UNIVERSAL DISPLAY CORP \PA\
Form 424B2
March 21, 2011

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the related prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to rule 424(b)(2)
Registration No. 333-172955

SUBJECT TO COMPLETION, DATED MARCH 21, 2011
PRELIMINARY PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED MARCH 21, 2011

5,000,000 Shares

Common Stock

We are offering up to 5,000,000 shares of our common stock. We will receive all of the net proceeds from the sale of such common stock.

Our common stock is traded on the NASDAQ Global Market under the symbol "PANL." The last reported sale price of our common stock on the NASDAQ Global Market on March 18, 2011 was $46.57 per share.

Investing in our common stock involves risks. See "Risk Factors" beginning on page S-6 to read about factors you should consider before buying our common stock.

	Price to Public	Underwriting Discounts and Commissions	Proceeds, before expenses, to us
Per Share	$	$	$
Total	$	$	$

The underwriters may purchase up to an additional 750,000 shares of our common stock within 30 days after the date of this prospectus supplement to cover over-allotments, if any.

Delivery of the shares of common stock will be made on or about , 2011.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

Goldman, Sachs & Co.

UBS Investment Bank

Canaccord Genuity Cowen and Company Needham & Company, LLC Oppenheimer & Co.

Avian Securities, LLC Davenport & Company LLC Fagenson & Co., Inc.

The date of this prospectus supplement is March , 2011

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Prospectus Supplement

Prospectus

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any related free writing prospectus that we may provide to you. We have not authorized anyone to provide you with information that is different. We are offering to sell these securities and seeking offers to buy these securities only in jurisdictions where the offers and sales are permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any related free writing prospectus and the documents incorporated by reference herein and therein is accurate only as of their respective dates.

The terms "UDC," the "Company," "we" and "us" in this prospectus supplement refer to Universal Display Corporation and its subsidiaries, unless the context otherwise requires.

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AVAILABLE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. You may read and copy any materials we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-888-SEC-0330. The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Our SEC filings are also available to the public from our website at www.universaldisplay.com. However, the information on our website does not constitute a part of this prospectus supplement, nor is it incorporated by reference herein.

In this document, we "incorporate by reference" certain information we file with the SEC, which means that we can disclose important information to you by referring to that information. The information incorporated by reference is considered to be a part of this prospectus supplement. Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for all purposes to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated or deemed to be incorporated by reference, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement. We incorporate by reference the documents listed below:

- Our Annual Report on Form 10-K for the year ended December 31, 2010;

- Our Current Reports on Form 8-K filed with the SEC on January 6, 2011, February 7, 2011, March 8, 2011, March 10, 2011 and March 21, 2011;

- Our Definitive Proxy Statement for our 2010 Annual Meeting of Shareholders, filed with the SEC on April 26, 2010; and

- The description of our common stock that is contained in our Registration Statement on Form 8-A filed with the SEC on August 6, 1996.

All reports and other documents subsequently filed by us pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934 (other than Current Reports furnished under Item 2.02 or Item 7.01 (including any financial statements or other exhibits relating thereto furnished pursuant to Item 9.01) of Form 8-K unless we otherwise state therein) after the date of this prospectus supplement shall be deemed to be incorporated by reference in this prospectus supplement and to be part hereof from the date of filing of such reports and other documents.

We hereby undertake to provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus supplement is delivered, upon written or oral request of any such person, a copy of any and all of the information that has been or may be incorporated by reference in this prospectus supplement, including any exhibits that are specifically incorporated by reference in such documents. Requests for such copies should be directed as follows:

Universal Display Corporation
375 Phillips Boulevard
Ewing, New Jersey 08618
(609) 671-0980

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the documents incorporated by reference in this prospectus supplement contain some "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements concern possible or assumed future events, results and business outcomes. These statements often include words such as "believe," "expect," "anticipate," "intend," "plan," "estimate," "seek," "will," "may" or similar expressions. These statements are based on assumptions that we have made in light of our experience in the industry, as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances.

As you read and consider this prospectus supplement, you should not place undue reliance on any forward-looking statements. You should understand that these statements involve substantial risk and uncertainty and are not guarantees of future performance or results. They depend on many factors that are discussed further in the section of this prospectus entitled "Risk Factors," including:

- the outcomes of our ongoing and future research and development activities, and those of others, relating to organic light emitting diode, or OLED, technologies and materials;
- our ability to access future OLED technology developments of our academic and commercial research partners;
- the potential commercial applications of and future demand for our OLED technologies and materials, and of OLED products in general;
- our ability to form and continue strategic relationships with manufacturers of OLED products;
- successful commercialization of products incorporating our OLED technologies and materials by OLED manufacturers, and their continued willingness to utilize our OLED technologies and materials;
- the comparative advantages and disadvantages of our OLED technologies and materials versus competing technologies and materials currently on the market;
- the nature and potential advantages of any competing technologies that may be developed in the future;
- our ability to compete against third parties with resources greater than ours;
- our ability to maintain and improve our competitive position following the expiration of our fundamental OLED patents;
- the adequacy of protections afforded to us by the patents that we own or license and the cost to us of maintaining, enforcing and defending those patents;
- our ability to obtain, expand and maintain patent protection in the future, and to protect our non patented intellectual property;

our exposure to and ability to withstand third-party claims and challenges to our patents and other intellectual property rights;

the payments that we expect to receive under our existing contracts with OLED manufacturers and the terms of contracts that we expect to enter into with OLED manufacturers in the future;

our future capital requirements and our ability to obtain additional financing if and when needed;

- our future OLED technology licensing and OLED material revenues and results of operations; and

- general economic and market conditions.

Changes or developments in any of these areas could affect our financial results or results of operations, and could cause actual results to differ materially from those contemplated by any forward-looking statements.

All forward looking statements speak only as of the date of this prospectus supplement or the documents incorporated by reference, as the case may be. We do not undertake any duty to update any of these forward-looking statements to reflect events or circumstances after the date of this prospectus supplement, or to reflect the occurrence of unanticipated events.

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PROSPECTUS SUMMARY

This summary may not contain all of the information that may be important to you. You should read this prospectus supplement, the accompanying prospectus, the information incorporated by reference in each, and any related free writing prospectus before making an investment decision. You should pay special attention to the "Risk Factors" section beginning on page S-6 of this prospectus supplement, as well as any "Risk Factor" included in any document incorporated by reference herein, to determine whether an investment in our common stock is appropriate for you.

General

We are a leader in the research, development and commercialization of organic light emitting diode, or OLED, technologies and materials. OLEDs are thin, lightweight and power-efficient solid-state devices that emit light, making them highly suitable for use in full-color displays and as lighting products. OLED displays are capturing a growing share of the flat panel display market. We believe that this is because OLEDs offer potential advantages over competing display technologies with respect to power efficiency, contrast ratio, viewing angle, video response time and manufacturing cost. We also believe that OLED lighting products have the potential to replace many existing light sources in the future because of their high power efficiency, excellent color rendering index, low heat generation and novel form factor. Our technology leadership and intellectual property position should enable us to share in the revenues from OLED displays and lighting products as they enter mainstream consumer and other markets.

Our primary business strategy is to further develop and license our proprietary OLED technologies to manufacturers of products for display applications, such as cell phones, portable media devices, tablets, laptop computers and televisions, and specialty and general lighting products. In support of this objective, we also develop new OLED materials and sell materials to those product manufacturers. Through our internal research and development efforts and our relationships with world-class partners such as Princeton University, the University of Southern California, the University of Michigan, Motorola Solutions, Inc. and PPG Industries, Inc., we have established a significant portfolio of proprietary OLED technologies and materials. We currently own, exclusively license or have the sole right to sublicense more than 1,000 patents issued and pending worldwide.

We sell our proprietary OLED materials to customers for evaluation and use in commercial OLED products. We also enter into agreements with manufacturers of OLED display and lighting products under which we grant them licenses to practice under our patents and to use our proprietary know-how. At the same time, we work with these and other companies who are evaluating our OLED technologies and materials for possible use in commercial OLED display and lighting products.

Corporate Information

Our corporation was organized under the laws of the Commonwealth of Pennsylvania in April 1985. Our business was commenced in June 1994 by a company then known as Universal Display Corporation, which had been incorporated under the laws of the State of New Jersey. On June 22, 1995, a wholly-owned subsidiary of ours merged into this New Jersey corporation. The surviving corporation in this merger became a wholly-owned subsidiary of ours and changed its name to UDC, Inc. Simultaneously with the consummation of this merger, we changed our name to Universal Display Corporation. UDC, Inc. now functions as an operating subsidiary of ours and has overlapping officers and directors. We have also formed other wholly-owned subsidiaries, including Universal Display Corporation Hong Kong, Ltd. (2008), Universal Display Corporation Korea, Inc. (2010) and Universal Display Corporation Japan, K.K. (2011). Our principal executive offices are

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located at 375 Phillips Boulevard, Ewing, New Jersey 08618 and our telephone number is (609) 671-0980. Our Internet address is www.universaldisplay.com. The information on our Internet site is not part of this prospectus.

THE OFFERING

Common stock offered by us	5,000,000 shares of common stock
Over-allotment option	750,000 shares
Common stock outstanding immediately after this offering(1)	44,466,238 shares
Use of proceeds	We intend to use the net proceeds from the sale of the securities offered hereby for general corporate purposes, including the acquisition, development and license of properties, assets, entities or technologies.
NASDAQ Global Market symbol	PANL

(1) Based on 39,466,238 shares of our common stock outstanding as of March 17, 2011. The number of shares of common stock outstanding:

- excludes 3,362,233 shares of common stock reserved for issuance under our equity incentive plans, under which 1,900,719 shares of common stock are subject to outstanding awards as of March 17, 2011;
- excludes 317,296 shares of common stock underlying currently outstanding warrants; and
- assumes that the underwriters' option to purchase up to 750,000 additional shares to cover over-allotments is not exercised.

Risk Factors

Investing in our common stock involves risks. See "Risk Factors" beginning on page S-6 to read about factors you should consider before buying our common stock.

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RISK FACTORS

Before purchasing our common stock, you should carefully consider the following risk factor and those set forth in our most recent Annual Report on Form 10-K, which is incorporated by reference in this prospectus supplement. See "Available Information." You should also carefully consider all of the other information in this prospectus supplement or incorporated by reference herein. Any of the risks incorporated by reference could have a material adverse impact on our business, prospects, results of operations and financial condition and could therefore have a negative effect on the trading price of our common stock. Additionally risks not currently known to us or that we now deem immaterial may also harm us and negatively affect your investment.

Risk related to this offering

Our management will have broad discretion with respect to the use of proceeds of this offering. We have not identified specific uses for the proceeds of this offering. You will be relying on the judgment of our management regarding the application of the proceeds of this offering. The results and effectiveness of the use of proceeds are uncertain.

USE OF PROCEEDS

The net proceeds from the sale of the securities offered hereby will be used for general corporate purposes, including the acquisition, development and license of properties, assets, entities or technologies. As of the date of this prospectus supplement, we have not identified as probable any specific material proposed uses of these proceeds.

PRICE RANGE OF OUR COMMON STOCK

Our common stock is listed for trading on the NASDAQ Global Market under the symbol "PANL". The following table sets forth the quarterly high and low closing prices of our common stock on the NASDAQ Global Market for the periods indicated:

	High	Low
Year Ending December 31, 2011		
First Quarter (through March 18, 2011)	$ 46.90	$ 31.88
Year Ended December 31, 2010		
Fourth Quarter	$ 31.98	$ 22.34
Third Quarter	$ 24.25	$ 17.52
Second Quarter	$ 19.35	$ 11.83
First Quarter	$ 14.24	$ 10.53
Year Ended December 31, 2009		
Fourth Quarter	$ 13.72	$ 10.68
Third Quarter	$ 12.78	$ 9.18
Second Quarter	$ 11.98	$ 8.10
First Quarter	$ 10.12	$ 5.04

On March 18, 2011, the closing sale price of our common stock as reported on the NASDAQ Global Market was $46.57 per share. The foregoing table shows only historical comparisons. These comparisons may not provide meaningful information to you in determining whether to purchase shares of our common stock. You are urged to obtain current market quotations for our common stock and to review carefully the other information contained in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference in each, and any related free writing prospectus. See "Available Information".

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UNDERWRITING

The Company and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman, Sachs & Co. is the representative of the underwriters.

Underwriters	Number of Shares
Goldman, Sachs & Co.	
UBS Securities LLC	
Canaccord Genuity Inc.	
Cowen and Company, LLC	
Needham & Company, LLC	
Oppenheimer & Co. Inc.	
Avian Securities, LLC	
Davenport & Company LLC	
Fagenson & Co., Inc.	
Total	5,000,000

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

If the underwriters sell more shares than the total number set forth in the table above, the underwriters have an option to buy up to an additional 750,000 shares from the Company. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by the Company. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase 750,000 additional shares.

Paid by the Company

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. If all the shares are not sold at the initial public offering price, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

The Company and other parties have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 90 days after the date of this prospectus, except with the prior written consent of the representatives. This agreement does not apply to any existing employee benefit plans.

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In connection with this offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares from the Company in this offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option granted to them. "Naked" short sales are any sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the Company's stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effected on NYSE, NASDAQ NMS or relevant exchange, in the over-the-counter market or otherwise.

The Company may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. In connection with those derivatives, the third parties may sell securities covered by this prospectus, including in short sale transactions. If so, the third party may use securities pledged by the Company or borrowed from the Company or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from the Company in settlement of those derivatives to close out any related open borrowings of stock. The third party in such sale transactions will be an underwriter or will be identified in a post-effective amendment.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the

Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or

(d) in any other circumstances which do not require the publication by the issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of shares to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

Hong Kong

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

The Company estimates that its share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $200,000.

The Company has agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the issuer. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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NOTICE TO CANADIAN RESIDENTS

Resale Restrictions

The distribution of the shares in Canada is being made only on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of shares are made. Any resale of the shares in Canada must be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the shares.

Representations of Purchasers

By purchasing the common stock in Canada and accepting delivery of a purchase confirmation, a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase the common stock without the benefit of a prospectus qualified under those securities laws as it is an "accredited investor" as defined under National Instrument 45-106 *Prospectus and Registration Exemptions*,
- the purchaser is a "permitted client" as defined in National Instrument 31-103 *Registration Requirements and Exemptions*,
- where required by law, the purchaser is purchasing as principal and not as agent,
- the purchaser has reviewed the text above under "Resale Restrictions", and
- the purchaser acknowledges and consents to the provision of specified information concerning the purchase of the common stock to the regulatory authority that by law is entitled to collect the information, including certain personal information. For purchasers in Ontario, questions about such indirect collection of personal information should be directed to Administrative Support Clerk, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8 or on (416) 593-3684.

Rights of Action   Ontario Purchasers Only

Under Ontario securities legislation, certain purchasers who purchase a security offered by this prospectus during the period of distribution will have a statutory right of action for damages, or while still the owner of the common stock, for rescission against us in the event that this prospectus contains a misrepresentation without regard to whether the purchaser relied on the misrepresentation. The right of action for damages is exercisable not later than the earlier of 180 days from the date the purchaser first had knowledge of the facts giving rise to the cause of action and three years from the date on which payment is made for the common stock. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the common stock. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against us. In no case will the amount recoverable in any action exceed the price at which the common stock was offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, we will have no liability. In the case of an action for damages, we will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the common stock as a result of the misrepresentation relied upon. These rights are in addition to, and without derogation from, any other rights or remedies available at law to an Ontario purchaser. The foregoing is a summary of the rights available to an Ontario purchaser. Ontario purchasers should refer to the complete text of the relevant statutory provisions.

Enforcement of Legal Rights

All of our directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

Taxation and Eligibility for Investment

Canadian purchasers of the common stock should consult their own legal and tax advisors with respect to the tax consequences of an investment in the common stock in their particular circumstances and about the eligibility of the common stock for investment by the purchaser under relevant Canadian legislation.

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LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for us by Morgan, Lewis & Bockius LLP, Philadelphia, Pennsylvania. Goodwin Procter LLP, Boston, Massachusetts is representing the underwriters in this offering.

EXPERTS

The consolidated financial statements of Universal Display Corporation and subsidiaries as of December 31, 2010 and 2009, and for each of the years in the three-year period ended December 31, 2010, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2010, have been incorporated by reference herein and in the registration statement in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

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PROSPECTUS

Common Stock

We may offer shares of our common stock. Our common stock is listed on the NASDAQ Global Market, where it trades under the symbol "PANL."

We may offer our common stock at prices and on terms to be set forth in one or more supplements to this prospectus. Our common stock may be offered directly, through agents on our behalf or through underwriters or dealers.

You should carefully read and consider the risk factors included in our periodic reports and other information that we file with the Securities and Exchange Commission before you invest in the securities described in this prospectus.

The securities described in this prospectus have not been approved by the Securities and Exchange Commission or any state securities commission, nor have they determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is March 21, 2011

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference in this prospectus contain some "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements concern possible or assumed future events, results and business outcomes. These statements often include words such as "believe," "expect," "anticipate," "intend," "plan," "estimate," "seek," "will," "may" or similar expressions. These statements are based on assumptions that we have made in light of our experience in the industry, as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances.

As you read and consider this prospectus, you should not place undue reliance on any forward-looking statements. You should understand that these statements involve substantial risk and uncertainty and are not guarantees of future performance or results. They depend on many factors that are discussed further in the section of this prospectus entitled "Risk Factors," including:

- the outcomes of our ongoing and future research and development activities, and those of others, relating to organic light emitting diode (OLED) technologies and materials;
- our ability to access future OLED technology developments of our academic and commercial research partners;
- the potential commercial applications of and future demand for our OLED technologies and materials, and of OLED products in general;
- our ability to form and continue strategic relationships with manufacturers of OLED products;
- successful commercialization of products incorporating our OLED technologies and materials by OLED manufacturers, and their continued willingness to utilize our OLED technologies and materials;
- the comparative advantages and disadvantages of our OLED technologies and materials versus competing technologies and materials currently on the market;
- the nature and potential advantages of any competing technologies that may be developed in the future;
- our ability to compete against third parties with resources greater than ours;
- our ability to maintain and improve our competitive position following the expiration of our fundamental OLED patents;
- the adequacy of protections afforded to us by the patents that we own or license and the cost to us of maintaining, enforcing and defending those patents;
- our ability to obtain, expand and maintain patent protection in the future, and to protect our non patented intellectual property;

our exposure to and ability to withstand third-party claims and challenges to our patents and other intellectual property rights;

the payments that we expect to receive under our existing contracts with OLED manufacturers and the terms of contracts that we expect to enter into with OLED manufacturers in the future;

our future capital requirements and our ability to obtain additional financing if and when needed;

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- our future OLED technology licensing and OLED material revenues and results of operations; and

- general economic and market conditions.

Changes or developments in any of these areas could affect our financial results or results of operations, and could cause actual results to differ materially from those contemplated by any forward-looking statements.

All forward looking statements speak only as of the date of this prospectus or the documents incorporated by reference, as the case may be. We do not undertake any duty to update any of these forward-looking statements to reflect events or circumstances after the date of this prospectus, or to reflect the occurrence of unanticipated events.

