LYDALL INC /DE/

FORM 4
(Statement of Changes in Beneficial Ownership)

Filed 12/12/2006 For Period Ending 12/7/2006

Address	ONE COLONIAL RD P O BOX 151
	MANCHESTER, Connecticut 06045-0151
Telephone	203-646-1233
CIK	0000060977
Industry	Textiles - Non Apparel
Sector	Consumer Cyclical
Fiscal Year	12/31

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FORM 4

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

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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(f) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *	2. Issuer Name **and** Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
ATWELL IAN (Last) (First) (Middle)	**LYDALL INC /DE/ [LDL]**	_____ Director _____ 10% Owner __ **X** __ Officer (give title below) _____ Other (specify below) **Director of Internal Audit**
C/O LYDALL, INC., ONE COLONIAL ROAD, P.O BOX 151 (Street)	3. Date of Earliest Transaction (MM/DD/YYYY) **12/7/2006**	
MANCHESTER, CT 06045-0151 (City) (State) (Zip)	4. If Amendment, Date Original Filed (MM/DD/YYYY)	6. Individual or Joint/Group Filing (Check Applicable Line) _ **X** _ 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. Trans. Date	2A. Deemed Execution Date, if any	3. Trans. 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)
			Code	V	Amount	(A) or (D)	Price			
Common Stock 401(k)								**287** (2)	**D**	
Common Stock	**12/7/2006**		**A**		**900** (3)	**A**	**$0**	**900**	**D**	

Table II - Derivative Securities Beneficially Owned (*e.g.* , puts, calls, warrants, options, convertible securities)

1. Title of Derivate Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Trans. Date	3A. Deemed Execution Date, if any	4. Trans. Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction (s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Option to Buy	**$10.87**	**12/7/2006**		**A**		**900**		**12/7/2007** (1)	**12/6/2016**	**Common Stock**	**900**	**$0**	**5900**	**D**	

Explanation of Responses:

(1) Employee Stock Option granted under the Lydall 2003 Stock Incentive Compensation Plan. Option becomes exercisable in four equal annual installments begining one year from initial grant date.

(2) The reporting person acquired 95.8 shares through the Company's 401(k) Plan between 1/1/2006 and 12/7/2006.

(3) Restricted stock award granted under the Lydall 2003 Stock Incentive Compensation Plan. Award vests in four equal annual installments begining one year from initial grant date.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ATWELL IAN				

C/O LYDALL, INC. ONE COLONIAL ROAD, P.O BOX 151 MANCHESTER, CT 06045-0151			**Director of Internal Audit**	

Signatures

David A. Jacoboski, Attorney-in-fact for Ian P. Atwell **12/12/2006**

** Signature of Reporting Person — Date

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

***** 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).

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

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