

GOLDMAN SACHS ASSET MANAGEMENT LP  
Form SC 13G/A  
March 10, 2004

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

SCHEDULE 13G  
Under the Securities Exchange Act of 1934  
Amendment No. 2

Lydall, Inc.

-----  
(Name of Issuer)

Common Stock, \$0.10 par value

-----  
(Title of Class of Securities)

550819106

-----  
(CUSIP Number)

February 29, 2004

-----  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

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-----  
CUSIP No. 550819106

13G

-----  
1. Name of Reporting Person  
I.R.S. Identification No. of above Person

Goldman Sachs Asset Management, L.P.

-----  
2. Check the Appropriate Box if a Member of a Group (a)   
(b)

-----  
3. SEC Use Only

-----  
4. Citizenship or Place of Organization

Delaware

-----  
5. Sole Voting Power

Number of 477,181

Shares

Beneficially

-----  
6. Shared Voting Power

842,834

Owned by

Each

-----  
7. Sole Dispositive Power

Reporting 808,390

Person

-----  
8. Shared Dispositive Power

With:

842,834

-----  
9. Aggregate Amount Beneficially Owned by Each Reporting Person

1,651,224

-----  
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares

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11. Percent of Class Represented by Amount in Row (9)

10.2%

-----  
12. Type of Reporting Person

IA

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-----  
CUSIP No. 550819106  
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13G

- 1. Name of Reporting Person  
I.R.S. Identification No. of above Person

Goldman Sachs Trust on behalf of  
Goldman Sachs Small Cap Equity Fund

- 2. Check the Appropriate Box if a Member of a Group

(a)

(b)

- 3. SEC Use Only

- 4. Citizenship or Place of Organization

Delaware

- 5. Sole Voting Power

Number of  
Shares

0

Beneficially

- 6. Shared Voting Power

842,834

Owned by

Each

- 7. Sole Dispositive Power

Reporting

0

Person

- 8. Shared Dispositive Power

With:

842,834

- 9. Aggregate Amount Beneficially Owned by Each Reporting Person

842,834

- 10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares

- 11. Percent of Class Represented by Amount in Row (9)

5.2%

-----  
12. Type of Reporting Person

IC  
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Item 2(a). Name of Persons Filing:  
Goldman Sachs Asset Management, L.P. and Goldman Sachs Trust  
on behalf of Goldman Sachs Small Cap Equity Fund

Item 2(c). Citizenship:  
Goldman Sachs Asset Management, L.P. - Delaware  
Goldman Sachs Trust - Delaware

Item 3. If this statement is filed pursuant to Rules 13d-1(b) or  
13d-2(b) or (c), check whether the person filing is a :

- (a).  Broker or dealer registered under Section 15 of the Act  
(15 U.S.C. 78o).
- (b).  Bank as defined in Section 3(a)(6) of the Act  
(15 U.S.C. 78c).
- (c).  Insurance company as defined in Section 3(a)(19) of the Act  
(15 U.S.C. 78c).
- (d).  Investment company registered under Section 8 of the  
Investment Company Act of 1940 (15 U.S.C. 80a-8);  
Goldman Sachs Trust on behalf of Goldman Sachs Small Cap  
Equity Fund
- (e).  An investment adviser in accordance with  
Rule 13d-1(b)(1)(ii)(E);  
Goldman Sachs Asset Management, L.P.
- (f).  An employee benefit plan or endowment fund in accordance  
with Rule 13d-1(b)(1)(ii)(F);
- (g).  A parent holding company or control person in accordance  
with Rule 13d-1(b)(1)(ii)(G);
- (h).  A savings association as defined in Section 3(b) of the  
Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i).  A church plan that is excluded from the definition of an  
investment company under Section 3(c)(14) of the  
Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j).  Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

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Item 4. Ownership.\*

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- (a). Amount beneficially owned:  
See the response(s) to Item 9 on the attached cover page(s).
- (b). Percent of Class:  
See the response(s) to Item 11 on the attached cover page(s).
- (c). Number of shares as to which such person has:
  - (i). Sole power to vote or to direct the vote: See the response(s) to Item 5 on the attached cover page(s).
  - (ii). Shared power to vote or to direct the vote: See the response(s) to Item 6 on the attached cover page(s).
  - (iii). Sole power to dispose or to direct the disposition of: See the response(s) to Item 7 on the attached cover page(s).
  - (iv). Shared power to dispose or to direct the disposition of: See the response(s) to Item 8 on the attached cover page(s).

Item 10.

Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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\* In accordance with Securities and Exchange Commission ("SEC") Release No. 34-39538 (January 12, 1998), this filing reflects the securities beneficially owned by Goldman Sachs Asset Management, L.P. ("GSAM LP"). GSAM LP, an investment advisor, disclaims beneficial ownership of any securities managed, on GSAM LP's behalf, by third parties.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: March 10, 2004

GOLDMAN SACHS ASSET MANAGEMENT, L.P.