OUR COMPANY

We are a leader in the research, development and commercialization of organic light emitting diode, or OLED, technologies and materials. OLEDs are thin, lightweight and power-efficient solid-state devices that emit light, making them highly suitable for use in full-color displays and as lighting products. OLED displays are capturing a growing share of the flat panel display market. We believe that this is because OLEDs offer potential advantages over competing display technologies with respect to power efficiency, contrast ratio, viewing angle, video response time and manufacturing cost. We also believe that OLED lighting products have the potential to replace many existing light sources in the future because of their high power efficiency, excellent color rendering index, low heat generation and novel form factor. Our technology leadership and intellectual property position should enable us to share in the revenues from OLED displays and lighting products as they enter mainstream consumer and other markets.

Our primary business strategy is to further develop and license our proprietary OLED technologies to manufacturers of products for display applications, such as cell phones, portable media devices, tablets, laptop computers and televisions, and specialty and general lighting products. In support of this objective, we also develop new OLED materials and sell materials to those product manufacturers. Through our internal research and development efforts and our relationships with world-class partners such as Princeton University, the University of Southern California, the University of Michigan, Motorola Solutions, Inc. and PPG Industries, Inc., we have established a significant portfolio of proprietary OLED technologies and materials. We currently own, exclusively license or have the sole right to sublicense more than 1,000 patents issued and pending worldwide.

We sell our proprietary OLED materials to customers for evaluation and use in commercial OLED products. We also enter into agreements with manufacturers of OLED display and lighting products under which we grant them licenses to practice under our patents and to use our proprietary know-how. At the same time, we work with these and other companies who are evaluating our OLED technologies and materials for possible use in commercial OLED display and lighting products.

Corporate Information

Our corporation was organized under the laws of the Commonwealth of Pennsylvania in April 1985. Our business was commenced in June 1994 by a company then known as Universal Display Corporation, which had been incorporated under the laws of the State of New Jersey. On June 22, 1995, a wholly-owned subsidiary of ours merged into this New Jersey corporation. The surviving corporation in this merger became a wholly-owned subsidiary of ours and changed its name to UDC, Inc. Simultaneously with the consummation of this merger, we changion of the spin-off as a tax-free distribution within the meaning of Section 355 of the Internal Revenue Code generally is binding on the IRS, the continuing validity of the tax ruling is subject to certain factual representations and assumptions. While we successfully and timely completed our required public offering in the third quarter of 2000 and finished using the net proceeds of the public offering during the fourth quarter of 2001 in accordance with the ruling, as revised, we must continue to satisfy other requirements. Until the second anniversary of our public offering, we cannot make stock repurchases or redemptions without ATI s consent and we are required to use proceeds of asset dispositions to expand our businesses purposes as set forth in the IRS ruling. See Item 5. Market for Registrant s Common Equity and Related Stockholder Matters Use of Proceeds from Completed Public Offering .

If the spin-off were not to qualify as a tax-free distribution within the meaning of Section 355 of the Code, ATI would recognize taxable gain generally equal to the amount by which the fair market value of the TDY Common Stock distributed to ATI s stockholders exceeded the tax basis in our assets. In addition, the distribution of our Common Stock to each ATI stockholder would generally be treated as taxable in an amount equal to the fair market value of the TDY Common Stock such stockholder receives.

If the spin-off qualified as a distribution under Section 355 of the Code but failed to be tax-free to ATI because of certain post-spin-off circumstances (such as an acquisition of Teledyne Technologies), ATI would recognize taxable gain as described above, but the distribution of our Common Stock in the spin-off would generally be tax-free to each ATI stockholder.

The Tax Sharing and Indemnification Agreement between ATI and TDY provides that we will be responsible for any taxes imposed on, or other amounts paid by, ATI, its agents and representatives and its stockholders as a result of the failure of the spin-off to qualify as a tax-free distribution within the meaning of Section 355 of the Code if the failure or disqualification is caused by certain post-spin-off actions by or with respect to us (including our subsidiaries) or our stockholders. If any of the taxes or other amounts described above were to become payable by us, the payment could have a material adverse effect on our financial condition, results of operations and cash flow and could exceed our net worth by a substantial amount.

Provisions of our governing documents, applicable law, and our Change in Control Severance Agreements could make an acquisition of Teledyne Technologies more difficult.

Our Restated Certificate of Incorporation, Amended and Restated Bylaws and Rights Agreement, and the General Corporation Law of the State of Delaware contain several provisions that could make the acquisition of control of Teledyne Technologies in a transaction not approved by our board of directors more difficult. We have also entered into Change in Control Severance Agreements with 13 members of our management, which could have an anti-takeover effect. The Company s indemnification obligation to ATI and its stockholders that could be triggered by a takeover or tender offer of TDY during the two-year period following the spin-off has terminated and is no longer a takeover deterrent.

The market price of our Common Stock has fluctuated significantly since our spin-off from ATI, and could continue to do so.

Since the spin-off on November 29, 1999, the market price of our Common Stock has ranged from a low of $7.8125 to a high of $30.5625 per share. At February 28, 2002, our closing stock price was $16.35. Fluctuations in our stock price could continue. Among the factors that could affect our stock price are:

quarterly variations in our operating results;

strategic actions by us or our competitors, such as acquisitions;

adverse business developments, such as the engine recall by Teledyne Continental Motors in 2000;

additional terrorist activities;

increased military or homeland defense activities;

improvements in the semiconductor, telecommunications and electronic manufacturing services markets;

general market conditions; and

general economic factors unrelated to our performance.

The stock markets in general, and the markets for high technology companies in particular, have experienced a high degree of volatility not necessarily related to the operating performance of particular companies. We cannot provide assurances as to our stock price.

Item 2. Properties.

Our principal facilities as of December 30, 2001 are listed below. Although the facilities vary in terms of age and condition, our management believes that these facilities have generally been well maintained and are adequate for current operations.

Facility Location	Principal Use	Owned/Leased
	Electronics and Communications Segment	
Los Angeles, California	Development and production of electronic components and subsystems.	Owned and Leased
Los Angeles, California	Production of digital data acquisition systems for monitoring commercial aircraft and engines.	Leased
Lewisburg, Tennessee	Development and production of electronic components and subsystems.	Owned
City of Industry, California	Development and production of precision oxygen analyzers.	Owned
Mountain View, California	Production of broadband wireless assemblies, switching devices, and monolithic microwave integrated circuits.	Owned
Hawthorne, California	Production of electronic components.	Owned
Rancho Cordova, California	Development of production of traveling wave tubes.	Owned and Leased
San Diego, California	Development and production of environmental monitoring instruments.	Leased
	Systems Engineering Solutions Segment	
Huntsville, Alabama	Provision of engineered services and products, including systems engineering, optical engineering, software and hardware engineering, and instrumentation technology.	Owned and Leased
Knoxville, Tennessee	Laboratories and offices in support of environmental services.	Leased
Washington, DC	Defense program offices supporting governmental customers.	Leased
	Aerospace Engines and Components Segment	
Mobile, Alabama	Design, development and production of new and rebuilt piston engines, ignition systems and spare parts for the general aviation market.	Leased
Redlands, California	Manufacturing of batteries for the general aviation market.	Owned
Toledo, Ohio	Design, development and production of small turbine engines for aerospace and military markets.	Leased
	Energy Systems Segment	
Hunt Valley, Maryland	Manufacturing, assembling and maintenance of gas generators, power generating systems and fuel cell test stations.	Leased
West Palm Beach, Florida	Research and development of fuel cell components and systems.	Leased

We also own or lease facilities elsewhere in the United States and outside the United States, including Tijuana, Mexico, Gloucester, England and Cumbernauld, Scotland. Our executive offices are currently located at 12333 West Olympic Boulevard, Los Angeles, California 90064-1021.

Item 3. Legal Proceedings.

From time to time, we become involved in various lawsuits, claims and proceedings related to the conduct of our business. While we cannot predict the outcome of any lawsuits, claims or proceedings, our management does not believe that the disposition of any pending matters is likely to have a material adverse effect on our financial condition or liquidity. The resolution in any reporting period of one or more of these matters, however, could have a material adverse effect on our results of operations for that period.

Item 4. Submission of Matters to a Vote of Security Holders.

No matters were submitted to a vote of TDY s stockholders during the fourth quarter of 2001.

PART II

Item 5. Market for Registrant s Common Equity and Related Stockholder Matters.

Price Range of Common Stock and Dividend Policy

Our Common Stock is listed on the New York Stock Exchange and traded under the symbol TDY. The following table sets forth, for the periods indicated, the high and low sale prices for the Common Stock as reported by the New York Stock Exchange.

	High	Low
1999		
4th Quarter (from November 29, 1999)	$ 10.50	$ 7.6875
2000		
1st Quarter	$ 28.50	$ 8.375
2nd Quarter	20.00	10.75
3rd Quarter	30.5625	14.6875
4th Quarter	29.0625	17.00
2001		
1st Quarter	$ 23.25	$ 11.89
2nd Quarter	$ 19.75	$ 12.65
3rd Quarter	$ 17.85	$ 12.60
4th Quarter	$ 18.00	$ 13.58
2002		
1st Quarter (through March 12, 2002)	$ 17.37	$ 13.95

On February 28, 2002, the closing sale price of our Common Stock as reported by the New York Stock Exchange was $16.35 per share. As of February 28, 2002, there were approximately 8,160 holders of record of the Common Stock.

We currently intend to retain any future earnings to fund the development and growth of our business. Therefore, we do not anticipate paying any cash dividends in the foreseeable future. Provisions of our credit agreement limit our ability to pay dividends to amounts exceeding 25% of cumulative net income subsequent to the effective date of the credit agreement. As of December 30, 2001, approximately $11.1 million was available for the payment of dividends under these provisions.

Use of Proceeds from Completed Public Offering

In the third quarter of 2000, Teledyne Technologies received net proceeds of approximately $84.0 million from an underwritten public offering of 4,605,000 shares of its Common Stock, par value $0.01 per share. On August 22, 2000, the Company sold 4,100,000 shares of Common Stock and on September 15, 2000, 505,000 additional shares were sold pursuant to the exercise by the underwriters of their over-allotment option. Gross proceeds totaled $89,797,500 (at $19.50 per share). The underwriting discount totaled $5,157,600. Offering expenses were $646,600 at December 31, 2000. No payments were made to directors or officers of the Company; however, payments were made to Kirkpatrick & Lockhart LLP, the Company s counsel in connection with the offering and of which Charles J. Queenan, Jr., a member of the Company s Board of Directors, is Senior Counsel.

The Company used the net proceeds from the offering to repay borrowings under its revolving credit facility pending their use in accordance with the modified IRS tax ruling received by ATI in connection with the spin-off. Consistent with the IRS tax ruling, we have spent: $108.9 million for product development and enhancements and process improvements, $59.6 million for capital and facility improvements, and $25.9 for acquisitions and/or joint ventures. These spending levels have exceeded our average annual historical expenditures of $47.7 million for these types of uses. The increased spending (including the impact of working capital changes and the disposition of Cast Parts) of $143.2 million was funded, in part, from the net proceeds of the offering. Considering this, none of the net proceeds remains to be used.

Item 6. Selected Financial Data.

The following table presents our summary consolidated financial data. Effective November 29, 1999, Teledyne Technologies was spun off from ATI. Our fiscal year is determined based on a 53/52-week convention and ends on or about December 31. The historical financial information is not necessarily indicative of the results of operations or financial position that would have occurred if we had been a separate, independent company during the periods presented prior to 2000, nor is it indicative of future performance. This historical financial information does not include pro forma adjustments that reflect estimates of the expenses that we would have incurred had we been operated as an independent company and as capitalized at the time of its spin-off from ATI for each period presented. The historical financial information should be read in conjunction with the discussion under Item 7 Management s Discussion and Analysis of Financial Condition and Results of Operations.

Teledyne Technologies Incorporated

Five-Year Summary of Selected Financial Data

	For the fiscal years				
	2001	**2000**	**1999**	**1998**	**1997**
	(In millions, except per share amounts)				
Sales	**$744.3**	$795.1	$761.4	$733.0	$707.4
Income from continuing operations	**$ 6.8**	$ 31.9	$ 47.2	$ 46.4	$ 37.3
Net income	**$ 6.6**	$ 32.3	$ 49.0	$ 48.7	$ 41.6
Working capital	**$115.3**	$107.6	$ 98.5	$ 72.6	$ 78.2
Total assets	**$349.3**	$350.9	$313.4	$246.4	$250.6
Long-term debt	**$ 30.0**	$	$ 97.0	$	$
Stockholders equity	**$173.0**	$163.1	$ 44.5	$106.4	$109.4
Basic earnings per common share continuing operations(a)	**$ 0.21**	$ 1.12	$ 1.73	$ 1.65	$ 1.33
Diluted earnings per common share continuing operations(a)	**$ 0.21**	$ 1.08	$ 1.73	$ 1.65	$ 1.33
Basic earnings per common share(a)	**$ 0.20**	$ 1.13	$ 1.79	$ 1.73	$ 1.48
Diluted earnings per common share(a)	**$ 0.20**	$ 1.09	$ 1.79	$ 1.73	$ 1.48

(a) Prior to the spin-off, the average outstanding shares used to compute earnings per share were based on a distribution ratio of one share of TDY Common Stock for every seven shares of ATI Common Stock. The treasury stock method is used to calculate diluted earnings per share.

Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations.

Teledyne Technologies is a leading provider of sophisticated electronic components, instruments and communications products, including data acquisition and communications equipment for airlines and business aircraft, monitoring and control instruments for industrial and environmental applications and components and subsystems for wireless and satellite communications. We also provide systems engineering solutions and information technology services for space, defense and industrial applications, and manufacture general aviation and missile engines and components, as well as on-site gas and power generation systems.

We serve niche market segments where performance, precision and reliability are critical. Our customers include major industrial and communications companies, government agencies, aerospace prime contractors and general aviation companies. We have developed strong core competencies in engineering, software development and manufacturing that we can leverage both to sustain and grow our current niche businesses, and to become an innovator in related higher-growth markets.

We seek to grow in niche market segments where we have a strong competitive position, both by development of new products and services and by acquiring businesses that are highly complementary to our current product lines. We continually evaluate our product lines to ensure that they are aligned with our strategy. These actions help us to redirect capital and management focus to opportunities that best utilize our engineering resources and technical expertise. Consistent with this strategy, we sold the assets of Teledyne Cast Parts, our sand and investment casting business in December 2000. Accordingly, our consolidated financial statements have been restated to reflect Teledyne Cast Parts as a discontinued operation.

In addition, in 2001, we realigned and changed the reporting structure of some of our business units. Our Test Services and Geophysical Instruments business units that were previously part of our Systems Engineering Solutions segment are now part of an expanded instruments group under our Electronics and Communications segment. This realignment also resulted in a new segment, the Energy Systems segment, the results of which had previously been reported under our Systems Engineering Solutions segment. The Energy Systems segment, which provides on-site gas and power generation systems based on proprietary fuel cell, electrolysis and thermoelectric technologies, currently includes the majority-owned entity that was formed in the third quarter of 2001. Accordingly, we have restated our previously reported segment data to reflect this realignment and structure. Total sales and operating profit were not affected by these segment reporting changes.

Our fiscal year is determined based on a 53/52-week convention and ends on or about December 31. The following is our financial information for 2001 and 2000 and pro forma financial information for 1999 (in millions, except per-share amounts):

	2001	2000	1999
Sales	**$744.3**	$795.1	$761.4
Costs and expenses			
Cost of sales	**573.4**	579.6	552.1
Selling, general and administrative expenses	**143.8**	158.4	136.8
Asset impairment charge	**7.5**		
Restructuring and other charges	**8.8**		
Costs and expenses	**733.5**	738.0	688.9
Operating profit	**10.8**	57.1	72.5
Interest and debt expense, net	**1.9**	5.3	8.1
Other income	**2.4**	1.1	1.0
Income from continuing operations before income tax	**11.3**	52.9	65.4
Provision for income taxes	**4.5**	21.0	26.3
Income from continuing operations	**6.8**	31.9	39.1
Discontinued operations, net of tax	**(0.2)**	0.4	1.8
Net income	**$ 6.6**	$ 32.3	$ 40.9
Basic earnings per common share:			
Continuing operations	**$ 0.21**	$ 1.12	$ 1.44
Discontinued operations	**(0.01)**	0.01	0.06
Basic earnings per common share	**$ 0.20**	$ 1.13	$ 1.50
Diluted earnings per common share:			
Continuing operations	**$ 0.21**	$ 1.08	$ 1.44
Discontinued operations	**(0.01)**	0.01	0.06
Diluted earnings per common share	**$ 0.20**	$ 1.09	$ 1.50

The pro forma financial information for 1999 has been presented for informational purposes only and may not reflect the results of operations that would have occurred had we operated as a separate, independent company for that period. The pro forma financial information should not be relied upon as being indicative of future results. Pro forma adjustments reflect the estimated expense impacts (primarily interest expense and corporate expenses) that would have been incurred had we been operated as a separate company as of the beginning of 1999 and as capitalized at the time of the spin-off. As part of the spin-off, we assumed $100 million in long-term debt incurred by ATI. Pro forma income includes pro forma interest expense on this long-term debt as if it had been outstanding for 1999. Pro forma income adjusts corporate expenses to an annual level of $15 million from the amount previously allocated, which was lower.

We operate in four business segments: Electronics and Communications; Systems Engineering Solutions; Aerospace Engines and Components; and Energy Systems. The segments respective contributions to total sales from continuing operations for 2001, 2000 and 1999 are summarized in the following table:

	2001	2000	1999

Electronics and Communications	**50%**	47%	48%
Systems Engineering Solutions	**27%**	27%	25%
Aerospace Engines and Components	**21%**	25%	25%
Energy Systems	**2%**	1%	2%
	100%	100%	100%

Results of Operations

We reported 2001 sales from continuing operations of $744.3 million, compared with net sales from continuing operations of $795.1 million for 2000 and $761.4 million for 1999. Net income from continuing operations was $6.8 million ($0.21 per diluted share) for 2001, compared with $31.9 million ($1.08 per diluted share) for 2000 and pro forma net income from continuing operations of $39.1 million ($1.44 per diluted share) for 1999. Net income including discontinued operations was $6.6 million ($0.20 per diluted share) for 2001, compared with $32.3 million ($1.09 per diluted share) for 2000 and pro forma net income including discontinued operations of $40.9 million ($1.50 per diluted share) for 1999.

During the second quarter of 2001, the Company recorded a pretax charges of $26.4 million for asset impairment ($7.4 million), restructuring and other charges ($8.7 million), inventory write-down ($10.0 million) and a charge for discontinued operations ($0.3 million). Our 2001 pretax charges included plans to exit, within 12 months, the following non-core product lines from its Electronics and Communications segment: industrial solid state relays; and certain microwave switches and filters. The Company s process control software and sodium iodide crystals product lines within its Systems Engineering Solutions segment were sold in the second quarter of 2001. Teledyne Technologies also plans to exit certain environmental programs within this same segment. Annual sales for these non-core product lines were approximately $10.0 million in 2000. At December 30, 2001, our projected charges remain in line with management s expectations at $26.4 million. While the total amount remained the same, there were some changes in estimates, which are described in the table below.

The decrease in sales in 2001, compared with 2000, reflected significantly lower sales in the Aerospace Engines and Components segment, as well as slightly lower sales in the Electronics and Communications segment and the Systems Engineering Solutions segment, offset in part by higher sales in the Energy Systems segment. The increase in sales in 2000, compared with 1999, reflected higher sales in each operating segment except for the Energy Systems segment.

