LYDALL INC /DE/ Form 4

December 05, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

Washington, D.C. 20549

Check this box if no longer subject to Section 16.

Form 4 or Form 5 obligations

may continue. See Instruction

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

(Print or Type Responses)

1(b).

(City)

1. Name and Address of Reporting Person *

SMITH THOMAS P

(First) (Middle) (Last)

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

(Street)

MANCHESTER, CT 06045-0151

2. Issuer Name and Ticker or Trading

Symbol

LYDALL INC /DE/ [LDL] 3. Date of Earliest Transaction

(Month/Day/Year) 12/03/2007

4. If Amendment, Date Original

Filed(Month/Day/Year)

OMB APPROVAL

OMB 3235-0287 Number:

January 31, Expires: 2005

0.5

Estimated average burden hours per

response...

5. Relationship of Reporting Person(s) to

Issuer

below)

(Check all applicable)

Director 10% Owner X_ Officer (give title Other (specify

V.P.- CFO & Treasurer

6. Individual or Joint/Group Filing(Check

Applicable Line)

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

Person

(State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities 5. Amount of 6. Ownership 7. Nature of Security (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Securities Form: Direct Indirect (Instr. 3) Code Disposed of (D) Beneficially (D) or Beneficial (Instr. 3, 4 and 5) Indirect (I) Ownership (Month/Day/Year) (Instr. 8) Owned Following (Instr. 4) (Instr. 4)

> Reported (A) Transaction(s) or (Instr. 3 and 4)

Code V Amount (D) Price

Common 3,000 12/03/2007 A A \$0 11,359 D (1) Stock

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

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

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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. Transacti Code (Instr. 8)	5. Number tom f 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	\$ 9.7	12/03/2007		A	3,500		12/03/2008	12/03/2017(2)	Common Stock	3,500

Reporting Owners

Reporting Owner Name / Address	Relationships					
, 	Director	10% Owner	Officer	Other		
SMITH THOMAS P						
C/O LYDALL, INC.			V.P CFO			
ONE COLONIAL ROAD, P. O. BOX 151			& Treasurer			
MANCHESTER, CT 06045-0151						

Signatures

David Jacoboski, Attorney-in-fact for Thomas P.
Smith 12/05/2007

**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 ratably over four years.
- (2) Employee Stock Options granted under the Lydall 2003 Stock Incentive Compensation Plan expire 10 years subsequent to 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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