

LYDALL INC /DE/
Form 4
December 12, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
BYRD RANDALL L

(Last) (First) (Middle)

**C/O LYDALL, INC., ONE
COLONIAL ROAD, P.O BOX 151**

(Street)

MANCHESTER, CT 06045-151

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
LYDALL INC /DE/ [LDL]

3. Date of Earliest Transaction
(Month/Day/Year)
12/07/2006

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
☒ Officer (give title below) ____ Other (specify
below) below)

President, N.A. Automotive

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock 401(k)				(A) or (D)			
			Code	V	Amount		Price
Common Stock ESPP						128.6 ⁽¹⁾	D
						272.9 ⁽³⁾	D
Common Stock	12/07/2006		A	5,000 ⁽²⁾	A	\$ 0 5,000	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form**

SEC 1474
(9-02)

displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
				Code V (A) (D)		Date Exercisable Expiration Date	Title Amount or Number of Shares
Option to Buy	\$ 10.87	12/07/2006		A	5,000	12/07/2007 ⁽⁴⁾ 12/06/2016	Common Stock 5,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
BYRD RANDALL L C/O LYDALL, INC. ONE COLONIAL ROAD, P.O BOX 151 MANCHESTER, CT 06045-151	President, N.A. Automotive

Signatures

David A. Jacoboski, Attorney-in-fact for Randall L.Byrd

12/11/2006

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) The reporting person acquired 128.6 shares through the Company's 401(k) Plan between 1/1/2006 and 12/7/2006.
- (2) Restricted stock award granted under the Lydall 2003 Stock Incentive Compensation Plan. Award vests in four equal annual installments beginning one year from initial grant date.
- (3) The reporting person acquired 260.9 shares through the Company's ESPP between 1/1/2006 and 12/7/2006.
- (4) Employee Stock Option granted under the Lydall 2003 Stock Incentive Compensation Plan. Option becomes exercisable in four equal annual installments beginning one year from initial grant date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.