Cost of sales as a percentage of sales for 2001 was higher, compared with 2000, due to the effect of lower volume on fixed costs, product mix differences, the impact of the $9.8 million inventory write-down and higher investment in growth initiatives of $2.8 million for 2001. Cost of sales as a percentage of sales for 2000 reflected increased depreciation and the $2.2 million of pretax charges in 2000, as well as optoelectronics development costs, partially offset by higher pension income, compared with 1999.

Selling, general and administrative expenses for 2001 were lower, compared with 2000 both in total dollars and as a percentage of sales. Selling, general and administrative expenses for 2001 included greater investment in growth initiatives of $2.7 million, compared with 2000. Selling, general and administrative expenses for 2000 include the $12.0 million piston engine product recall reserve as well as a gain of $1.4 million in our chemical weapons demilitarization business related to additional program funding. Selling, general and administrative expenses increased in 2000, compared with 1999, reflecting higher corporate administrative expenses, compared with the historical allocation from ATI, and higher research and development costs for the Electronics and Communications segment as well as the impact of the product recall charge in 2000 described above.

Restructuring, Asset Impairment and Other Charge Information

(In millions)

	Asset Impairments			Restructuring		Inventory		
	Property, Plant and Equipment	Goodwill	Other	Terminations	Other	Write-down	Discontinued Operations	Total
Second quarter 2001 charge	$ 1.9	$ 1.8	$ 3.7	$ 6.1	$ 2.6	$10.0	$0.3	$ 26.4
Fourth quarter change in estimate			0.1	(0.4)	0.5	(0.2)		
Total charge fiscal year 2001	1.9	1.8	3.8	5.7	3.1	9.8	0.3	26.4
Assets disposed of at December 30, 2001	(0.9)	(1.8)	(3.6)			(6.9)		(13.2)
Assets to be disposed	(1.0)					(2.9)		(3.9)
Cash payments				(4.5)	(2.0)			(6.5)
Liability as of December 30, 2001	$	$	$ 0.2	$ 1.2	$ 1.1	$	$0.3	$ 2.8

The 2001 pretax charges of $26.4 million are comprised of the following items. Teledyne Technologies recorded pretax restructuring charges of $8.8 million, of which $5.7 million is for employee termination benefits. We reduced our total workforce by approximately 790 employees or 14% during 2001 and expect an additional reduction of approximately 25 employees under the restructuring plan. Our plan for consolidation and downsizing of manufacturing operations included actions in the Electronics and Communications segment s domestic locations as well as in a United Kingdom facility. The remaining $3.1 million of the restructuring charges were for consolidation expenses of $1.6 million; non-cancelable lease expenses of $0.6 million; and $0.9 million of incurred transaction costs associated with the formation of Teledyne Energy Systems, Inc. We recorded pretax asset impairment charges of $7.5 million for equipment, net of expected sale proceeds, and goodwill related to product lines to be discontinued and the loss on the sale of non-core product lines. We also recorded a pretax charge of $9.8 million in cost of sales for the write off of inventory from discontinued product lines ($4.4 million) and the write-down of excess inventory ($5.4 million) resulting from reduced customer demand. Total charges by segment were as follows: $15.6 million in the Electronics and Communications segment; $5.5 million in the Energy Systems segment; $4.5 million in the Systems Engineering Solutions segment; and $0.3 million in the Aerospace Engines and Components segment. The Company also recorded a $0.2 million restructuring charge for its corporate office and a pretax charge of $0.3 million was recorded for discontinued operations. The majority of the remaining liability of $2.8 million at December 30, 2001 is expected to be paid in 2002.

The 2000 and 1999 results include pretax charges of $12.0 million and $3.0 million, respectively, for product recall reserves in the Aerospace Engines and Components segment. The 2000 results also include $1.4 million of pretax charges for cost adjustments in selected product lines in the Systems Engineering Solutions segment and $0.8 million of pretax charges for receivables adjustments in the Energy Systems segment.

Prior to the charges in all three years, income from continuing operations was $22.5 million ($0.69 per diluted share) for 2001, compared with $40.5 million ($1.37 per diluted share) for 2000 and pro forma income from continuing operations of $40.9 million ($1.50 per diluted share) for 1999.

International sales represented approximately 17% of total sales for 2001 and 2000 and 18% of total sales for 1999. Sales under contracts with the U.S. Government, which included contracts with the Department of Defense, were approximately 45% of total sales for 2001 and 44% of total sales for 2000 and 1999.

In 2001, aggregate segment operating profit was $24.2 million, compared with $72.4 million in 2000 and $87.6 million in 1999 and reflects the pretax charges noted above. Included in operating profit was pension income of $9.5 million in 2001, $9.0 million in 2000 and $6.6 million in 1999. Pension income for 2002 is expected to be approximately $1.0 million. The reduction in net pension income reflects the completion of income amortization associated with the transition assets recorded pursuant to Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) No. 87

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Employers Accounting for Pensions , as well as the decline in the market value of the Company s pension assets during 2000 and 2001.

Net income, before pro forma adjustments, was $49.0 million ($1.79 per diluted share) in 1999. The historical financial statements for 1999 reflect allocations representing corporate expense from ATI of $7.3 million for 1999. These allocations were based on sales. The historical financial statements for 1999 also include one month of actual corporate expenses incurred by the Company after the spin-off and one month of interest costs on long-term debt. Total interest expense on debt was $2.1 million in 2001, $5.4 million in 2000 and less than $1.0 million in 1999. The decrease in interest expense in 2001, compared with 2000, primarily reflected lower average outstanding debt levels in 2001. The increase in interest expense in 2000, compared with 1999, primarily reflected higher average outstanding debt levels in 2000.

Segments

As noted above, following a realignment of the Company s business units, Teledyne Technologies has restated its previously reported segment data. The following discussion of our four segments should be read in conjunction with Note 14 to the Notes to Consolidated Financial Statements.

Electronics and Communications

	2001	2000	1999
		(Dollars in millions)	
Sales	**$369.7**	$373.4	$361.7
Operating profit	**$ 9.9**	$ 39.3	$ 45.8
Operating profit % of sales	**2.7%**	10.5%	12.7%
International sales % of sales	**22.0%**	20.6%	21.0%
Governmental sales % of sales	**29.1%**	26.1%	27.9%
Capital expenditures	**$ 18.8**	$ 21.4	$ 13.5

Our Electronics and Communications segment provides a wide range of specialized electronic systems, instruments, components and services that address niche market applications in commercial aerospace, communications, defense, industrial and medical markets.

2001 Compared with 2000

Our Electronics and Communications segment sales were $369.7 million in 2001, compared with sales of $373.4 million in 2000. Operating profit was $9.9 million in 2001, compared with $39.3 million in 2000. Excluding the 2001 pretax charges of $15.6 million described below, operating profit was $25.5 million.

Sales in 2001, compared with 2000, grew in military and commercial microwave products, microelectronic products (including optoelectronics), business and commuter aircraft communications equipment and geophysical sensors for the petroleum exploration market. Orders for military microwave and microelectronic products remained strong. This growth was more than offset by continued weakness in demand for relays used in semiconductor test equipment and communications applications, electronic manufacturing services and other commercial electronic products. Operating profit reflects the impact of sales differences. Operating profit for 2001 reflects $14.8 million of costs associated with optoelectronics and wireless growth initiatives, compared with $9.3 million in 2000. Additionally, 2001 included pretax charges of $15.6 million related to the following actions: $6.7 million of restructuring costs; $3.7 million of asset impairment charges; and $5.2 million to write off inventory for products to be discontinued and excess inventory.

2000 Compared with 1999

Our Electronics and Communications segment sales were $373.4 million in 2000, compared with $361.7 million in 1999. Operating profit was $39.3 million in 2000, compared with $45.8 million in 1999.

Sales in 2000, compared with 1999, grew in electronic manufacturing services, relay products, business and commuter aircraft communications equipment and wireless products. Sales from electronic manufacturing services and wireless products grew as a result of new orders from military and commercial customers. Relay products reported improved sales based on demand from the communications and semiconductor test equipment markets. Sales of medical and military microelectronics were down from the same period last year. Sales for 2000 were negatively impacted by the significant decline in orders for our geophysical sensors for the petroleum exploration market, which has been very weak since the second quarter of 1999. Segment operating profit decreased due to increased spending in optoelectronics and broadband wireless initiatives and reduced margins on electronic manufacturing services. Approximately $9.3 million was spent on optoelectronics and broadband wireless initiatives beginning in the second quarter of 2000. Sales and operating profit in 1999 reflected non-recurring licensing revenue of $3.3 million.

Systems Engineering Solutions

	2001	**2000**	**1999**
		(Dollars in millions)	
Sales	**$200.8**	$212.3	$191.7
Operating profit	**$ 12.1**	$ 18.2	$ 15.7
Operating profit % of sales	**6.0%**	8.6%	8.2%
International sales % of sales	**0.8%**	2.3%	2.3%
Governmental sales % of sales	**97.5%**	93.5%	94.2%
Capital expenditures	**$ 2.0**	$ 3.4	$ 1.8

Our Systems Engineering Solutions segment, principally through Teledyne Brown Engineering, Inc., offers a wide range of engineering solutions and information services to government defense and aerospace customers.

2001 Compared with 2000

Sales for our Systems Engineering Solutions segment in 2001 were $200.8 million, compared with $212.3 million in 2000. For 2001, operating profit was $12.1 million, compared with $18.2 million for 2000. Excluding the 2001 pretax charges of $4.5 million described below, operating profit was $16.6 million.

The 2001 results, compared with 2000, reflected growth in core defense and aerospace programs. This growth was more than offset by reduced work for environmental programs and sales reductions resulting from the disposition of the process control software and certain environmental product lines. Additionally, results for 2001 included pretax charges of $4.5 million related to the following actions: asset impairment charges of $3.7 million, $0.3 million to write off inventory for discontinued products and excess inventory and $0.5 million of restructuring costs.

2000 Compared with 1999

Sales for our Systems Engineering Solutions segment in 2000 were $212.3 million, compared with $191.7 million for 1999. For 2000, operating profit was $18.2 million, compared with $15.7 million for 1999.

The 2000 results, compared with 1999, reflected strong sales growth in systems engineering and integration as well as environmental programs and a gain of approximately $1.4 million in the Company s chemical weapons demilitarization business related to additional program funding. Operating results for

2000, compared with 1999, were negatively impacted by $1.4 million for cost adjustments and a write down of approximately $0.9 million in our process control software business.

Aerospace Engines and Components

	2001	2000	1999
	(Dollars in millions)		
Sales	**$159.2**	$199.8	$194.2
Operating profit	**$ 8.2**	$ 15.8	$ 24.8
Operating profit % of sales	**5.2%**	7.9%	12.8%
International sales % of sales	**23.8%**	25.3%	24.6%
Governmental sales % of sales	**17.2%**	25.7%	24.5%
Capital expenditures	**$ 5.1**	$ 5.6	$ 12.8

Our Aerospace Engines and Components segment, principally through Teledyne Continental Motors, Inc., focuses on the design, development and manufacture of piston engines, turbine engines, electronic engine controls and batteries.

2001 Compared with 2000

Our Aerospace Engines and Components segment s sales were $159.2 million in 2001, compared with sales of $199.8 million in 2000. For 2001, operating profit was $8.2 million compared with $15.8 million for 2000. Excluding the 2001 pretax charge of $0.3 million and the $12 million pre-tax piston engine product recall reserves taken in the second quarter of 2000, operating profit was $8.5 million in 2001 and $27.8 million in 2000. The Company continues to pursue cost recovery through litigation against certain materials suppliers as a result of the 2000 product recall program.

Sales in 2001, compared with 2000, reflected reduced orders for piston engine aftermarket products due to the weakness of the economy. Flight restrictions resulting from the September 11th terrorist attacks also adversely affected orders for aftermarket piston engines and components. Turbine engine sales were lower in 2001, compared with 2000, due to reduced spare part sales for air force training aircraft and reduced foreign demand for cruise missiles. Operating profit reflects the lower level of sales, which was partially offset by cost reductions implemented in the first quarter of 2001. Additionally, pretax charges of $0.3 million for 2001 were related to the second quarter restructuring charge.

2000 Compared with 1999

Our Aerospace Engines and Components segment s sales were $199.8 million in 2000, compared with sales of $194.2 million in 1999. For 2000, operating profit was $15.8 million compared with $24.8 million for 1999. Excluding piston engine product recall reserves taken in the second quarters of 2000 and 1999, operating profit was $27.8 million in both 2000 and 1999. Increased sales for piston engines for 2000, compared with 1999, reflected aftermarket new engine sales and overhaul services. Sales for piston engines were negatively impacted from the operational disruption associated with the piston engine recall program and lower sales of spare parts. Teledyne Technologies recorded pretax charges of $12 million and $3 million, in the second quarters of 2000 and 1999, respectively, for estimated costs associated with piston engine recall programs. Sales and operating profit in 2000, compared with 1999, in the turbine engine business were lower due to reduced sales from development phase work on new turbine engine programs and lower sales of new turbine engines for air force training aircraft, which were $558 thousand for 2000, compared with $5.9 million in 1999. These reduced sales and operating profit were partially offset by increased spare part sales for air force training aircraft.

Energy Systems

	2001	2000	1999
	(Dollars in millions)		
Sales	**$ 14.6**	$ 9.6	$ 13.8
Operating profit (loss)	**$ (6.0)**	$ (0.9)	$ 1.3
Operating profit (loss) % of sales	**(41.1)%**	(9.4)%	9.4%
International sales % of sales	**37.2%**	31.7%	62.8%
Governmental sales % of sales	**53.2%**	54.9%	36.2%
Capital expenditures	**$ 0.5**	$ 0.3	$ 0.2

Our Energy Systems segment, through Teledyne Energy Systems, Inc., provides on-site gas and power generation systems based on proprietary fuel cell, electrolysis and thermoelectric technologies.

2001 Compared with 2000

Our Energy Systems segment s sales were $14.6 million in 2001, compared with sales of $9.6 million in 2000. The 2001 operating loss was $6.0 million compared with an operating loss of $0.9 million for 2000. Excluding the 2001 pretax charge of $5.5 million, the operating loss was $0.5 million in 2001. The pretax charges of $5.5 million related to the following actions: $1.1 million of restructuring and other costs; $4.3 million to write off inventory for products to be discontinued and excess inventory; and $0.1 million of asset impairment. The 2000 results included pretax charges of $0.8 million for receivables adjustments. Excluding these charges, the operating loss was $0.1 million for 2000. Sales in 2001, compared with 2000, reflected improved sales in long-term government contracts as well as improved performance in the hydrogen generator product line. The 2001 operating results, compared with the 2000 operating results, reflected increased fuel cell development spending.

2000 Compared with 1999

Our Energy Systems segment s sales were $9.6 million in 2000, compared with sales of $13.8 million in 1999. The 2000 operating loss was $0.9 million compared with operating profit of $1.3 million for 1999. The 2000 results included pretax charges of $0.8 million for receivables adjustments. Excluding these charges, the operating loss was $0.1 million for 2000. Sales in 2000 reflected lower hydrogen generator and commercial thermoelectric sales, compared with 1999. Operating results in 2000, compared with 1999, reflected the impact of lower sales as well as higher fuel cell development spending.

Financial Condition, Liquidity and Capital Resources

Our principal capital requirements are to fund working capital needs, capital expenditures and any debt service requirements. It is anticipated that operating cash flow, together with available borrowings under the credit facility described below, will be sufficient to meet these requirements in the year 2002. Our liquidity is not dependent upon the use of off-balance sheet financial arrangements. We have no off-balance sheet financing arrangements that incorporate the use of special purpose entities or unconsolidated entities.

In 2001, cash provided from continuing operations was $19.0 million, compared with $36.5 million in 2000 and $45.9 million in 1999. The decrease in cash provided from operations in 2001, compared with 2000, primarily reflected lower net income from continuing operations in 2001, the effect of a decrease in accounts payable and short-term and long-term liabilities during 2001, compared with an increase in accounts payable and short-term and long-term liabilities during 2000, offset, in part, by a decrease in accounts receivable and deferred tax assets during 2001, compared with an increase in accounts receivable during 2000. The $1.3 million in cash used by discontinued operations in 2001 primarily reflected the payment of a purchase price adjustment as well as an additional accrual. The decrease in cash provided from operations in 2000, compared with 1999, primarily reflected lower net income from continuing operations in 2000. The lower net income from continuing operations, and resulting lower cash from operations, reflected the costs associated with the product recall as well as development spending on optoelectronics and broadband wireless initiatives. The impact of the change in deferred taxes offset the impact of changes in operating assets and liabilities.

Working capital increased to $115.3 million at year-end 2001, compared with $107.6 million at year-end 2000. The increase in working capital was primarily due to lower accounts payable, partially offset by lower accounts receivable and inventories. The Company has experienced some recent customer bankruptcies, none of which have had or currently are expected to have a material adverse effect on the Company.

Net cash used in investing activities included capital expenditures as presented below:

Capital Expenditures

	2001	**2000**	**1999**
		(In millions)	
Electronics and Communications	**$18.8**	$21.4	$13.5
Systems Engineering Solutions	**2.0**	3.4	1.8
Aerospace Engines and Components	**5.1**	5.6	12.8
Energy Systems	**0.5**	0.3	0.2
	$26.4	$30.7	$28.3

During 2002, we plan to invest approximately $21 million in capital spending principally for manufacturing cost reduction, new products and upgrades to capital equipment. Commitments at December 30, 2001 for capital expenditures were approximately $1.7 million. The increase in property plant and equipment primarily reflected capital spending offset, in part, by depreciation and amortization.

Investing activity in 2001 also reflected the acquisition of San Diego, California-based Advanced Pollution Instrumentation, Inc. (API) for $25 million. API is a designer and manufacturer of advanced air quality monitoring instruments. API had sales of approximately $16.3 million for the twelve months ended September 30, 2001. We expect to obtain significant synergies in product development and manufacturing by leveraging its design and manufacturing resources. Investing activity in 2000 also reflected the proceeds from the sale of Teledyne Cast Parts and payments for licensing fees and certain investments.

In July 2001, Teledyne Technologies combined its Energy Systems business unit with assets of Florida-based Energy Partners, Inc., to create majority-owned (86%) Teledyne Energy Systems, Inc. The new company will continue focusing on our core business of supplying hydrogen gas generators and thermoelectric power systems, while working to commercialize proton exchange membrane (PEM) fuel cell stacks, test stands and systems.

Prepaid expenses, taxes and other assets in 2001 include income taxes receivable of approximately $5.8 million. The lower balance in other long-term liabilities reflects the impact of 2001 payments related to aircraft product liability and the 2000 product recall.

Cash provided by financing activities for 2001 primarily reflected borrowings under a revolving credit agreement. Cash used in financing activities for 2000 reflected the payment of long-term debt and use of the proceeds from the public offering of 4.6 million shares of our Common Stock as well as proceeds from the exercise of stock options. Cash used in financing activities for 1999 primarily reflected net transactions with ATI as well as net payments on long-term debt. A $200 million five-year revolving credit agreement that terminates in November 2004 was arranged with a syndicate of banks in connection with the spin-off. ATI drew $100 million under the facility prior to our assumption of the facility. Teledyne Technologies assumed the repayment obligation for the amount drawn by ATI. At December 30, 2001 we had

$30 million outstanding under the facility at an average interest rate of 2.60%. At December 31, 2000 we had no long-term debt outstanding. Excluding interest and fees, no payments are due under the credit facility until the facility terminates. The estimated fair value of our long-term debt at year-end 2001 was $30 million.