By: /s/ Roger S. Begelman

-----  
Name: Roger S. Begelman  
Title: Attorney-in-fact

GOLDMAN SACHS TRUST on behalf of  
Goldman Sachs Small Cap Equity Fund

By: /s/ Roger S. Begelman  
-----

Name: Roger S. Begelman  
Title: Attorney-in-fact

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INDEX TO EXHIBITS

Exhibit No. -----	Exhibit -----
99.1	Joint Filing Agreement, dated March 10, 2004, between Goldman Sachs Asset Management, L.P. and Goldman Sachs Trust on behalf of Goldman Sachs Small Cap Equity Fund
99.2	Power of Attorney, dated November 19, 2003, relating to Goldman Sachs Asset Management, L.P.
99.3	Power of Attorney, dated July 9, 2003, relating to Goldman Sachs Trust

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EXHIBIT (99.1)

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k)(1) promulgated under the Securities Exchange Act of 1934, the undersigned agree to the joint filing of a Statement on Schedule 13G (including any and all amendments thereto) with respect to the common stock, \$0.10 par value, of Lydall, Inc. and further agree to the filing of this agreement as an Exhibit thereto. In addition, each party to this Agreement expressly authorizes each other party to this Agreement to file on its behalf any and all amendments to such Statement on Schedule 13G.

Date: March 10, 2004

GOLDMAN SACHS ASSET MANAGEMENT, L.P.

By: /s/ Roger S. Begelman

-----  
Name: Roger S. Begelman

Title: Attorney-in-fact

GOLDMAN SACHS TRUST on behalf of  
Goldman Sachs Small Cap Equity Fund

By: /s/ Roger S. Begelman

-----  
Name: Roger S. Begelman

Title: Attorney-in-fact

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EXHIBIT (99.2)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS that GOLDMAN SACHS ASSET MANAGEMENT, L.P. (the "Company") does hereby make, constitute and appoint each of Roger S. Begelman, Edward T. Joel, Saskia Brookfield Martin and Ted Chang, (and any other employee of The Goldman Sachs Group, Inc. or one of its affiliates designated in writing by one of the attorneys-in-fact), acting individually, its true and lawful attorney, to execute and deliver in its name and on its behalf whether the Company is acting individually or as representative of others, any and all filings required to be made by the Company under the Securities Exchange Act of 1934, (as amended, the "Act"), with respect to securities which may be deemed to be beneficially owned by the Company under the Act, giving and granting unto each said attorney-in-fact power and authority to act in the premises as fully and to all intents and purposes as the Company might or could do if personally present by one of its authorized signatories, hereby ratifying and confirming all that said attorney-in-fact shall lawfully do or cause to be done by virtue hereof.

THIS POWER OF ATTORNEY shall remain in full force and effect until either revoked in writing by the undersigned or until such time as the person or persons to whom power of attorney has been hereby granted cease(s) to be an employee of The Goldman Sachs Group, Inc. or one of its affiliates.

IN WITNESS WHEREOF, the undersigned has duly subscribed these presents as of November 19th, 2003.

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GOLDMAN SACHS ASSET MANAGEMENT, L.P.

By:/s/ Howard Surloff

-----  
Name: Howard Surloff  
Title: Managing Director

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EXHIBIT (99.3)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS that GOLDMAN SACHS TRUST (the "Company") does hereby make, constitute and appoint each of Roger S. Begelman, Edward T. Joel, Saskia Brookfield Martin and Susan Goddard, (and any other employee of The Goldman Sachs Group, Inc. or one of its affiliates designated in writing by one of the attorneys-in-fact), acting individually, its true and lawful attorney, to execute and deliver in its name and on its behalf whether the Company is acting individually or as representative of others, any and all filings required to be made by the Company under the Securities Exchange Act of 1934, (as amended, the "Act"), with respect to securities which may be deemed to be beneficially owned by the Company under the Act, giving and granting unto each said attorney-in-fact power and authority to act in the premises as fully and to all intents and purposes as the Company might or could do if personally present by one of its authorized signatories, hereby ratifying and confirming all that said attorney-in-fact shall lawfully do or cause to be done by virtue hereof.

THIS POWER OF ATTORNEY shall remain in full force and effect until either revoked in writing by the undersigned or until such time as the person or persons to whom power of attorney has been hereby granted cease(s) to be an employee of The Goldman Sachs Group, Inc. or one of its affiliates.

IN WITNESS WHEREOF, the undersigned has duly subscribed these presents as of July 9th, 2003.

GOLDMAN SACHS TRUST

By:/s/ Howard Surloff

-----  
Name: Howard Surloff  
Title: Managing Director

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