

LYDALL INC /DE/

Form 4

March 06, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**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(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
FRANKS BILLY W JR

(Last) (First) (Middle)

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

(Street)

MANCHESTER, CT 06045-0151

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
LYDALL INC /DE/ [LDL]

3. Date of Earliest Transaction
(Month/Day/Year)

03/05/2007

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

Group President

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. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction 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	03/05/2007		M		3,750	A \$ 7.65	16,990 D
Common Stock	03/05/2007		M		17,575	A \$ 9.85	34,565 D
Common stock	03/05/2007		M		11,795	A \$ 9.875	46,360 D
Common Stock	03/05/2007		S		33,120	D \$ 12.746	13,240 D

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

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(9-02)

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)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction 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)		8. Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title		
Option to Buy	\$ 7.65	03/05/2007		M	3,750	<u>(1)</u>	12/06/2015	Common Stock		3,750
Option to Buy	\$ 9.85	03/05/2007		M	17,575	<u>(2)</u>	12/11/2011	Common Stock		17,575
Option to Buy	\$ 9.875	03/05/2007		M	11,795	<u>(2)</u>	12/11/2010	Common Stock		11,795

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

FRANKS BILLY W JR
C/O LYDALL, INC.
ONE COLONIAL ROAD, P.O. BOX 151
MANCHESTER, CT 06045-0151

Group President

Signatures

David A. Jacoboski, Attorney-in-fact for Billy W.
Franks, Jr.

03/06/2007

 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) 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.
- (2) Employee Stock Option granted under the Lydall 1992 Stock Incentive Compensation Plan. Option becomes exercisable in four equal annual installments beginning one year from initial grant date.

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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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