At year-end 2001, we had $170.0 million of available committed credit under the credit facility, which is utilized, as needed, for daily operating and periodic cash needs. Borrowings under the credit facility bear interest, at our option, at a rate based on either a defined base rate or the London Interbank Offered Rate (LIBOR), plus applicable margins. The credit agreement also provides for facility fees that vary between 0.35% and 0.20% of the credit line, depending on our capitalization ratio as calculated from time to time. This credit facility requires the Company to comply with various financial covenants and restrictions, including covenants and restrictions relating to indebtedness, liens, investments, dividend payments, consolidated net worth, interest coverage and the relationship of total consolidated indebtedness to earnings before interest, taxes and depreciation and amortization. The credit agreement prohibits the declaration of dividends or making other specified distributions in amounts exceeding 25% of cumulative net income after the effective date of the credit agreement ($11.1 million at December 30, 2001). We also have available $10 million under an uncommitted bank facility with no outstanding amounts at year-end 2001 or 2000. This credit line is utilized, as needed, for periodic cash needs.

In connection with the spin-off, a new defined benefit pension plan was established and Teledyne Technologies assumed the existing pension obligations for all of the employees, both active and inactive, at the operations which perform government contract work and for active employees at operations which do not perform government contract work. ATI transferred pension assets to fund the new defined benefit pension plan, which at the time of the transfer had assets in excess of liabilities. At year-end 2001, such assets continue to exceed liabilities, but by a declining proportion. See Note 13 of the Notes to Consolidated Financial Statements.

In connection with the spin-off, ATI received a tax ruling from the Internal Revenue Service stating in principle that the spin-off will be tax-free to ATI and ATI s stockholders. The continuing validity of the IRS tax ruling is subject to the use of the proceeds from our 2000 public offering for research and development and related capital projects, for the further development of manufacturing capabilities and for acquisitions and/or joint ventures. At December 30, 2001, this requirement has been satisfied.

The Tax Sharing and Indemnification Agreement between ATI and Teledyne Technologies provides that we will indemnify ATI and its agents or representatives for taxes imposed on, and other amounts paid by, them or ATI s stockholders if we take actions or fail to take actions that result in the spin-off not qualifying as a tax-free distribution. If any of the taxes or other amounts described above were to become payable by Teledyne Technologies, the payment could have a material adverse effect on our financial condition, results of operations and cash flow and could exceed our net worth by a substantial amount.

Other Matters

Taxes

The effective income tax rate was 39.7% in both 2001 and 2000 and was 40.2% in 1999. Based on the Company s history of operating earnings, expectations of future operating earnings and potential tax planning strategies, it is more likely than not that the deferred income tax assets at December 30, 2001 will be realized.

Costs and Pricing

Inflationary trends in recent years have been moderate. We primarily use the last-in, first-out method of inventory accounting that reflects current costs in the costs of products sold. These costs, the increasing costs of equipment and other costs are considered in establishing sales pricing polices. The Company emphasizes cost containment in all aspects of its business.

Hedging Activities; Market Risk Disclosures

We have not utilized derivative financial instruments such as futures contracts, options and swaps, forward exchange contracts or interest rate swaps and futures during 2001 and 2000. While we believe that adequate controls are in place to monitor any hedging activities in which we may engage, many factors, including those beyond our control such as changes in domestic and foreign political and economic conditions, could adversely affect these activities. Our primary exposure to market risk relates to changes in interest rates and foreign currency exchange rates. We periodically evaluate these risks and have taken measures to mitigate these risks. We own assets and operate facilities in countries that have been politically stable. Also, our foreign risk management objectives are geared towards stabilizing cash flow from the effects of foreign currency fluctuations. All of the Company s long-term debt has been based on a fluctuating market interest rate and, consequently, the fair value should not be affected materially by changes in market interest rates. Overall, we believe that our exposure to interest rate risk and foreign currency exchange rate changes is not material to our financial condition or results of operations.

Related Party Transactions

In connection with the spin-off, Teledyne Technologies and ATI entered into several agreements governing the separation of our businesses and various employee benefits, compensation, tax, indemnification and transition arrangements. While we successfully completed our required public offering and other requirements have been satisfied or lapsed, several agreements have continuing obligations. For example, until the second anniversary of our 2000 public offering, we would need ATI s consent to make stock repurchases. The requirement that at least a majority of our directors be members of the board of directors of ATI expires at our 2002 Annual Meeting of Stockholders. Six of our 10 directors are currently directors of ATI. At the 2002 Annual Meeting, we expect that four of eight of our directors will also serve on ATI s board (given the retirement of two of our directors). We also license the Teledyne name and related logos, symbols and marks from an affiliate of ATI.

Mellon Financial Corporation reported that subsidiaries in fiduciary capacities beneficially own about 5.2% of our Common Stock at December 30, 2001. Our Chairman, President and Chief Executive Officer is a director of Mellon Financial Corporation. Another of our directors is a former chief executive officer and director of Mellon Financial Corporation. All transactions with Mellon Bank, N.A. and its affiliates are effected under normal commercial terms, and we believe that our relationships with Mellon Bank, N.A. and its affiliates are arms-length. Mellon Bank, N.A. is one of nine lenders under our $200 million credit facility, having committed up to $33,750,000 under the facility. It also provides cash management services and an uncommitted $10 million line of credit. Mellon Bank, N.A. also serves as trustee under our pension plan. Mellon Investor Services LLC serves as our transfer agent and registrar, as well as agent under our stockholders rights plan.

Environmental

We are subject to various federal, state, local and international environmental laws and regulations which require that we investigate and remediate the effects of the release or disposal of materials at sites associated with past and present operations. These include sites at which Teledyne Technologies has been identified as a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act, commonly known as Superfund, and comparable state laws. We are currently involved in the investigation and remediation of a number of sites. Reserves for environmental investigation and remediation totaled approximately $2.4 million at December 30, 2001. As investigation and remediation of these sites proceed and new information is received, the Company expects that accruals will be adjusted to reflect new information. Based on current information, we do not believe that future environmental costs, in excess of those already accrued, will materially and adversely affect our financial condition or liquidity. However, resolution of one or more of these environmental matters or future accrual adjustments in any one reporting period could have a material adverse effect on our results of operations for that period.

With respect to proceedings brought under the federal Superfund laws, or similar state statutes, the Company has been identified as a potentially responsible party at approximately 17 such sites, excluding those sites at which Teledyne Technologies believes it has no future liability. Our involvement is very limited or de minimis at approximately nine of these sites, and the potential loss exposure with respect to any of the remaining eight sites is not considered to be material.

For additional discussion of environmental matters, see Notes 2 and 15 to Notes to Consolidated Financial Statements.

Government Contracts

We perform work on a number of contracts with the Department of Defense and other agencies and departments of the U.S. Government. Sales under contracts with the U.S. Government, which included contracts with the Department of Defense, were approximately 45% of total sales in 2001 and 44% of total sales in both 2000 and 1999. For a breakdown of sales to the U.S. Government by segment, see Note 14 to the Notes to Consolidated Financial Statements. Sales to the Department of Defense represented approximately 30%, 31% and 30% of total sales for 2001, 2000 and 1999, respectively.

Performance under government contracts has certain inherent risks that could have a material adverse effect on the Company s business, results of operations and financial condition. Government contracts are conditioned upon the continuing availability of Congressional appropriations, which usually occurs on a fiscal year basis even though contract performance may take more than one year. While the overall U.S. military budget declined in real dollars from the mid-1980s through the early 1990s, U.S. defense spending is expected to increase over the next several years as a result of the September 11th terrorist attacks. Notwithstanding the potential for increased defense spending, delays or declines in U.S. military expenditures in the programs that we participate in could adversely affect our business, results of operations and financial condition.

For information on accounts receivable from the U.S. Government, see Note 6 to Notes to Consolidated Financial Statements.

Estimates and Reserves

Our discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent liabilities. On an ongoing basis, we evaluate our estimates, including those related to allowance for doubtful accounts, inventories, investments, intangible assets, income taxes, warranty obligations, restructuring charges, pension and other postretirement benefits, and contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances at the time, the results of which form the basis for making our judgments. Actual results may differ from these estimates under different assumptions or conditions. In some cases, such differences may be material. See Other Critical Accounting Policies .

The following table reflects significant reserves and valuation accounts, which are estimates and based on judgments as described above, at December 30, 2001 and December 31, 2000:

Reserves and Valuation Accounts(a)

(In millions)

	2001	2000
Allowance for doubtful accounts	**$ 2.7**	$ 2.0
LIFO reserves	**$27.1**	$31.9
Other inventory reserves	**$10.1**	$12.0
Aircraft product liability reserves(b)	**$ 5.5**	$21.0
Other accrued liability reserves(c)	**$13.1**	$12.0

(a) This table should be read in conjunction with the Notes to Consolidated Financial Statements.

(b) The difference between 2001 and 2000 principally reflects usage of funds with respect to settlements of aircraft product liability claims within the self-insured retentions and the 2000 piston engine product recall and reserves remaining from the second quarter 2000 charge.

(c) Includes both long-term and short-term accrued liability reserves.

Critical Accounting Policies

Our critical accounting policies are those that are reflective of significant judgments and uncertainties, and may potentially result in materially different results under different assumptions and conditions. We have identified the following as critical accounting policies to our company: revenue recognition, impairment of long-lived assets, income taxes, inventories, and related allowance for obsolete and excess inventory, and aircraft product liability reserve. For additional discussion of the application of these and other accounting policies, see Note 2 of the Notes to Consolidated Financial Statements.

Revenue Recognition

Commercial sales and revenue from U.S. Government fixed-price-type contracts are generally recorded as shipments are made or as services are rendered. Occasionally, for certain fixed-price type contracts that require substantial performance over a long time period (one or more years) before shipments begin, sales may be recorded based upon attainment of scheduled performance milestones which could be time, event or expense driven. In these instances, invoices are submitted to the customer under a contractual agreement and the customer makes payments. Sales under cost-reimbursement contracts are recorded as costs are incurred and fees are earned. Since certain contracts extend over a long period of time, all revisions in cost and funding estimates during the progress of work have the effect of adjusting the current period earnings on a cumulative catch-up basis. If the current contract estimate indicates a loss, provision is made for the total anticipated loss.

Some of the Company s products are subject to specified warranties. The Company maintains a reserve for the estimated future costs of repair, replacement or customer accommodation and periodically reviews this reserve for adequacy. Such review would generally include a review of historic warranty experience with respect to the applicable business or products, as well as the length and actual terms of the warranties.

The Company also follows the requirements of the Securities and Exchange Commission Staff Accounting Bulletin No. 101, Revenue Recognition in Financial Statements (SAB No. 101). SAB No. 101 provides the guidelines that must be followed regarding revenue recognition. The Company has reviewed the requirements of SAB No. 101 and has determined that it is in compliance with SAB No. 101.

Impairments of Long-Lived Assets

We monitor the recoverability of the carrying value of our long-lived assets. An impairment charge is recognized when events and circumstances indicate that the undiscounted cash flows expected to be generated by an asset (including any proceeds from dispositions) are less than the carrying value of the asset and the asset s carrying value is less than its fair value. Our cash flow estimates are based on historical results adjusted to reflect our best estimate of future market and operating conditions. The net carrying value of assets not recoverable is reduced to fair value. Our estimates of fair value represent our best estimate based on industry trends and reference to market rates and transactions. As a result of a review in the second quarter of 2001, we determined that the carrying amounts of certain of our long-lived assets were no longer recoverable based on estimates of future operating cash flows to be generated by these assets. As a result, we recognized an impairment charge of approximately $7.5 million in 2001.

Accounting for Income Taxes

As part of the process of preparing our consolidated financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. This process involves estimating our actual current tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within our consolidated balance sheet. We assess the likelihood that our deferred tax assets will be recovered from future taxable income, recognizing that future taxable income may give rise to new deferred tax assets. To the extent that we believe that future recovery is not likely, we must establish a valuation allowance. To the extent we establish or increase a valuation allowance, we must include an expense within the tax provision in the income statement.

Significant management judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets. Based on our history of operating earnings, we have not recorded a valuation as of December 30, 2001. In the event that actual results differ from these estimates, or we adjust these estimates in future periods, we may need to establish a valuation allowance, which could impact our financial position and results of operations.

Until the effective date of the spin-off, Teledyne Technologies was included in the consolidated federal and certain state income tax returns of ATI. ATI is responsible for paying the taxes related to such returns, including any subsequent adjustment resulting from the re-determination of such tax liability by the applicable taxing authorities. Provision for income taxes for 1999 was calculated as if Teledyne Technologies had filed separate income tax returns for that year. Provisions for income taxes for 2000 and 2001 are based on numerous factors that are subject to audit by the Internal Revenue Service and the tax authorities in the various jurisdictions in which we do business.

Inventories and Related Allowance for Obsolete and Excess Inventory

Inventories are valued at the lower of cost (last-in, first-out; first-in, first-out; and average cost methods) or market, less progress payments. We primarily use the last-in, first-out method of inventory accounting that reflects current costs in the costs of products sold. Costs include direct material, direct labor, applicable manufacturing and engineering overhead, and other direct costs. Inventories have been reduced by an allowance for excess and obsolete inventories. The estimated allowance is based on management s review of inventories on hand compared to assumptions about future demand and market conditions. We recorded a charge of $9.8 million in 2001 for the write-off of inventory from discontinued product lines and the write-down of excess inventory resulting from reduced customer demand. If actual future demand or market conditions are more or less favorable than those currently projected by management, adjustments may be required.

Aircraft Product Liability Reserve

We are currently involved in certain legal proceedings related to aircraft product liability claims. We have accrued an estimate of the probable costs for the resolution of these claims. This estimate has been developed in consultation with our insurers, outside counsel handling our defense in these matters and historical experience, and is based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. We do not believe these proceedings will have a material adverse effect on our consolidated financial position. It is possible, however, that future results of operations for any particular quarterly or annual period could be materially affected by specific events occurring in the period, changes in our assumptions, or the effectiveness of our strategies, related to these proceedings. While we have aircraft and product liability insurance, our annual self-insured retention for general aviation aircraft liabilities incurred in connection with products manufactured by Teledyne Continental Motors is $10 million. We cannot assure that, in future years, our ability to obtain insurance, or the premiums for such insurance, or the amount of our self-insured retention or reserves will not be negatively impacted by our experience in prior years or other factors. We are monitoring the impact of the September 11th tragedy on insurance markets.

Recent Accounting Pronouncements

SFAS Nos. 138 and 133

In June 1998, the FASB issued SFAS No. 133 Accounting for Derivative Instruments and Hedging Activities, which establishes accounting and reporting standards for derivative instruments and hedging activities. It requires that an entity recognize all derivatives in the statement of financial position and measure those instruments at fair value. In June 2000, the FASB issued SFAS No. 138 Accounting for Certain Derivative Instruments and Certain Hedging Activities an amendment of SFAS No. 133, which amends the accounting and reporting standards of SFAS No. 133 for certain derivative and hedging activities. Teledyne Technologies adoption of SFAS No. 133 as amended, effective January 1, 2001, did not have an impact on Teledyne Technologies financial position or results of operations. See Other Matters Hedging Activities; Market Risk Disclosures above.

SFAS Nos. 141 and 142

In June 2001, the FASB issued SFAS No. 141 Business Combinations, which changes the accounting for business combinations. This statement supersedes APB Opinion No. 16, Business Combinations, and amends or supersedes a number of interpretations of APB 16. Also in June 2001, the FASB issued SFAS No. 142 Goodwill and Other Intangible Assets, which changes the accounting for goodwill. This statement supersedes Accounting Principles Board (APB) Opinion No. 17, Intangible Assets, but carries forward some of the prior provisions. In accordance with the provisions of SFAS No. 142, goodwill will no longer be amortized, but must be reviewed for impairment. Teledyne Technologies goodwill amortization for fiscal years 2001, 2000 and 1999 was $0.6 million, $0.8 million and $0.7 million, respectively. The requirements of SFAS No. 141 are effective for any business combination that is completed after June 30, 2001. SFAS No. 142 is effective January 1, 2002, except for certain provisions that apply to goodwill and intangible assets acquired after June 30, 2001. The initial adoption of the statements is not currently expected to have a material effect on Teledyne Technologies financial position or results of operations. During 2002, Teledyne Technologies will perform the first of the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002.

SFAS No. 143

In June 2001, the FASB issued SFAS No. 143 Accounting for Asset Retirement Obligations, which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. Teledyne Technologies must implement SFAS No. 143 by the first quarter of 2003. We do not currently expect a material impact on our financial position or results of operations from the initial adoption.

SFAS No. 144

In August 2001, the FASB issued SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets, which addresses financial accounting and reporting for impairment or disposal of long-lived assets. It supersedes FASB SFAS No. 121 Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, and supersedes certain provisions of APB Opinion No. 30 Reporting the Results of Operations Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions and amends Accounting Research Bulletin No. 51-Consolidated Financial Statements. Teledyne Technologies must implement SFAS No. 144 by the first quarter of 2002. We do not expect a material impact on our financial position or results of operations from the initial adoption.

Outlook

Teledyne Technologies maintains a balanced portfolio of approximately 45% government and 55% commercial businesses. In our government and defense businesses as a whole, we expect modest revenue growth in 2002, primarily driven by demand for defense electronics products. Given the current state of the commercial aviation market, we expect sales of avionics equipment to decline in 2002; however, we expect revenue growth in our instrumentation businesses to offset the sales decline in avionics.

Orders for our short-cycle electronics product lines serving the semiconductor and communications markets continued to deteriorate in the fourth quarter of 2001. We currently expect orders in these businesses to be flat in the first two quarters of 2002, relative to the fourth quarter of 2001, and orders and revenues to improve in the second half of 2002. In addition, the divestiture or closure of several non-core product lines will negatively impact reported 2002 revenues for the Electronics and Communications and Systems Engineering Solutions segments relative to 2001.

Although government restrictions on general aviation airspace impacted the fourth quarter 2001 performance of our Teledyne Continental Motors aircraft piston engine business, the majority of these restrictions have been lifted. Nonetheless, given the current state of the economy and our dependence on aftermarket aviation sales, we expect 2002 sales for the Aerospace Engines and Components segment to be flat relative to 2001.

Full-year 2001 earnings included $9.5 million or $0.18 per share in non-cash net pension income. We currently expect approximately $1.0 million of net pension income in 2002. The reduction in net pension income reflects the completion of the recognition of income associated with FAS 87 transition asset amortization as well as the decline in the market value of the Company s pension assets during 2000 and 2001.

In connection with our restructuring and realignment actions, we previously announced that we expected to achieve annualized savings of approximately $25 million, of which approximately $15 million was realized in 2001. We continue to anticipate approximately $10 million of additional cost savings in 2002, which should offset the reduction in non-cash net pension income.

Based on our current outlook, we estimate that first quarter and full-year 2002 earnings per share will be in the range of approximately $0.14 to $0.17 and $0.65 to $0.80, respectively. Excluding $0.18 per share in non-cash net pension income, full year 2001 earnings per share from continuing operations were $0.51 (excluding asset impairment, restructuring and other charges).

Safe Harbor Cautionary Statement Regarding Outlook and Other Forward Looking Data

This Management s Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, relating to earnings, cost-savings, growth opportunities, capital expenditures and strategic plans. Actual results could differ materially from these forward-looking statements. Many factors, including changes in demand for products sold to the semiconductor and communications markets, timely development of acceptable and competitive fuel cell products and systems, renewed outsourced manufacturing of optoelectronics products by customers, funding, continuation and award of government programs and the outcome of the crankshaft litigation, as well as economic and political conditions, could change the anticipated results.

