware of only 23 other U.S.-based companies that have the same nuclear manufacturing certifications (or "stamps") as Teledyne. Combining sales of nuclear hardware in our Engineered Systems segment, with sales of rugged interconnects, safety-related valve testing services and other products within our Electronics and Communications segment, Teledyne currently has approximately \$65 million in annual sales to the commercial and government nuclear industry.

Given our unique capabilities, and an estimated addressable market of approximately \$2.0 billion, we are pursuing a number of initiatives to expand our nuclear businesses over time.

For the first nine months of 2008, sales for our Aerospace Engines and Components segment increased slightly compared to 2007. However, starting late in the third quarter, the sudden freeze in the credit markets dramatically affected consumer discretionary spending, including purchases of new OEM aircraft. During the fourth quarter of 2008, sales of new engines to OEM aircraft customers declined 50%, and total sales in the segment decreased 28%. This year over year decline was our first material reduction in OEM engine sales in nearly 20 years.

In February 2009, we issued a voluntary recall of certain aircraft piston engine cylinders. The company learned about the piston engine cylinder matter after our earnings call

in January 2009 and prior to the filing of our 2008 Form 10-K. Accordingly, the voluntary recall was reflected as a subsequent event in our 2008 results. A pretax charge of \$18.0 million (or \$0.30 per share) was recognized in the fourth quarter of 2008 to cover estimated costs related to the recall and replacement of affected cylinders. We issued this voluntary product recall as part of our commitment to safety and in cooperation with the Federal Aviation Administration.

We will have many challenges in 2009 and beyond, but I am confident that Teledyne Technologies will continue to prosper. While we are very cognizant of the rapid deterioration in the global economy that affects some of our end markets, the risks to Teledyne are mitigated by a number of factors. First, we have a balanced mix of government and commercial businesses that produce highly engineered products that are not easily commoditized. Second, we have a proven track record of successfully improving our operations and integrating acquisitions. Third, we are continually advancing the technological base of Teledyne's products, aided in part by the broad range of government sponsored research contracts that support our R&D efforts within Teledyne Scientific Company. These new technologies, coupled with our long-term focus on operational improvement, will ensure that we meet our customers' needs for increasingly sophisticated products in a cost competitive environment.

I want to thank our stockholders for their continuing support in these challenging times. I also want to thank our employees for their commitment to make Teledyne a stronger company. Lastly, I want to thank Robert P. Bozzone, who will be retiring from Teledyne's Board of Directors, for his wise counsel and dedicated service.



Chairman, President and Chief Executive Officer  
Teledyne Technologies Incorporated

February 27, 2009



**Executive Management**

**ROBERT MEHRABIAN\***

*Chairman, President and Chief Executive Officer*

**JOHN T. KUELBS\***

*Executive Vice President, General Counsel and Secretary of the Board of Directors*

**DALE A. SCHNITZER\***

*Senior Vice President and Chief Financial Officer*

**STEPHEN F. BLACKWOOD**

*Vice President and Treasurer*

**IVARS R. BLUKIS**

*Chief Business Risk Assurance Officer*

**MELANIE S. CIBIK**

*Vice President, Associate General Counsel and Assistant Secretary*

**REX D. GEVEDEN\***

*President Teledyne Brown Engineering, Inc.*

**SUSAN L. MAIN\***

*Vice President and Controller*

**ROBYN E. MCGOWAN**

*Vice President, Administration, Human Resources and Assistant Secretary*

**ALDO (AL) PICHELLI\***

*President and Chief Operating Officer, Electronics and Communications Segment*

**KEVIN J. RILEY**

*President Teledyne Scientific & Imaging, LLC*

**RHETT C. ROSS**

*President Teledyne Continental Motors, Inc.*

**ROBERT L. SCHAEFER**

*Associate General Counsel and Assistant Secretary, General Counsel Electronics and Communications Segment*

**ROBERT W. STEENBERGE**

*Vice President and Chief Technology Officer*

**JASON VANWEES**

*Vice President, Corporate Development and Investor Relations*

\* Section 16 Officer

**Segment Presidents**



**ALDO (AL) PICHELLI**

*Electronics and Communications Segment*



**REX D. GEVEDEN**

*Engineered Systems Segment and Energy and Power Systems Segment*



**RHETT C. ROSS**

*Aerospace Engines and Components Segment*

**Stockholder Information**

**CORPORATE OFFICES**

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

**TRANSFER AGENT AND REGISTRAR**

BNY Mellon Shareowner Services  
480 Washington Boulevard  
Jersey City, NJ 07310  
(888) 540-9867

**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, codes of ethics and committee charters are also available on our web site at 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 22, 2009, at 9:00 a.m. PDT, 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.

Directors



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



**SIMON M. LORNE** <sup>(1)(2)</sup>  
*Vice Chairman and Chief  
 Legal Officer  
 Millennium Management LLC*



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



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



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



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



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



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



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



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

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

## Forward-Looking Statements Cautionary Notice

From time to time the Company makes, and this annual report may contain, forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, directly or indirectly relating to earnings, growth opportunities, capital expenditures, pension matters, product recall costs, stock option compensation expense, taxes and strategic plans. Actual results could differ materially from these forward-looking statements. Many factors, including continuing disruptions in the global economy and insurance and credit markets, changes in demand for products sold to the defense electronics, instrumentation and energy exploration and production, commercial aviation, semiconductor and communications markets, funding, continuation and award of government programs, continued liquidity of our customers (including commercial and military aviation customers) and availability of credit to our customers, could change the anticipated results. Increasing fuel costs could negatively affect the markets of our commercial aviation businesses. In addition, financial market fluctuations affect the value of our pension assets.

Global responses to terrorism and other perceived threats increase uncertainties associated with forward-looking statements about our businesses. Various factors 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. The new leadership of the U.S. Government 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 we believe our 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, we 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, retain customers and achieve identified financial and operating synergies. There are additional risks associated with acquiring, owning and operating businesses outside of the United States, including those arising from U.S. and foreign government policy changes or actions and exchange rate fluctuations.

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 2008 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. We assume no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or otherwise.



# Teledyne Technologies Incorporated Annual Report 2008