



LYDALL ANNOUNCES PARTNERSHIP WITH VIRGINIA PORT AUTHORITY

Partnership to result in a world-class paper distribution facility at The Port of Virginia's Newport News Marine Terminal

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MANCHESTER, CONNECTICUT – October 11, 2001 – Lydall, Inc. announced today that Lydall Distribution Services has formed a unique partnership with the Virginia Port Authority and its operating company, Virginia International Terminals, Inc., that will result in a new world-class paper distribution facility at The Port of Virginia's Newport News Marine Terminal.

The new facility will be operated as the Lydall Paper Distribution Center under the management of Lydall Distribution Services, Inc., and will offer Port customers the advantages of a fully dedicated, on-terminal paper distribution warehouse operation. Lydall, with over 50 years of distribution service experience, specializes in the kind of time-sensitive shipments that are common in paper-hauling and has an in-depth understanding of the special nature and requirements of the paper and printing industries.

"We look forward to offering a total distribution solution for all types of paper products to our customers and to attracting new customers to The Port of Virginia," said Bill Franks, President of Lydall Distribution Services. "The Center will give us the opportunity to expand the breadth of our services as well as to enhance the services of Virginia Ports and to be a part of the continuing expansion of business within the Commonwealth."

According to Joe Dorto, General Manager of Virginia International Terminals, Inc., "The new operation will give Virginia Ports the unique ability to handle new paper cargoes and enhance the growth of the Port's current cargo base. The location of the facility, our partnership with Lydall, and the combined experience of the personnel at Lydall and the Port will offer service advantages to our mutual customers and operational advantages not available at other port facilities."

The new 100,000 square-foot paper distribution facility is expected to be fully operational by December 2001, and will handle both breakbulk and containerized paper cargoes with Lydall's specialized equipment and systems.

Lydall Distribution Services is a division of Lydall Transport, Ltd., which provides transportation and distribution services for all Lydall companies and a variety of specialized product manufacturers in the U.S. and Canada. Lydall, Inc. is a New York Stock Exchange listed company (LDL), headquartered in Manchester, Connecticut. The Company, with nine operations in the U.S., one in France, one in Germany, and offices in Japan, focuses on specialty engineered products for the thermal/acoustical and filtration/separation markets.

The Virginia Port Authority is an agency of the Commonwealth of Virginia, reporting to the Secretary of Transportation. It is the state's leading agency for international transportation and maritime commerce, charged with operating the state-owned marine terminal facilities through which international waterborne shipping takes place. The agency owns and operates four general cargo facilities on behalf of the state: Norfolk International Terminals, Newport News Marine Terminal, Portsmouth Marine Terminal, and the Virginia Inland Port in Warren County, Virginia. The terminals are operated by Virginia International Terminals, Inc., the non-stock, non-profit operating affiliate of the Virginia Port Authority.