The September 11th terrorist attacks and subsequent events increase uncertainties associated with forward-looking statements about our businesses. For example, flight restrictions negatively impact the market for general aviation aircraft piston engine and components. In addition, reduced shipments of commercial aviation aircraft, as well as the financial positions of major airlines, could negatively affect our Electronics and Communications segment.

While Teledyne Technologies 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, the Company s ability to integrate acquired businesses and to achieve identified financial and operating synergies. Also, the Company may not be able to sell or exit timely or on acceptable terms its remaining non-core or under-performing product lines, particularly given the current economic environment.

Additional information concerning factors that could cause actual results to differ materially from those projected in the forward-looking statements is contained beginning on page 13 of this Form 10-K under the caption Risk Factors; Cautionary Statements as to Forward-Looking Statements. Forward-looking statements are generally accompanied by words such as estimate , project , predict , believes or expect , that cor 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.

Report of Management

The management of Teledyne Technologies is responsible for the integrity of the financial data reported by Teledyne Technologies. Fulfilling this responsibility requires the preparation and presentation of consolidated financial statements in accordance with generally accepted accounting principles. Management uses internal accounting controls, corporate-wide policies and procedures and judgment so that such statements reflect fairly the consolidated financial position, results of operations and cash flows of Teledyne Technologies.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk.

The information required by this item is included in this Report at page 35 under the caption Other Matters Hedging Activities; Market Risk Disclosures of Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations.

Item 8. Financial Statements and Supplementary Data.

The information required by this item is included in this Report at pages 43 through 71. See the Index to Financial Statements and Related Information at page 43.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant.

In addition to the information set forth under the caption Executive Management in Part I of this Report, the information concerning the directors of Teledyne Technologies required by this item is set forth in the 2002 Proxy Statement under the caption Item 1 on Proxy Card Election of Directors and is incorporated herein by reference.

Item 11. Executive Compensation.

The information required by this item is set forth in the 2002 Proxy Statement under the captions Directors Compensation , Executive Compensation and Compensation Committee Interlocks and Insider Participation and is incorporated herein by reference. TDY does not incorporate by reference in this Form 10-K either the Report on Executive Compensation or the Cumulative Total Stockholder Return section of the 2002 Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The information required by this item is set forth in the 2002 Proxy Statement under the caption Stock Ownership Information and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions.

The information required by this item is set forth in the 2002 Proxy Statement under the caption Certain Transactions and is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a) Exhibits and Financial Statement Schedules:

(1) Financial Statements

See the Index to Financial Statements and Related Information at page 43 of this Report, which is incorporated herein by reference.

(2) Financial Statement Schedules

See Schedule II captioned Valuation and Qualifying Accounts at page 71 of this Report, which is incorporated herein by reference.

(3) Exhibits

A list of exhibits filed with this Form 10-K or incorporated by reference is found in the Exhibit Index immediately following the signature page of this Report and incorporated herein by reference.

(4) Reports on Form 8-K filed in the fourth quarter of 2001:

None.

INDEX TO FINANCIAL STATEMENTS AND RELATED INFORMATION

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

To the Stockholders and Board of Directors

Teledyne Technologies Incorporated:

We have audited the accompanying consolidated balance sheets of Teledyne Technologies Incorporated as of December 30, 2001 and December 31, 2000, and the related consolidated statements of income, stockholders equity and cash flows for each of the three fiscal years in the period ended December 30, 2001. Our audits also included the financial statement schedule listed in the index at Item 14(a). These financial statements and schedule are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Teledyne Technologies Incorporated at December 30, 2001 and December 31, 2000, and the consolidated results of its operations and its cash flows for each of the three fiscal years in the period ended December 30, 2001, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

Los Angeles, California
January 24, 2002

TELEDYNE TECHNOLOGIES INCORPORATED

CONSOLIDATED STATEMENTS OF INCOME

(In millions, except per-share amounts)

	2001	2000	1999
Sales	**$744.3**	$795.1	$761.4
Costs and Expenses			
Cost of sales	**573.4**	579.6	552.1
Selling, general and administrative expenses	**143.8**	158.4	130.5
Asset impairment charge	**7.5**		
Restructuring and other charges	**8.8**		
Costs and expenses	**733.5**	738.0	682.6
Operating profit	**10.8**	57.1	78.8
Interest and debt expense, net	**1.9**	5.3	0.8
Other income	**2.4**	1.1	1.0
Income from continuing operations before income taxes	**11.3**	52.9	79.0
Provision for income taxes	**4.5**	21.0	31.8
Income from continuing operations	**6.8**	31.9	47.2
Discontinued operations, net of tax	**(0.2)**	0.4	1.8
Net income	**$ 6.6**	$ 32.3	$ 49.0
Basic earnings per common share:			
Continuing operations	**$ 0.21**	$ 1.12	$ 1.73
Discontinued operations	**(0.01)**	0.01	0.06
Basic earnings per common share	**$ 0.20**	$ 1.13	$ 1.79
Diluted earnings per common share:			
Continuing operations	**$ 0.21**	$ 1.08	$ 1.73
Discontinued operations	**(0.01)**	0.01	0.06
Diluted earnings per common share	**$ 0.20**	$ 1.09	$ 1.79

The accompanying notes are an integral part of these financial statements.

TELEDYNE TECHNOLOGIES INCORPORATED

CONSOLIDATED BALANCE SHEETS

(In millions, except share amounts)

	2001	2000
Current Assets		
Cash and cash equivalents	**$ 11.9**	$ 14.9
Accounts receivables, net	**108.7**	118.5
Inventories, net	**56.1**	65.2
Deferred income taxes, net	**18.4**	16.9
Prepaid expenses, taxes and other current assets	**14.2**	7.3
Total current assets	**209.3**	222.8
Property, plant and equipment, net	**80.2**	74.0
Deferred income taxes, net	**7.9**	27.0
Prepaid pension cost	**5.2**	
Goodwill, net	**26.2**	7.6
Other assets, net	**20.5**	19.5
Total Assets	**$349.3**	$350.9
Liabilities and Stockholders Equity		
Accounts payable	**$ 36.9**	$ 58.7
Accrued liabilities	**57.1**	56.5
Total current liabilities	**94.0**	115.2
Long-term debt	**30.0**	
Accrued pension obligation		5.2
Accrued postretirement benefits	**29.0**	31.2
Other long-term liabilities	**23.3**	36.2
Total Liabilities	**176.3**	187.8
Commitments and Contingencies		
Stockholders equity		
Preferred stock, $0.01 par value; outstanding shares none		
Common stock, $0.01 par value; authorized 125 million shares; Outstanding shares: 2001 31,859,839 and 2000 31,586,735	**0.3**	0.3
Additional paid-in capital	**128.0**	124.8
Retained earnings	**44.5**	37.9
Accumulated other comprehensive income	**0.2**	0.1
Total Stockholders Equity	**173.0**	163.1
Total Liabilities and Stockholders Equity	**$349.3**	$350.9

The accompanying notes are an integral part of these financial statements.

TELEDYNE TECHNOLOGIES INCORPORATED

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

(In millions)

	Advances (to) from ATI	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders Equity
Balance, January 3, 1999	$ 104.7	$	$	$	$ 1.7	$ 106.4
Net income	43.4					43.4
Other comprehensive income, net of tax:						
Foreign currency translation losses					(0.1)	(0.1)
Comprehensive income	43.4				(0.1)	43.3
Net transactions with ATI	(47.5)					(47.5)
Balance prior to spin-off, November 29, 1999	100.6				1.6	102.2
Spin-off capitalization transactions	(100.6)	0.3	37.9		(0.9)	(63.3)
Balance after spin-off		0.3	37.9		0.7	38.9
Net income/comprehensive income				5.6		5.6
Balance, January 2, 2000		0.3	37.9	5.6	0.7	44.5
Net income				32.3		32.3
Other comprehensive income, net of tax:						
Foreign currency translation losses					(0.6)	(0.6)
Comprehensive income				32.3	(0.6)	31.7
Exercise of stock options and other, net			2.9			2.9
Issuance of common stock			84.0			84.0
Balance, December 31, 2000		0.3	124.8	37.9	0.1	163.1
Net income				**6.6**		**6.6**
Other comprehensive income, net of tax:						
Gain on marketable equity security					**0.2**	**0.2**
Foreign currency translation losses					**(0.1)**	**(0.1)**
Comprehensive income				**6.6**	**0.1**	**6.7**
Exercise of stock options and other, net			**3.2**			**3.2**
Balance, December 30, 2001	**$**	**$ 0.3**	**$ 128.0**	**$ 44.5**	**$ 0.2**	**$ 173.0**

The accompanying notes are an integral part of these financial statements

TELEDYNE TECHNOLOGIES INCORPORATED

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)

	2001	2000	1999
Operating Activities			
Net income from continuing operations	**$ 6.8**	$ 31.9	$ 47.2
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of assets	**20.5**	14.8	11.3
Deferred income taxes	**17.7**	3.4	(1.4)
Gains on sale of property, plant and equipment		(0.1)	(0.1)
Noncash asset impairment, restructuring and other charges	**15.6**		
Changes in operating assets and liabilities:			
Decrease (increase) in accounts receivables	**10.7**	(9.4)	(12.6)
Decrease (increase) in inventories	**1.4**	(13.8)	(1.8)
Decrease (increase) in prepaid expenses and other assets	**(2.5)**	(1.6)	(2.8)
Decrease in long term assets	**1.9**		
Increase (decrease) in accounts payable	**(22.3)**	14.5	4.3
Increase (decrease) in accrued liabilities	**(2.2)**	9.1	(0.8)
Increase (decrease) in current income taxes receivable, net	**(4.6)**	(4.3)	3.8
Increase (decrease) in other long-term liabilities	**(12.2)**	4.3	
Increase (decrease) in accrued postretirement benefits	**(2.2)**	(2.4)	0.6
Decrease in accrued pension obligation	**(10.4)**	(9.5)	
Other operating, net	**0.8**	(0.4)	(1.8)
Net cash provided by operating activities	**19.0**	36.5	45.9
Net cash from discontinued operations	**(1.3)**	1.5	1.5
Net cash provided by operating activities	**17.7**	38.0	47.4
Investing Activities			
Purchases of property, plant and equipment	**(26.4)**	(30.7)	(28.3)
Purchase of business and other investments, net of cash acquired	**(26.5)**	(0.3)	
Proceeds from sale of business, net		17.0	
Disposals of property, plant and equipment	**1.0**	0.1	0.1
Other investing, net	**(1.3)**	(4.0)	(0.7)
Net cash used by investing activities	**(53.2)**	(17.9)	(28.9)
Net cash used by discontinued operations		(1.5)	(3.2)
Net cash used by investing activities	**(53.2)**	(19.4)	(32.1)
Financing Activities			
Net proceeds from (repayments of) long-term debt	**30.0**	(97.0)	(3.0)
Net proceeds from common stock offering		84.0	
Proceeds from exercise of stock options and other, net	**2.5**	2.2	
Net advances/spin-off capitalization with ATI			(5.2)
Net cash provided (used) by financing activities	**32.5**	(10.8)	(8.2)
Increase (decrease) in cash and cash equivalents	**(3.0)**	7.8	7.1
Cash and cash equivalents beginning of year	**14.9**	7.1	

Cash and cash equivalents end of year	**$ 11.9**	$ 14.9	$ 7.1

The accompanying notes are an integral part of these financial statements.

TELEDYNE TECHNOLOGIES INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Teledyne Technologies Incorporated Spin-Off from Allegheny Teledyne Incorporated

Effective November 29, 1999 (the Distribution Date), Teledyne Technologies Incorporated (Teledyne Technologies or the Company), became an independent, public company as a result of the distribution by Allegheny Teledyne Incorporated, now known as Allegheny Technologies Incorporated (ATI), of the Company s Common Stock, $.01 par value per share, to holders of ATI Common Stock at a distribution ratio of one for seven (the spin-off). The spin-off has been treated as a tax-free distribution for federal income tax purposes. The spin-off included the transfer of certain of the businesses of ATI s Aerospace and Electronics segment to the new corporation, immediately prior to the Distribution Date. ATI no longer has a financial investment in Teledyne Technologies.

Teledyne Technologies consists of the operations of the Electronics and Communications segment with operations in the United States, United Kingdom and Mexico; the Systems Engineering Solutions segment with operations in the United States; the Aerospace Engines and Components segment with operations in the United States; and the Energy Systems segment with operations in the United States. In 2001, the Company realigned and changed the reporting structure of some of its business units. The Test Services and Geophysical Instruments business units that were previously part of our Systems Engineering Solutions segment are now part of an expanded instruments group under our Electronics and Communications segment. This realignment also resulted in a new segment, the Energy Systems segment, the results of which had previously been reported under our Systems Engineering Solutions segment. The Energy Systems segment, which provides on-site gas and power generation systems based on proprietary fuel cell, electrolysis and thermoelectric technologies, currently includes the majority-owned entity that was formed in the third quarter of 2001. Accordingly, the Company has restated its previously reported segment data to reflect this realignment and structure.

A $200 million five-year revolving credit agreement was arranged with a syndicate of banks in connection with the spin-off. ATI drew $100 million under the facility prior to the assumption of the facility by Teledyne Technologies. Teledyne Technologies assumed the repayment obligation for the amount drawn by ATI. In addition, prior to and in connection with the spin-off, Teledyne Technologies and ATI entered into agreements providing for the separation of the companies and governing various relationships for separating employee benefits and tax obligations, indemnification and transition services.

The consolidated financial statements for periods prior to the spin-off included certain expenses (primarily corporate expense) based on an allocation of the overall expense of ATI. ATI s historical cost basis of assets and liabilities has been reflected in the Teledyne Technologies financial statements. The financial information in these financial statements is not necessarily indicative of results of operations, financial position and cash flows that would have occurred if Teledyne Technologies had been a separate stand-alone entity during the periods presented or of future results. The consolidated financial statements included herein do not reflect changes that occurred in the capitalization and operations of Teledyne Technologies as a result of, or after, the spin-off other than for the periods following the spin-off.

The following unaudited pro forma financial information for 1999 is presented for informational purposes only and may not reflect the results of operations or financial position of Teledyne Technologies that would have occurred had Teledyne Technologies operated as a separate, independent company for the periods presented. The pro forma financial information should not be relied upon as being indicative of future results. Pro forma adjustments reflect the estimated expense impacts (primarily interest expense and corporate expenses) that would have been incurred had Teledyne Technologies been operated as a separate company as of the beginning of each year and as capitalized at the time of the spin-off for each period presented. As part of the spin-off, Teledyne Technologies assumed $100 million of long-term debt incurred by ATI. Pro forma income includes pro forma interest expense on the long-term debt as if it had been outstanding for all periods presented. Pro forma income adjusts corporate expenses to an annual level of

TELEDYNE TECHNOLOGIES INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

$15 million from the amount previously allocated, which was lower. The following is Teledyne Technologies financial information for 2001 and 2000 and its unaudited pro forma financial information for 1999 (in millions, except per-share amounts):

	2001	2000	1999
Sales	**$744.3**	$795.1	$761.4
Costs and expenses			
Cost of sales	**573.4**	579.6	552.1
Selling, general and administrative expenses	**143.8**	158.4	136.8
Asset impairment charge	**7.5**		
Restructuring and other charges	**8.8**		
Costs and expenses	**733.5**	738.0	688.9
Operating profit	**10.8**	57.1	72.5
Interest and debt expense, net	**1.9**	5.3	8.1
Other income	**2.4**	1.1	1.0
Income from continuing operations before income taxes	**11.3**	52.9	65.4
Provision for income taxes	**4.5**	21.0	26.3
Income from continuing operations	**6.8**	31.9	39.1
Discontinued operations, net of tax	**(0.2)**	0.4	1.8
Net income	**$ 6.6**	$ 32.3	$ 40.9
Basic earnings per common share			
Continuing operations	**$ 0.21**	$ 1.12	$ 1.44
Discontinued operations	**(0.01)**	0.01	0.06
Basic earnings per common share	**$ 0.20**	$ 1.13	$ 1.50
Diluted earnings per common share			
Continuing operations	**$ 0.21**	$ 1.08	$ 1.44
Discontinued operations	**(0.01)**	0.01	0.06
Diluted earnings per common share	**$ 0.20**	$ 1.09	$ 1.50

Note 2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of Teledyne Technologies include the accounts of the businesses as described in Note 1. Significant intercompany accounts and transactions have been eliminated. Certain financial statements, notes and supplementary data for prior years have been changed to conform to the 2001 presentation.

Fiscal Year

The Company is on a 53/52-week fiscal year convention. Fiscal years 2001, 2000 and 1999 were 52-week years and ended on December 30, 2001, December 31, 2000 and January 2, 2000, respectively. References to the years 2001, 2000 and 1999 are intended to refer to the respective fiscal year unless otherwise noted.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets, liabilities,

TELEDYNE TECHNOLOGIES INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

revenues and expenses, and related disclosure of contingent liabilities. On an ongoing basis, the Company evaluates its estimates, including those related to product returns, allowance for doubtful accounts, inventories, investments, intangible assets, income taxes, warranty obligations, restructuring charges, pension and other postretirement benefits, and contingencies and litigation. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances at the time, the results of which form the basis for making its judgments. Actual results may differ from these estimates under different assumptions or conditions. Management believes that the estimates are reasonable.

Revenue Recognition

Commercial sales and revenue from U.S. Government fixed-price-type contracts generally are recorded as shipments are made or as services are rendered. Occasionally, for certain fixed-price-type contracts that require substantial performance over a long time period (one or more years) before shipments begin, sales may be recorded based upon attainment of scheduled performance milestones which could be time, event or expense driven. In these few instances, invoices are submitted to the customer under a contractual agreement and payments are made by the customer. Sales under cost-reimbursement contracts are recorded as costs are incurred and fees are earned.

Since certain contracts extend over a long period of time, all revisions in cost and funding estimates during the progress of work have the effect of adjusting the current period earnings on a cumulative catch-up basis. If the current contract estimate indicates a loss, provision is made for the total anticipated loss.

Some of the Company s products are subject to specified warranties. The Company maintains a reserve for the estimated future costs of repair, replacement or customer accommodation and periodically reviews this reserve for adequacy. Such review would generally include a review of historic warranty experience with respect to the applicable business or products, as well as the length and actual terms of the warranties.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101, Revenue Recognition in Financial Statements (SAB No. 101). SAB No. 101 provides the Commission s views in applying generally accepted accounting principles to selected revenue recognition issues. The Company has reviewed the requirements of SAB No. 101 and has determined that it is in compliance with SAB No. 101.

Research and Development

Selling, general and administrative expenses include company-funded research and development and bid and proposal costs which are expensed as incurred and were $31.3 million in 2001, $31.7 million in 2000 and $27.8 million in 1999. Costs related to customer-funded research and development contracts were $179.4 million in 2001, $215.7 million in 2000 and $188.1 million in 1999 and are charged to costs and expenses as the related sales are recorded. A portion of the costs incurred for Company-funded research and development is recoverable through overhead cost allowances on government contracts.

Income Taxes

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards (SFAS) No. 109, Accounting for Income Taxes. Under this method, deferred income tax assets and liabilities are determined on the estimated future tax effects of differences between the financial reporting and tax basis of assets and liabilities given the application of enacted tax laws. Deferred income tax provisions and benefits are based on changes to the asset or liability from year to year.

