LYDALL INC /DE/

Form 4

December 12, 2006

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

OMB

OMB APPROVAL

Number:

3235-0287 January 31,

0.5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF subject to **SECURITIES** Section 16. Form 4 or

2005 Estimated average

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Expires:

Form 5 obligations may continue. See Instruction

Check this box

if no longer

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

1(b).

(Last)

(City)

(Print or Type Responses)

1. Name and Address of Reporting Person * FREEMAN DAVID

(First)

(Middle)

(Zip)

2. Issuer Name and Ticker or Trading

Symbol

LYDALL INC /DE/ [LDL]

3. Date of Earliest Transaction

(Month/Day/Year)

C/O LYDALL, INC., ONE 12/07/2006 COLONIAL ROAD, P. O. BOX 151

_X__ Director 10% Owner

(Check all applicable)

5. Relationship of Reporting Person(s) to

X_ Officer (give title below)

Other (specify

President & CEO 6. Individual or Joint/Group Filing(Check

(Street)

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

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

Issuer

MANCHESTER, CT 06045-0151

(State)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3)

3. 4. Securities Acquired Transaction(A) or Disposed of Code (D) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned Following Reported

6. Ownership 7. Nature of Form: Direct Indirect (D) or Beneficial Indirect (I) Ownership (Instr. 4) (Instr. 4)

(A) Amount

Transaction(s)

(Instr. 3 and 4) (D) Price

Common

Stock 401(k) 7 D

Common 10,000 12/07/2006 \$0 D Α 126,882 (1) Stock

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

(Month/Day/Year)

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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)	4. Transactio 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 (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	4,000	12/07/2007(2)	12/06/2016	Common Stock	4,000

Reporting Owners

Reporting Owner Name / Address	Relationships				
. 0	Director	10% Owner	Officer	Other	
FREEMAN DAVID C/O LYDALL, INC. ONE COLONIAL ROAD, P. O. BOX 151 MANCHESTER, CT 06045-0151	X		President & CEO		

Signatures

David A. Jacoboski, Attorney-in-fact for David Freeman 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) 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.
- (2) 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.

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