TELEDYNE TECHNOLOGIES INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Net Income Per Common Share

Prior to the spin-off, the number of shares outstanding were based on a distribution ratio of one share of Teledyne Technologies Common Stock for every seven shares of ATI Common Stock. The average number of shares of Teledyne Technologies Common Stock used in the computation of basic net income per common share were 31,736,215, 28,589,597 and 27,303,421 for the 2001, 2000 and 1999 fiscal years, respectively. The Company uses the treasury stock method to calculate diluted earnings per share. The average number of shares of Teledyne Technologies Common Stock used in the computation of diluted net income per common share were 32,357,315, 29,477,594 and 27,334,737 for the 2001, 2000 and 1999 fiscal years, respectively. A distribution ratio of 1.527 shares of Teledyne Technologies Common Stock for every one share of ATI Common Stock was used to adjust stock options converted at the spin-off date.

Accounts Receivable

Receivables are presented net of a reserve for doubtful accounts of $2.7 million at December 30, 2001 and $2.0 million at December 31, 2000. Expense recorded for the reserve for doubtful accounts was $0.7 million, $0.1 million and $0.5 million for 2001, 2000, and 1999, respectively. In 2000, the Company collected $1.3 million for a receivable that was reserved for at January 2, 2000. The Company markets its products and services principally throughout the United States, Europe, Japan and Canada to commercial customers and agencies of, and prime contractors to, the U.S. Government. Trade credit is extended based upon evaluations of each customer s ability to perform its obligations, which are updated periodically.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid money-market mutual funds and bank deposits with initial maturities of three months or less. Cash equivalents totaled approximately $4.5 million and $11.6 million at December 30, 2001 and December 31, 2000, respectively.

Inventories

Inventories are stated at the lower of cost (last-in, first-out; first-in, first-out; and average cost methods) or market, less progress payments. Costs include direct material, direct labor, applicable manufacturing and engineering overhead, and other direct costs.

Property, Plant and Equipment

Property, plant and equipment is capitalized at cost. The method of depreciation adopted for all property, plant and equipment placed into service after July 1, 1996 is the straight-line method. For property, plant and equipment acquired prior to July 1, 1996, depreciation is computed using a combination of accelerated and straight-line methods. The Company believes the straight-line method more appropriately reflects its financial results by better allocating costs of new property over the useful lives of these assets.

Goodwill

Teledyne Technologies goodwill was $26.2 million at December 30, 2001 and $7.6 million at December 31, 2000. The goodwill amount at December 30, 2001 includes goodwill acquired as part of the acquisition of Advanced Pollution Instrumentation, Inc. (API).

In accordance with the provisions of SFAS No. 142 Goodwill and Other Intangible Assets, goodwill will no longer be amortized, but must be reviewed for impairment. Teledyne Technologies goodwill amortization for fiscal years 2001, 2000 and 1999 was $0.6 million, $0.8 million and $0.7 million, respectively.

TELEDYNE TECHNOLOGIES INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Other Long-Lived Assets

The carrying value of long-lived assets is periodically evaluated in relation to the operating performance and future undiscounted cash flows of the underlying businesses. Adjustments are made if the sum of expected future net cash flows is less than book value.

Environmental

Costs that mitigate or prevent future environmental contamination or extend the life, increase the capacity or improve the safety or efficiency of property utilized in current operations are capitalized. Other costs that relate to current operations or an existing condition caused by past operations are expensed. Environmental liabilities are recorded when the Company s liability is probable and the costs are reasonably estimable, but generally not later than the completion of the feasibility study or the Company s recommendation of a remedy or commitment to an appropriate plan of action. The accruals are reviewed periodically and, as investigations and remediations proceed, adjustments are made as necessary. Accruals for losses from environmental remediation obligations do not consider the effects of inflation, and anticipated expenditures are not discounted to their present value. The accruals are not reduced by possible recoveries from insurance carriers or other third parties, but do reflect anticipated allocations among potentially responsible parties at federal Superfund sites or similar state-managed sites and an assessment of the likelihood that such parties will fulfill their obligations at such sites. The measurement of environmental liabilities by the Company is based on currently available facts, present laws and regulations, and current technology. Such estimates take into consideration the Company s prior experience in site investigation and remediation, the data concerning cleanup costs available from other companies and regulatory authorities, and the professional judgment of the Company s environmental experts in consultation with outside environmental specialists, when necessary.

Foreign Currency Translation

The Company s foreign entities accounts are measured using local currency as the functional currency. Assets and liabilities are translated at the exchange rate in effect at year end. Revenues and expenses are translated at the rates of exchange prevailing during the year. Unrealized translation gains and losses arising from differences in exchange rates from period to period are included as a component of accumulated other comprehensive income in stockholders equity.

Recent Accounting Pronouncements

SFAS Nos. 138 and 133. In June 1998, the Financial Accounting Standards Board (FASB) issued SFAS No. 133 Accounting for Derivative Instruments and Hedging Activities, which establishes accounting and reporting standards for derivative instruments and hedging activities. It requires that an entity recognize all derivatives in the statement of financial position and measure those instruments at fair value. In June 2000, the FASB issued SFAS No. 138 Accounting for Certain Derivative Instruments and Certain Hedging Activities an amendment of SFAS No. 133, which amends the accounting and reporting standards of SFAS No. 133 for certain derivative and hedging activities. Teledyne Technologies adoption of SFAS No. 133 as amended, effective January 1, 2001, did not have a material impact on Teledyne Technologies financial position or results of operations.

SFAS Nos. 141 and 142. In June 2001, the FASB issued SFAS No. 141 Business Combinations, which changes the accounting for business combinations. This statement supersedes APB Opinion No. 16, Business Combinations, and amends or supersedes a number of interpretations of APB 16. Also in June 2001, the FASB issued SFAS No. 142 Goodwill and Other Intangible Assets, which changes the accounting for goodwill. This statement supersedes Accounting Principles Board (APB) Opinion No. 17, Intangible Assets, but carries forward some of the provisions. In accordance with the provisions

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

of SFAS No. 142, goodwill will no longer be amortized, but must be reviewed for impairment. Teledyne Technologies goodwill amortization for fiscal years 2001, 2000 and 1999 was $0.6 million, $0.8 million and $0.7 million, respectively. The requirements of SFAS No. 141 are effective for any business combination that is completed after June 30, 2001. SFAS No. 142 is effective January 1, 2002, except for certain provisions that apply to goodwill and intangible assets acquired after June 30, 2001. The initial adoption of the statements is not currently expected to have a material effect on Teledyne Technologies financial position or results of operations. During 2002, Teledyne Technologies will perform the first of the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002.

SFAS No. 143. In June 2001, the FASB issued SFAS No. 143 Accounting for Asset Retirement Obligations, which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. Teledyne Technologies must implement SFAS No. 143 by the first quarter of 2003. The Company does not currently expect a material impact on the financial position or results of operations from the initial adoption.

SFAS No. 144. In August 2001, the FASB issued SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets, which addresses financial accounting and reporting for impairment or disposal of long-lived assets. It supersedes FASB SFAS No. 121 Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, and supersedes certain provisions of APB Opinion No. 30 Reporting the Results of Operations Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions and amends Accounting Research Bulletin No. 51-Consolidated Financial Statements. Teledyne Technologies must implement SFAS No. 144 by the first quarter of 2002. The Company does not currently expect a material impact on the financial position or results of operations from the initial adoption.

Hedging Activities

Teledyne Technologies has not utilized derivative financial instruments such as futures contracts, options and swaps, forward exchange contracts or interest rate swaps and futures during 2001 and 2000. Teledyne Technologies believes that adequate controls are in place to monitor any hedging activities.

Supplemental Cash Flow Information

Teledyne Technologies received a net cash refund for federal, foreign and state income taxes of $10.0 million in 2001. Cash payments for federal, foreign and state income taxes were $22.1 million for 2000. Until the spin-off date, ATI was responsible for cash payments for federal, foreign and state income taxes. No tax payments were made by Teledyne Technologies from the date of the spin-off through year end 1999. Cash payments for interest and facility fees by Teledyne Technologies totaled approximately $1.7 million and $5.3 million for 2001 and 2000, respectively. Interest paid by Teledyne Technologies from the date of the spin-off to year end 1999 totaled approximately $0.6 million.

Comprehensive Income

Teledyne Technologies comprehensive income consists of net income and foreign currency translation adjustments. Teledyne Technologies comprehensive income was $6.7 million, $31.7 million and $48.9 million for the years 2001, 2000 and 1999, respectively.

Note 3. Restructuring, Asset Impairment, Product Recall and Other Charges

During the second quarter of 2001, the Company recorded a pretax charge of $26.4 million for asset impairment ($7.4 million), restructuring and other charges ($8.7 million), inventory write-down

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

($10.0 million) and a pretax charge for discontinued operations ($0.3 million). Teledyne Technologies 2001 second quarter pretax charge included plans to exit, within 12 months, the following non-core product lines from its Electronics and Communications segment: industrial solid state relays; and certain microwave switches and filters. The Company s process control software and sodium iodide crystals product lines within its Systems Engineering Solutions segment were sold in the second quarter of 2001. Teledyne Technologies also plans to exit certain environmental programs within this same segment. Annual sales for these non-core product lines were approximately $10.0 million in 2000. At December 30, 2001 the Company s projected charge remains in line with management expectations at $26.4 million for asset impairment ($7.5 million) restructuring ($8.8 million), inventory write-down ($9.8 million) and a pretax charge for discontinued operations ($0.3 million). While the total charge did not change, the previously reported fourth quarter results of operations will be reclassified to reflect the change in estimates of the charge as noted in the table below. A summary of the components of the second quarter charge and the activity during the remainder of the year is as follows:

Restructuring, Asset Impairment and Other Charge Information

(In millions)

	Asset Impairments			Restructuring		Inventory		
	Property, Plant and Equipment	Goodwill	Other	Terminations	Other	Write-down	Discontinued Operations	Total
Second quarter 2001 charge	$ 1.9	$ 1.8	$ 3.7	$ 6.1	$ 2.6	$ 10.0	$ 0.3	$ 26.4
Fourth quarter change in estimate			0.1	(0.4)	0.5	(0.2)		
Total charge fiscal year 2001	1.9	1.8	3.8	5.7	3.1	9.8	0.3	26.4
Assets disposed of at December 30, 2001	(0.9)	(1.8)	(3.6)			(6.9)		(13.2)
Assets to be disposed	(1.0)					(2.9)		(3.9)
Cash payments				(4.5)	(2.0)			(6.5)
Liability as of December 30, 2001	$	$	$ 0.2	$ 1.2	$ 1.1	$	$ 0.3	$ 2.8

The 2001 pretax charges of $26.4 million are comprised of the following items. Teledyne Technologies recorded pretax restructuring charges of $8.8 million, of which $5.7 million is for employee termination benefits. The Company reduced its total workforce by approximately 790 employees or 14% during 2001 and expects an additional reduction of approximately 25 employees under the restructuring plan. The Company s plan for consolidation and downsizing of manufacturing operations included actions in the Electronics and Communications segment domestic locations as well as in a United Kingdom facility. The remaining $3.1 million of the restructuring charges were for consolidation expenses of $1.6 million; non-cancelable lease expenses of $0.6 million; and $0.9 million of incurred transaction costs associated with the formation of Teledyne Energy Systems, Inc. The Company recorded pretax asset impairment charges of $7.5 million for equipment, net of expected sale proceeds, and goodwill related to product lines to be discontinued and the loss on the sale of non-core product lines. The Company also recorded a pretax charge of $9.8 million in cost of sales for the write off of inventory from discontinued product lines ($4.4 million) and the write-down of excess inventory ($5.4 million) resulting from reduced customer demand. Total charges by segment were as follows: $15.6 million in the Electronics and Communications segment; $5.5 million in the Energy Systems segment; $4.5 million in the Systems Engineering Solutions segment; and $0.3 million in the Aerospace Engines and Components segment. The Company also recorded a $0.2 million restructuring charge for its corporate office and a pretax charge of $0.3 million was recorded for discontinued operations. The majority of the remaining liability of $2.8 million at December 30, 2001 is expected to be paid in 2002.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The 2000 and 1999 results include pretax charges of $12.0 million and $3.0 million, respectively, for product recall reserves in the Aerospace Engines and Components segment. The 2000 results also include $1.4 million of pretax charges for cost adjustments in selected product lines in the Systems Engineering Solutions segment and $0.8 million of pretax charges for receivables adjustments in the Energy Systems segment.

Note 4. Business Combinations and Discontinued Operation

In November 2001, Teledyne Technologies acquired API for $25 million and this acquisition was recorded as a purchase in accordance with SFAS No. 141. API is a designer and manufacturer of advanced air quality monitoring instruments, based in San Diego, California. Teledyne Technologies results of operations include the operations of API from the date of acquisition.

In July 2001, Teledyne Technologies combined its Energy Systems business unit with assets of Florida-based Energy Partners, Inc., to create majority-owned (86%) Teledyne Energy Systems, Inc. This transaction was recorded as a transfer of net assets between entities under common control in accordance with SFAS No. 141. The new company will continue focusing on Teledyne s core business of supplying hydrogen gas generators and thermoelectric power systems, while expanding Energy Partners commercialization of proton exchange membrane (PEM) fuel cell stacks, test stands and systems.

In 2000, Teledyne Technologies sold the assets of Teledyne Cast Parts, a provider of sand and investment castings to the aerospace and defense industries which was previously reported as part of the Aerospace Engines and Components segment for a net after-tax gain of $0.7 million. Initial net proceeds from the sale in 2000 were $17.0 million. In 2001, Teledyne Technologies made certain payments, including working capital adjustments, of approximately $0.7 million. In the first quarter of 2002, Teledyne Technologies made a payment of approximately $0.4 million related to the sale. The consolidated financial statements have been restated to reflect Teledyne Cast Parts as a discontinued operation. Sales for Teledyne Cast Parts were $31.8 million and $42.0 million for 2000 and 1999, respectively. The income from discontinued operations for 2000 includes the after-tax gain on the sale and an after-tax net operating loss of $0.2 million. The operating results of Teledyne Cast Parts were net of an income tax benefit of $0.1 million in 2000 and were net of income taxes of $1.2 million for 1999. In 2001, Teledyne Technologies recorded a pretax charge of $0.3 million for discontinued operations.

Note 5. Financial Instruments

Teledyne Technologies values financial instruments as required by SFAS No. 107 Disclosures about Fair Value of Financial Instruments, as amended. The carrying amounts of cash and cash equivalents approximate fair value because of the short maturity of those instruments. Teledyne Technologies estimates the fair value of its long-term debt based on the quoted market prices for debt of similar rating and similar maturity. The estimated fair value of Teledyne Technologies long-term debt at December 30, 2001 approximated the carrying value of $30 million. Teledyne Technologies had no long-term debt outstanding at December 31, 2000.

The carrying value of other on-balance-sheet financial instruments approximates fair value, and the cost, if any, to terminate off-balance sheet financial instruments (primarily letters of credit) is not significant.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 6. Accounts Receivable

Accounts receivable are summarized as follows (in millions):

	Balance at year end	
	2001	**2000**
U.S. Government and prime contractors contract receivables:		
Billed receivables	**$ 23.3**	$ 23.2
Unbilled receivables	**17.3**	24.5
Other receivables, primarily commercial	**70.7**	72.8
	111.3	120.5
Reserve for doubtful accounts	**(2.6)**	(2.0)
Total accounts receivable, net	**$108.7**	$118.5

The billed contract receivables from the U.S. Government and prime contractors contain $8.2 million and $9.3 million at December 30, 2001 and December 31, 2000, respectively, due to long-term contracts. The unbilled contract receivables from the U.S. Government and prime contractors contain $8.7 million and $18.3 million at December 30, 2001 and December 31, 2000, respectively, due to long-term contracts.

Unbilled contract receivables represent accumulated costs and profits earned but not yet billed to customers. The Company believes that substantially all such amounts will be billed and collected within one year.

Note 7. Inventories

Inventories consisted of the following (in millions):

	Balance at year end	
	2001	**2000**
Raw materials and supplies	**$ 24.3**	$ 29.6
Work in process	**52.0**	59.4
Finished goods	**8.8**	12.1
Total inventories at cost	**85.1**	101.1
LIFO reserve	**(27.1)**	(31.9)
Progress payments	**(1.9)**	(4.0)
Total inventories, net	**$ 56.1**	$ 65.2

Inventories, before progress payments, determined on the last-in, first-out method were $52.0 million at December 30, 2001 and $61.1 million at December 31, 2000. The remainder of the inventory was determined using the first-in, first-out and average cost methods. These inventory values do not differ materially from current cost.

During 2001, 2000 and 1999, inventory usage resulted in liquidations of last-in, first-out inventory quantities. These inventories were carried at the lower costs prevailing in prior years as compared with the cost of current purchases. The effect of these last-in, first-out liquidations was to increase net income by $1.9 million in 2001, $2.1 million in 2000 and $2.2 million in 1999.

Total inventories at cost were net of $10.1 million and $12.0 million at December 30, 2001 and December 31, 2000, respectively, which were related to reserves for excess, slow moving and obsolete inventory.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Inventories, before progress payments, related to long-term contracts were $7.4 million and $4.1 million at December 30, 2001 and December 31, 2000, respectively. There were no progress payments related to long-term contracts at December 30, 2001. Progress payments related to long-term contracts were $3.4 million at December 31, 2000.

Under the contractual arrangements by which progress payments are received, the customer has a security interest in the inventories associated with specific contracts.

Note 8. Supplemental Balance Sheet Information

Property, plant and equipment were as follows (in millions):

	Balance at year end	
	2001	**2000**
Land	**$ 4.9**	$ 4.9
Buildings	**33.2**	32.1
Equipment	**155.3**	148.8
	193.4	185.8
Accumulated depreciation and amortization	**(113.2)**	(111.8)
Total property, plant and equipment, net	**$ 80.2**	$ 74.0

Other long-term assets included amounts related to deferred compensation, investments and intangible assets. Accrued liabilities included salaries and wages of $24.6 million and $27.4 million at December 30, 2001 and December 31, 2000, respectively. Other long-term liabilities included reserves for self-insurance, deferred compensation liabilities and the long-term portion of product recall reserves.

Note 9. Stockholders Equity

Common Stock

At December 30, 2001, Teledyne Technologies had 31,859,839 shares of its Common Stock outstanding. During 2001, 273,104 shares were issued under certain compensation plans including the exercise of stock options.

In 2000, Teledyne Technologies issued 4,605,000 shares of its Common Stock in an underwritten public offering for net proceeds of approximately $84.0 million. At December 31, 2000, Teledyne Technologies had 31,586,735 shares of its Common Stock outstanding. During 2000, 294,733 shares were issued under certain compensation plans including the exercise of stock options.

In connection with the spin-off, 26,687,002 shares of Teledyne Technologies Common Stock were issued and were outstanding at year end 1999. This amount includes 943 shares issued under the Non-Employee Director Stock Compensation Plan.

Preferred Stock

Authorized preferred stock may be issued with designations, powers and preferences designated by the Board of Directors. At December 30, 2001 and December 31, 2000, there were no shares of preferred stock issued.

Stockholder Rights Plan

On November 12, 1999, the Company s Board of Directors unanimously adopted a stockholder rights plan under which preferred share purchase rights were distributed as a dividend on each share of Teledyne

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Technologies Common Stock distributed to ATI s stockholders in connection with the spin-off and each share to become outstanding between the effective date of the spin-off and the earliest of the distribution date, redemption date and final expiration date. The rights will be exercisable only if a person or group acquires 15 percent or more of the Company s Common Stock or announces a tender offer, the consummation of which would result in ownership by a person or group of 15 percent or more of the Common Stock. Each right will entitle stockholders to then buy one-hundredth of a share of a new series of junior participating preferred stock at an exercise price of $60 per share. There are 1,250,000 shares of Series A Junior Participating Preferred Stock authorized for issuance under the plan. The record date for the distribution was the close of business of November 22, 1999. The rights will expire on November 12, 2009, subject to earlier redemption or exchange by Teledyne Technologies as described in the plan. The rights distribution is not taxable to stockholders.

Stock Incentive Plan

ATI sponsored an incentive plan that provided for ATI stock option awards to officers and key employees. Teledyne Technologies had officers and key employees that participated in this plan prior to the spin-off. In connection with the spin-off, outstanding stock options held by Teledyne Technologies employees were converted into options to purchase Teledyne Technologies Common Stock. The number of shares and the exercise price of each ATI option that was converted to a Teledyne Technologies option was converted based upon a formula designed to preserve the inherent economic value, vesting and term provisions of such ATI options as of the Distribution Date. The exchange ratio and fair market value of the Teledyne Technologies Common Stock, upon active trading, also impacted the number of options issued to Teledyne Technologies employees.

Teledyne Technologies has established its own long-term incentive plan which provides its Board of Directors the flexibility to grant restricted stock, performance shares, non-qualified stock options, incentive stock options and stock appreciation rights to officers and employees of Teledyne Technologies.

The following disclosures are based on stock options held by Teledyne Technologies employees and include the stock options that have been converted from ATI options to Teledyne Technologies options as noted above. Teledyne Technologies accounts for its stock option plans in accordance with APB Opinion 25 Accounting for Stock Issued to Employees, (APB 25) and related Interpretations. Under APB 25, no compensation expense is recognized because the exercise price of the Company s employee stock options equals the market price of the underlying stock at the date of the grant.

If compensation cost for these options had been determined using the fair-value method prescribed by SFAS Statement No. 123, Accounting for Stock-based Compensation, (SFAS No. 123) net income would have been $2.0 million, $29.4 million and $47.4 million for 2001, 2000 and 1999, respectively. Basic earnings per share, if determined under SFAS No. 123, would have been $0.06 for 2001, $1.03 for 2000 and $1.74 for 1999. Diluted earnings per share, if determined under SFAS No. 123, would have been $0.06 for 2001, $1.00 for 2000 and $1.74 for 1999. The method of accounting under SFAS No. 123 has not been applied to options granted prior to January 1995; therefore, the resulting pro forma compensation expense may not be representative of that to be expected in future years. Under SFAS No. 123, the fair

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	For the year		
	2001	**2000**	**1999**
Expected dividend yield			
Expected volatility	**80.7%**	93.3%	40.1%
Risk-free interest rate	**5.0%**	5.5%	5.5%
Expected lives	**8.0**	8.0	8.0
Weighted-average fair value of options granted during the year	**$15.31**	$9.87	$4.91

Stock option transactions, including transactions in ATI Common Stock under ATI s incentive plan for Teledyne Technologies employees that have been converted to Teledyne Technologies options as noted above, are summarized as follows:

	2001		2000		1999	
	Shares	**Weighted Average Exercise Price**	**Shares**	**Weighted Average Exercise Price**	**Shares**	**Weighted Average Exercise Price**
Beginning balance	**2,429,312**	**$11.94**	2,123,297	$11.84	1,757,392	$12.36
Granted or issued	**720,250**	**$19.33**	699,500	$11.59	487,500	$ 8.93
Exercised	**(240,251)**	**$ 8.31**	(188,346)	$10.76	(91,329)	$ 5.76
Canceled or expired	**(151,860)**	**$13.22**	(205,139)	$10.74	(30,266)	$13.42
Ending balance	**2,757,451**	**$14.12**	2,429,312	$11.94	2,123,297	$11.84
Options exercisable at year-end	**1,592,964**	**$12.81**	1,187,213	$11.88	856,087	$10.93

The following table provides certain information with respect to stock options outstanding and stock options exercisable at year end 2001:

	Stock Options Outstanding			Stock Options Exercisable	
Range of Exercise Prices	**Shares**	**Weighted Average Exercise Price**	**Weighted Average Remaining Life**	**Shares**	**Weighted Average Exercise Price**
Under $10.00	1,041,187	$ 9.09	7.2	616,795	$ 8.84
$10.00 $14.99	527,864	$13.34	7.2	500,698	$13.35
$15.00 $19.99	1,121,982	$18.46	8.0	453,332	$16.97
$20.00 $24.99	33,000	$24.62	8.9	11,000	$24.62
$25.00 $28.69	33,418	$27.11	8.8	11,139	$27.11

2,762,292	$ 14.12	7.6	1,592,964	$ 12.81

Non-Employee Director Stock Compensation Plan

Teledyne Technologies also sponsors a stock plan for non-employee directors pursuant to which non-employee directors receive annual stock options and may receive stock or stock options in lieu of their respective retainer and meeting fees. During 2001, options for 48,661 shares were issued under the plan with exercise prices between $8.67 and $22.47 and a weighted-average exercise price of $13.04. During 2000, options for 20,659 shares were issued under the plan with exercise prices between $6.31 and $14.75 and a weighted-average exercise price of $12.63. At year end 1999, options for 15,073 shares were issued

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

under the plan with exercise prices between $6.62 and $9.94 and a weighted-average exercise price of $9.70. The options become exercisable one year after issuance and none have been exercised.

Note 10. Related Party Transactions

The accompanying financial statements include transactions with ATI for the year-to-date period ended November 29, 1999 (in millions):

	1999(a)
Net advances from ATI, beginning of the year	$ 104.7
Net cash transactions with ATI:	
Current provision for income taxes	26.5
Insurance expense	15.9
Pension income	(5.8)
Corporate general and administrative expense	7.3
Other net cash to ATI(b)	(91.4)
Net cash transactions with ATI	(47.5)
Net income	43.4
Net advances from ATI, end of period	$ 100.6

(a) For the year-to-date period ending November 29, 1999.

(b) Includes $100 million in long-term debt incurred by ATI and assumed by Teledyne Technologies at the date of the spin-off.

Until the spin-off date, Teledyne Technologies participated in ATI s centralized cash management system. Cash receipts in excess of cash requirements were transferred to ATI. These transactions with ATI were non-interest bearing and the net advances fluctuated on a daily basis.

Corporate general and administrative expenses represent allocations for expenses incurred by ATI on the Company s behalf including costs for finance, legal, tax and human resources functions. Amounts above were allocated based on net sales, which management believes to be reasonable. Teledyne Technologies participated in the defined benefit pension plan sponsored by ATI through the date of the spin-off. The expense for the plan was allocated to Teledyne Technologies based upon actuarially-determined amounts for the pension obligation and assets ultimately transferred from ATI to Teledyne Technologies at the time of the spin-off. Teledyne Technologies also participated in casualty, medical and life insurance programs sponsored by ATI. Insurance expense was allocated to Teledyne Technologies based upon actual losses incurred plus a share of pooled catastrophic losses under the ATI self-insurance program. In the opinion of management, the allocations of these expenses were reasonable.

In addition, prior to and in connection with the spin-off, Teledyne Technologies and ATI entered into agreements providing for the separation of the companies and governing various relationships for separating employee benefits and tax obligations, indemnification and transition services.

Net sales include $1.4 million of sales to other ATI subsidiaries for the eleven month period ended November 29, 1999.

Mellon Financial Corporation reported that subsidiaries in fiduciary capacities beneficially own about 5.2% of our Common Stock at December 30, 2001. The Company s Chairman, President and Chief Executive Officer is a director of Mellon Financial Corporation. Another of its directors is a former chief executive officer and director of Mellon Financial Corporation. All transactions with Mellon Bank, N.A. and its affiliates are effected under normal commercial terms, and the Company believes that its

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

relationships with Mellon Bank, N.A. and its affiliates are arms-length. Mellon Bank, N.A. is one of nine lenders under the Company s $200 million credit facility, having committed up to $33,750,000 under the facility. It also provides cash management services and an uncommitted $10 million line of credit. Mellon Bank, N.A. also serves as trustee under our pension plan. Mellon Investor Services LLC serves as our transfer agent and registrar, as well as agent under our stockholders rights plan.

Note 11. Long-Term Debt

Long-term debt at December 30, 2001 was $30 million in the form of bank borrowings under a $200 million long-term, revolving credit agreement. Borrowings under the agreement are on a revolving basis under commitments available until November 2004. The Company had $170 million available under its credit facility at December 30, 2001. At December 31, 2000, Teledyne Technologies had no long-term debt outstanding.

Borrowings under the revolving credit facility bear interest, at Teledyne Technologies option, at a rate based on either a defined base rate or the London Interbank Offered Rate (LIBOR), plus applicable margins. At December 30, 2001, the interest rate payable on the outstanding debt was 2.60%. The agreement also provides for facility fees which will vary between .35% and .20% of the credit line, depending on Teledyne Technologies capitalization ratio as calculated from time to time. Total interest expense including facility fees and other bank charges was $2.1 million in 2001, $5.4 million in 2000 and $0.8 million in 1999 from the date of the spin-off.

The financial covenants of the revolving credit agreement require the Company to maintain specified minimum consolidated net worth and ratios of consolidated debt and interest expense to certain measures of income. Under the most restrictive of these covenants, approximately $11.1 million ($9.5 million at December 31, 2000) of stockholders equity was available for dividends as of December 30, 2001.

Note 12. Income Taxes

Until the effective date of the spin-off, Teledyne Technologies was included in the consolidated federal and certain state income tax returns of ATI. ATI is responsible for paying the taxes related to such returns including any subsequent adjustment resulting from the redetermination of such tax liability by the applicable taxing authorities. Provision for income taxes for 1999 was calculated as if Teledyne Technologies had filed separate income tax returns for that year. Provision for income taxes from continuing operations was as follows (in millions):

	2001	2000	1999
Current			
Federal	**$ (5.6)**	$13.0	$26.7
State	**(1.2)**	4.3	6.2
Foreign	**(0.1)**	0.3	0.3
	(6.9)	17.6	33.2
Deferred			
Federal	**9.4**	5.0	(1.3)
State	**2.0**	(1.6)	(0.1)
	11.4	3.4	(1.4)
Provision for income taxes	**$ 4.5**	$21.0	$31.8

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Income before income taxes included income from domestic operations of $11.7 million for 2001, $52.4 million for 2000 and $78.1 million for 1999. The following is a reconciliation of the statutory federal income tax rate to the actual effective income tax rate:

	2001	2000	1999
U.S. federal statutory tax rate	**35.0%**	35.0%	35.0%
State and local taxes, net of federal benefit	**5.0**	5.2	5.2
Other	**(0.3)**	(0.5)	
Effective income tax rate	**39.7%**	39.7%	40.2%

Deferred income taxes result from temporary differences in the recognition of income and expense for financial and income tax reporting purposes, and differences between the fair value of assets acquired in business combinations accounted for as purchases for financial reporting purposes and their corresponding tax bases. Deferred income taxes represent future tax benefits or costs to be recognized when those temporary differences reverse. No valuation allowance has been recorded against deferred tax assets for 2001 or 2000. The categories of assets and liabilities that have resulted in differences in the timing of the recognition of income and expense were as follows (in millions):

	2001	2000
Deferred income tax assets:		
Postretirement benefits other than pensions	**$11.5**	$12.1
Reserves	**12.4**	17.3
Deferred compensation and other benefit plans	**2.8**	6.1
Inventory valuation	**5.1**	8.5
Accrued vacation	**4.9**	3.5
Other items	**0.3**	1.6
Total deferred income tax assets	**37.0**	49.1
Deferred income tax liabilities:		
Property, plant and equipment differences	**3.1**	3.3
Other items	**7.6**	1.9
Total deferred income tax liabilities	**10.7**	5.2
Net deferred income tax asset	**$26.3**	$43.9

Note 13. Pension Plans and Postretirement Benefits

Prior to the spin-off, certain Teledyne Technologies employees participated in the noncontributory defined benefit plan sponsored by ATI. Benefits under the defined benefit plan are generally based on years of service and/or final average pay. ATI funded the pension plan in accordance with the requirements of the Employee Retirement Income Security Act of 1974, as amended, and the Internal Revenue Code.

Net periodic pension income allocated to Teledyne Technologies was $9.5 million, $9.0 million and $6.6 million in 2001, 2000 and 1999, respectively.

As of the spin-off date, Teledyne Technologies assumed the existing defined benefit plan obligations for all of Teledyne Technologies employees, both active and inactive, at its companies that perform government contract work and for Teledyne Technologies active employees at its companies that do not perform government contract work. ATI transferred pension assets to fund the new Teledyne Technologies defined benefit pension plan, which at the time of the transfer had assets in excess of liabilities.

TELEDYNE TECHNOLOGIES INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Teledyne Technologies also participated in a 401(k) plan that was open to all full time U.S. employees and was sponsored by ATI. Teledyne Technologies established its own 401(k) plan effective April 1, 2000. The costs associated with these plans were $2.9 million, $3.1 million, and $2.8 million, for 2001, 2000 and 1999, respectively.

The Company sponsors several postretirement defined benefit plans covering certain salaried and hourly employees. The plans provide health care and life insurance benefits for certain eligible retirees.

The following table sets forth the components of net period pension benefit (income) expense for Teledyne Technologies defined benefit pension plans and postretirement benefit plans for 2001, 2000 and 1999 (in millions):

	Pension Benefits			Postretirement Benefits		
	2001	**2000**	**1999**	**2001**	**2000**	**1999**
Service cost benefits earned during the period	**$ 11.9**	$ 12.9	$ 12.7	**$ 0.1**	$ 0.1	$ 0.4
Interest cost on benefit obligation	**26.5**	25.1	23.6	**1.0**	0.9	1.8
Expected return on plan assets	**(40.0)**	(38.7)	(35.9)			
Amortization of net transition asset	**(4.7)**	(6.4)	(6.4)			
Amortization of prior service cost	**2.5**	2.2	2.1	**(0.4)**	(0.4)	(0.4)
Recognized actuarial (gain) loss	**(5.7)**	(4.1)	(2.7)	**(1.6)**	(1.7)	(0.4)
Net periodic benefit (income) expense	**$ (9.5)**	$ (9.0)	$ (6.6)	**$(0.9)**	$(1.1)	$ 1.4

The following table sets forth the reconciliation of the beginning and ending balances of the benefit obligation of the defined benefit pension and postretirement benefit plans (in millions):

	Pension Benefits		Postretirement Benefits	
	2001	**2000**	**2001**	**2000**
Changes in benefit obligation:				
Benefit obligation beginning of year	**$366.0**	$367.0	**$14.5**	$ 27.1
Service cost benefits earned during the period	**11.9**	12.9	**0.1**	0.1
Interest cost on projected benefit obligation	**26.5**	25.1	**1.0**	0.9
Actuarial gain	**(9.3)**	(24.0)	**1.5**	(12.3)
Benefits paid	**(21.1)**	(15.0)	**(1.3)**	(1.3)
Plan amendments	**1.8**			
Benefit obligation end of year	**$375.8**	$366.0	**$15.8**	$ 14.5

The following table sets forth the reconciliation of the beginning and ending balances of the fair value of plan assets for Teledyne Technologies defined benefit pension plans (in millions):

Pension Benefits

	2001	2000
Changes in plan assets:		
Fair value of plan assets beginning of year	**$418.4**	$437.7
Actual return on plan assets	**(11.4)**	(4.4)
Employer contribution	**0.6**	0.1
Benefits paid	**(21.1)**	(15.0)
Fair value of plan assets end of year	**$386.5**	$418.4

TELEDYNE TECHNOLOGIES INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The weighted average discount rate used in determining the benefit obligations was 7.5% as of December 30, 2001 and December 31, 2000. The weighted average rate of increase in future compensation levels used in determining the benefit obligations was approximately 4.5% in 2001 and 2000. The expected weighted average long-term rate of return on assets was 9.0% in 2001 and 2000.

The following table sets forth the funded status and amounts recognized in Teledyne Technologies consolidated balance sheets for the defined benefit pension plan and the postretirement benefit plan at year end 2001 and 2000 (in millions):

	Pension Benefits		Postretirement Benefits	
	2001	**2000**	**2001**	**2000**
Funded status	**$ 10.7**	$ 52.4	**$ (15.8)**	$ (14.5)
Unrecognized net transition asset		(4.7)		
Unrecognized prior service cost	**13.2**	14.1	**(0.3)**	(0.7)
Unrecognized net gain	**(20.1)**	(68.1)	**(12.9)**	(16.0)
Prepaid (accrued) benefit cost	**$ 3.8**	$ (6.3)	**$ (29.0)**	$ (31.2)
Prepaid pension cost	**$ 5.2**	$ (5.2)	**$**	$
Accrued postretirement benefits			**(29.0)**	(31.2)
Other liabilities	**(1.4)**	(1.1)		
Net amount recognized	**$ 3.8**	$ (6.3)	**$ (29.0)**	$ (31.2)

The annual assumed rate of increase in the per capita cost of covered benefits (the health care cost trend rate) for health care plans was 9% in 2002 and was assumed to decrease to 5.5% by the year 2009 and remain at that level thereafter. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one percentage point increase in the assumed health care cost trend rates would result in an increase in the annual service and interest costs by $49 thousand for 2001 and would result in an increase in the postretirement benefit obligation by $720 thousand at December 30, 2001. A one percentage point decrease in the assumed health care cost trend rates would result in a decrease in the annual service and interest costs by $44 thousand for 2001 and would result in a decrease in the postretirement benefit obligation by $644 thousand at December 30, 2001.

Note 14. Business Segments

Teledyne Technologies is a leading provider of sophisticated electronic components, instruments and communications products, systems engineering solutions and information technology services, and aerospace engines and components. Its customers include aerospace prime contractors, general aviation companies, government agencies and major communications and other commercial companies.

As noted in Note 1, in 2001 the Company realigned and changed the reporting structure of some of its business units. This realignment resulted in a new segment, the Energy Systems segment, the results of which had previously been reported under our Systems Engineering Solutions segment. Accordingly, previously reported segment data has been restated to reflect this realignment and structure. Teledyne Technologies now operates in four business segments: Electronics and Communications, Systems Engineering Solutions, Aerospace Engines and Components and Energy Systems. The factors for determining the reportable segments were based on the distinct nature of their operations. They are managed as separate business units because each requires and is responsible for executing a unique business strategy. The Electronics and Communications segment, sometimes referred to as Teledyne Electronic Technologies, provides a wide range of specialized electronic systems, instruments components and services that address niche market applications in commercial aerospace, communications, defense,

TELEDYNE TECHNOLOGIES INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

industrial and medical markets. The Systems Engineering Solutions segment, principally through Teledyne Brown Engineering, Inc., offers a wide range of engineering solutions and information services to government defense, aerospace and commercial customers. The Aerospace Engines and Components segment, principally through Teledyne Continental Motors, Inc., focuses on the design, development and manufacture of piston engines, turbine engines, electronic engine controls and batteries. The Energy Systems segment, through Teledyne Energy Systems, Inc., provides on-site gas and power generation systems based on proprietary fuel cell, electrolysis and thermoelectric technologies. It currently includes the majority-owned entity that was formed in the third quarter of 2001.

Identifiable assets are those assets used in the operations of the segments. Corporate assets primarily consist of cash and cash equivalents, deferred tax assets, net pension assets and other assets, including the net assets of discontinued operations in 1999.

TELEDYNE TECHNOLOGIES INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Information on the Company s business segments was as follows (in millions):

	2001	2000	1999
Sales			
Electronics and Communications	**$369.7**	$373.4	$361.7
Systems Engineering Solutions	**200.8**	212.3	191.7
Aerospace Engines and Components	**159.2**	199.8	194.2
Energy Systems	**14.6**	9.6	13.8
Total sales	**$744.3**	$795.1	$761.4
Operating profit (loss)			
Electronics and Communications	**$ 9.9**	$ 39.3	$ 45.8
Systems Engineering Solutions	**12.1**	18.2	15.7
Aerospace Engines and Components	**8.2**	15.8	24.8
Energy Systems	**(6.0)**	(0.9)	1.3
Segment operating profit	**24.2**	72.4	87.6
Corporate expense	**(13.4)**	(15.3)	(8.8)
Interest and debt expense, net	**(1.9)**	(5.3)	(0.8)
Other income	**2.4**	1.1	1.0
Income before taxes	**$ 11.3**	$ 52.9	$ 79.0
Depreciation and amortization			
Electronics and Communications	**$ 13.4**	$ 9.6	$ 6.7
Systems Engineering Solutions	**2.1**	2.1	2.2
Aerospace Engines and Components	**4.6**	3.0	2.2
Energy Systems	**0.4**	0.1	0.2
Total depreciation and amortization	**$ 20.5**	$ 14.8	$ 11.3
Capital expenditures			
Electronics and Communications	**$ 18.8**	$ 21.4	$ 13.5
Systems Engineering Solutions	**2.0**	3.4	1.8
Aerospace Engines and Components	**5.1**	5.6	12.8
Energy Systems	**0.5**	0.3	0.2
Total capital expenditures	**$ 26.4**	$ 30.7	$ 28.3
Identifiable assets			
Electronics and Communications	**$177.6**	$150.6	$116.0
Systems Engineering Solutions	**35.8**	54.8	46.7
Aerospace Engines and Components	**54.1**	63.9	62.1
Energy Systems	**9.2**	8.0	7.0
Corporate	**72.6**	73.6	81.6

Total identifiable assets	**$349.3**	$350.9	$313.4

The Company s total backlog of confirmed orders was approximately $300.8 million at December 30, 2001, $339.2 million at December 31, 2000 and $348.0 million at January 2, 2000.

TELEDYNE TECHNOLOGIES INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Information on the Company s sales to the U.S. Government, including direct sales as a prime contractor and indirect sales as a subcontractor, were as follows (in millions):

	2001	2000	1999
Electronics and Communications	**$107.8**	$ 97.5	$101.0
Systems Engineering Solutions	**195.7**	193.2	180.5
Aerospace Engines and Components	**27.3**	51.4	47.5
Energy Systems	**7.8**	5.2	5.0
Total U.S. Government sales	**$338.6**	$347.3	$334.0

Sales to the U.S. Government included sales to the Department of Defense of $226.6 million in 2001, $246.8 million in 2000 and $232.1 million in 1999.

Total international sales were $126.2 million in 2001, $135.2 million in 2000 and $136.9 million in 1999. Of these amounts, sales by operations in the United States to customers in other countries were $113.6 million in 2001, $119.2 million in 2000 and $119.9 million in 1999. There were no sales to individual countries outside of the United States in excess of 10 percent of the Company s net sales. Sales between business segments, which were not material, generally were priced at prevailing market prices.

Note 15. Commitments and Contingencies

Rental expense, under operating leases, net of sublease income, was $9.6 million in 2001, $8.4 million in 2000 and $9.9 million in 1999. Future minimum rental commitments under operating leases with non-cancelable terms of more than one year as of December 30, 2001, were as follows (in millions): $8.8 in 2002, $7.6 in 2003, $5.6 in 2004, $2.5 in 2005, $2.1 in 2006 and $11.4 thereafter.

The Company is subject to federal, state and local environmental laws and regulations which require that it investigate and remediate the effects of the release or disposal of materials at sites associated with past and present operations, including sites at which the Company has been identified as a potentially responsible party under the federal Superfund laws and comparable state laws. The Company has been identified as a potentially responsible party at approximately 17 such sites, excluding those at which the Company believes it has no future liability.

In accordance with the Company s accounting policy disclosed in Note 2, environmental liabilities are recorded when the Company s liability is probable and the costs are reasonably estimable. In many cases, however, investigations are not yet at a stage where the Company has been able to determine whether it is liable or, if liability is probable, to reasonably estimate the loss or range of loss, or certain components thereof. Estimates of the Company s liability are further subject to uncertainties regarding the nature and extent of site contamination, the range of remediation alternatives available, evolving remediation standards, imprecise engineering evaluations and estimates of appropriate cleanup technology, methodology and cost, the extent of corrective actions that may be required, and the number and financial condition of other potentially responsible parties, as well as the extent of their responsibility for the remediation. Accordingly, as investigation and remediation of these sites proceeds, it is likely that adjustments in the Company s accruals will be necessary to reflect new information. The amounts of any such adjustments could have a material adverse effect on the Company s results of operations in a given period, but the amounts, and the possible range of loss in excess of the amounts accrued, are not reasonably estimable. Based on currently available information, however, management does not believe that future environmental costs in excess of those accrued with respect to sites with which the Company has been identified are likely to have a material adverse effect on the Company s financial condition or liquidity. However, there can be no assurance that additional future developments, administrative actions or liabilities relating to

TELEDYNE TECHNOLOGIES INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

environmental matters will not have a material adverse effect on the Company s financial condition or results of operations.

At December 30, 2001, the Company s reserves for environmental remediation obligations totaled approximately $2.4 million, of which approximately $0.7 million were included in other current liabilities. The Company is evaluating whether it may be able to recover a portion of future costs for environmental liabilities from its insurance carriers and from third parties other than participating potentially responsible parties.

The timing of expenditures depends on a number of factors that vary by site, including the nature and extent of contamination, the number of potentially responsible parties, the timing of regulatory approvals, the complexity of the investigation and remediation, and the standards for remediation. The Company expects that it will expend present accruals over many years, and will complete remediation of all sites with which it has been identified in up to thirty years.

Various claims (whether based on U.S. Government or Company audits and investigations or otherwise) have been or may be asserted against the Company related to its U.S. Government contract work, including claims based on business practices and cost classifications and actions under the False Claims Act. Although such claims are generally resolved by detailed fact-finding and negotiation, on those occasions when they are not so resolved, civil or criminal legal or administrative proceedings may ensue. Depending on the circumstances and the outcome, such proceedings could result in fines, penalties, compensatory and treble damages or the cancellation or suspension of payments under one or more U.S. Government contracts. Under government regulations, a company, or one or more of its operating divisions or units, can also be suspended or debarred from government contracts based on the results of investigations. However, although the outcome of these matters cannot be predicted with certainty, management does not believe there is any audit, review or investigation currently pending against the Company of which management is aware that is likely to result in suspension or debarment of the Company, or that is otherwise likely to have a material adverse effect on the Company s financial condition or liquidity, although the resolution in any reporting period of one or more of these matters could have a material adverse effect on the Company s results of operations for that period.

The Company learns from time to time that it has been named as a defendant in civil actions filed under seal pursuant to the False Claims Act. Generally, since such cases are under seal, the Company does not in all cases possess sufficient information to determine whether the Company could sustain a material loss in connection with such cases, or to reasonably estimate the amount of any loss attributable to such cases.

In connection with the spin-off, ATI received a tax ruling from the Internal Revenue Service stating in principle that the spin-off will be tax free to ATI and ATI s stockholders. The continuing validity of the IRS tax ruling is subject to the use of the proceeds from the public offering for research and development and related capital projects, for the further development of manufacturing capabilities and for acquisitions and/or joint ventures. At December 30, 2001 this requirement had been satisfied.

The Tax Sharing and Indemnification Agreement between ATI and Teledyne Technologies provides that the Company will indemnify ATI and its agents and representatives for taxes imposed on, and other amounts paid by, them or ATI stockholders if the Company takes actions or fails to take actions that result in the spin-off not qualifying as a tax-free distribution. If the Company were required to so indemnify ATI, such an obligation could have a material adverse effect on its financial condition, results of operations and cash flow and the amount the Company could be required to pay could exceed its net worth by a substantial amount.

A number of other lawsuits, claims and proceedings have been or may be asserted against the Company relating to the conduct of its business, including those pertaining to product liability, patent infringement, commercial, employment and employee benefits. While the outcome of litigation cannot be

TELEDYNE TECHNOLOGIES INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

predicted with certainty, and some of these lawsuits, claims or proceedings may be determined adversely to the Company, management does not believe that the disposition of any such pending matters is likely to have a material adverse effect on the Company s financial condition or liquidity, although the resolution in any reporting period of one or more of these matters could have a material adverse effect on the Company s results of operations for that period.

Note 16. Quarterly Financial Data (Unaudited)

The following is Teledyne Technologies quarterly information (in millions, except per-share amounts):

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Fiscal year 2001(a)				
Sales	$189.7	$184.0	$185.6	$185.0
Gross profit	$ 43.4	$ 36.1	$ 44.5	$ 46.7
Net income (loss) from continuing operations	$ 4.8	$ (10.2)	$ 5.7	$ 6.5
Discontinued operations, net of tax		(0.2)		
Net income (loss)	$ 4.8	$ (10.4)	$ 5.7	$ 6.5
Basic earnings (loss) per share				
Continuing operations	$ 0.15	$ (0.32)	$ 0.18	$ 0.20
Discontinued operations		(0.01)		
Basic earnings (loss) per share	$ 0.15	$ (0.33)	$ 0.18	$ 0.20
Diluted earnings (loss) per share				
Continuing operations	$ 0.15	$ (0.32)	$ 0.18	$ 0.20
Discontinued operations		(0.01)		
Diluted earnings (loss) per share	$ 0.15	$ (0.33)	$ 0.18	$ 0.20
Fiscal year 2000(b)				
Sales	$195.4	$202.3	$201.1	$196.3
Gross profit	$ 54.9	$ 55.4	$ 55.7	$ 49.5
Net Income from continuing operations	$ 10.3	$ 2.8	$ 9.7	$ 9.1
Discontinued operations, net of tax	(0.1)	0.3	0.1	0.1
Net Income	$ 10.2	$ 3.1	$ 9.8	$ 9.2
Basic earnings per share				
Continuing operations	$ 0.38	$ 0.10	$ 0.33	$ 0.29
Discontinued operations		0.01		
Basic earnings per share	$ 0.38	$ 0.11	$ 0.33	$ 0.29

Diluted earnings per share				
Continuing operations	$ 0.38	$ 0.10	$ 0.32	$ 0.28
Discontinued operations		0.01		
Diluted earnings per share	$ 0.38	$ 0.11	$ 0.32	$ 0.28

(a) The 2001 results include second quarter pretax charges of $26.4 million for asset impairments and restructuring and other charges, of which a pretax charge of $0.3 million is included in discontinued operations.

(b) The 2000 results include second quarter pretax charges of $12 million for product recall reserves and pretax charges totaling $2.2 million in the fourth quarter of 2000 for receivables and cost adjustments.

Schedule II

TELEDYNE TECHNOLOGIES INCORPORATED

VALUATION AND QUALIFYING ACCOUNTS

For the Fiscal Years Ended December 30, 2001, December 31, 2000 and January 2, 2000
(In millions)

		Additions			
Description	**Balance at beginning of period**	**Charged to costs and expenses**	**Charged to other accounts**	**Deductions(a)**	**Balance at end of period**
Fiscal 2001					
Reserve for doubtful accounts	**$ 2.0**	**0.7**			**$ 2.7**
Aircraft product liability reserve	**$21.0**	**11.9**		**(27.4)**	**$ 5.5**
Environmental reserves	**$ 2.3**	**0.4**		**(0.3)**	**$ 2.4**
Fiscal 2000					
Reserve for doubtful accounts	$ 3.3	0.1		(1.4)	$ 2.0
Aircraft product liability reserve	$15.3	20.0		(14.3)	$21.0
Environmental reserves	$ 1.0	1.6		(0.3)	$ 2.3
Fiscal 1999					
Reserve for doubtful accounts	$ 2.8	0.5			$ 3.3
Aircraft product liability reserve	$19.0	9.0		(12.7)	$15.3
Environmental reserves	$ 1.4			(0.4)	$ 1.0

(a) Represents payments except the 2000 amount for allowance for doubtful accounts primarily represents the collection of an account previously reserved.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized as of March 18, 2002.

Teledyne Technologies Incorporated (Registrant)

By: /s/ ROBERT MEHRABIAN

Robert Mehrabian
Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ ROBERT MEHRABIAN Robert Mehrabian	Chairman, President and Chief Executive Officer (Principal Executive Officer) and Director	March 18, 2002
/s/ ROBERT J. NAGLIERI Robert J. Naglieri	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	March 18, 2002
/s/ DALE A. SCHNITTJER Dale A. Schnittjer	Vice President and Controller (Principal Accounting Officer)	March 18, 2002
* Robert P. Bozzone	Director	March 18, 2002
* Paul S. Brentlinger	Director	March 18, 2002
* Frank V. Cahouet	Director	March 18, 2002
* Diane C. Creel	Director	March 18, 2002
* Charles Crocker	Director	March 18, 2002
* C. Fred Fetterolf	Director	March 18, 2002
* Paul D. Miller	Director	March 18, 2002

*	Director	March 18, 2002
Charles J. Queenan, Jr.		
*	Director	March 18, 2002
Michael T. Smith		

*By /s/ MELANIE S. CIBIK

Melanie S. Cibik
Pursuant to Powers of Attorney
filed as Exhibits 24.1 and 24.2

EXHIBIT INDEX

Exhibit No.	Description
2.1	Separation and Distribution Agreement dated as of November 29, 1999 by and among Allegheny Teledyne Incorporated, TDY Holdings, LLC, Teledyne Industries, Inc. and Teledyne Technologies Incorporated (incorporated by reference to Exhibit 2.1 to the Company s Current Report on Form 8-K dated as of November 29, 1999 (File No. 1-15295))
3.1	Restated Certificate of Incorporation of Teledyne Technologies Incorporated (including Certificate of Designation of Series A Junior Participating Preferred Stock) (incorporated by reference to Exhibit 3.1 to the Company s Annual Report on Form 10-K for the year ended January 2, 2000 (File No. 1-15295))
3.2	Amended and Restated Bylaws of Teledyne Technologies Incorporated (incorporated by reference to Exhibit 3.2 to the Company s Annual Report on Form 10-K for the year ended January 2, 2000 (File No. 1-15295))
4.1	Rights Agreement dated as of November 29, 1999 between Teledyne Technologies Incorporated and ChaseMellon Shareholder Services, L.L.C. (incorporated by reference to Exhibit 4.1 to the Company s Current Report on Form 8-K dated as of November 29, 1999 (File No. 1-15295))
4.2	Credit Agreement dated as of October 29, 1999 among Allegheny Teledyne Incorporated, Teledyne Technologies Incorporated, Bank of America, N.A., as Administrative Agent, Swing Line Lender and Issuing Lender, and the other financial institutions party thereto (incorporated by reference to Exhibit 4.2 to the Company s Annual Report on Form 10-K for the year ended January 2, 2000 (File No. 1-15295))
4.3	First Amendment to the Credit Agreement dated as of November 10, 1999 (incorporated by reference to Exhibit 4.3 to the Company s Annual Report on Form 10-K for the year ended January 2, 2000 (File No. 1-15295))
4.4	Second Amendment to the Credit Agreement dated as of July 28, 2000 (incorporated by reference to Exhibit 4 to the Company s Form 10-Q for the quarter ended July 2, 2000 (File No. 1-15295))
10.1	Tax Sharing and Indemnification Agreement between Allegheny Teledyne Incorporated and Teledyne Technologies Incorporated (incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K dated as of November 29, 1999 (File No. 1-15295))
10.2	Employee Benefits Agreement between Allegheny Teledyne Incorporated and Teledyne Technologies Incorporated (incorporated by reference to Exhibit 10.3 to the Company s Current Report on Form 8-K/ A (Amendment No. 1) dated as of November 29, 1999 (File No. 1-15295))
10.3	Trademark License Agreement between Allegheny Teledyne Incorporated and Teledyne Technologies Incorporated (incorporated by reference to Exhibit 10.4 to the Company s Current Report on Form 8-K dated as of November 29, 1999 (File No. 1-15295))
10.4	Teledyne Technologies Incorporated 1999 Incentive Plan (incorporated by reference to Exhibit 10.5 to the Company s Annual Report on Form 10-K for the year ended January 2, 2000 (File No. 1-15295))
10.5	Teledyne Technologies Incorporated 1999 Non-Employee Director Stock Compensation Plan (incorporated by reference to Exhibit 10.6 to the Company s Annual Report on Form 10-K for the year ended January 2, 2000 (File No. 1-15295))
10.6	Amendment No. 1 to Teledyne Technologies Incorporated 1999 Non-Employee Director Stock Compensation Plan (incorporated by reference to Exhibit 10.7 to the Company s Annual Report on Form 10-K for the year ended December 31, 2000 (File No. 1-15295)
10.7	Amendment No. 2 to Teledyne Technologies Incorporated 1999 Non-Employee Director Stock Compensation Plan (incorporated by reference to Exhibit 10.8 to the Company s Annual Report on Form 10-K for the year ended December 31, 2000 (File No. 1-15295)

Exhibit No.	Description
10.8	Amended and Restated Employment Agreement dated as of April 25, 2001 between Robert Mehrabian and Teledyne Technologies Incorporated*
10.9	Form of Change of Control Severance Agreement (incorporated by reference to Exhibit 10.9 to the Company s Annual Report on Form 10-K for the year ended January 2, 2000 (File No. 1-15295) and with respect to Robert J. Naglieri incorporated by reference to Exhibit 10.1 to the Company s Annual Report on Form 10-Q for the quarter ended October 1, 2000 (File No. 1-5295))
10.10	Teledyne Technologies Incorporated Executive Deferred Compensation Plan(incorporated by reference to Exhibit 10.10 to the Company s Annual Report on Form 10-K for the year ended January 2, 2000 (File No. 1-15295))
10.11	Amendment No. 1 to Teledyne Technologies Incorporated Executive Deferred Compensation Plan (incorporated by reference to Exhibit 10.12 to the Company s Annual Report on Form 10-K for the year ended December 31, 2000 (File No. 1-15295)
10.12	Amendment No. 2 to Teledyne Technologies Incorporated Executive Deferred Compensation Plan (incorporated by reference to Exhibit 10.13 to the Company s Annual Report on Form 10-K for the year ended December 31, 2000 (File No. 1-15295)
10.13	Teledyne Technologies Incorporated Pension Equalization/Benefit Restoration Plan (incorporated by reference to Exhibit 10.11 to the Company s Annual Report on Form 10-K for the year ended January 2, 2000 (File No. 1-15295))
10.14	Teledyne Technologies Incorporated 2002 Stock Incentive Plan*
21	Significant Subsidiaries of Teledyne Technologies Incorporated*
23	Consent of Ernst & Young LLP, Independent Auditors*
24.1	Power of Attorney Directors other than Paul D. Miller*
24.2	Power of Attorney Paul D. Miller*

* Filed herewith.

Denotes management contract or compensatory plan or arrangement required to be filed as an Exhibit to this Form 10-K.