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LYDALL INC /DE/  
Form SC 13G  
February 11, 2003

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

SCHEDULE 13G  
Under the Securities Exchange Act of 1934

Lydall, Inc.

-----  
(Name of Issuer)

Common Stock, \$0.10 par value

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

550819106

-----  
(CUSIP Number)

December 31, 2002

-----  
(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, a separate business unit of

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The Goldman Sachs Group, Inc.

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

(a)

(b)

3. SEC Use Only

4. Citizenship or Place of Organization

New York

5. Sole Voting Power

Number of 977,015

Shares

Beneficially

6. Shared Voting Power

0

Owned by

Each

7. Sole Dispositive Power

Reporting

1,056,420

Person

With:

8. Shared Dispositive Power

0

9. Aggregate Amount Beneficially Owned by Each Reporting Person

1,056,420

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

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

6.6%

12. Type of Reporting Person

IA

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- Item 1(a). Name of Issuer:  
Lydall, Inc.
- Item 1(b). Address of Issuer's Principal Executive Offices:  
One Colonial Road  
Manchester, CT 06040
- Item 2(a). Name of Persons Filing:  
Goldman Sachs Asset Management
- Item 2(b). Address of Principal Business Office or, if none, Residence:  
32 Old Slip  
New York, NY 10005
- Item 2(c). Citizenship:  
Goldman Sachs Asset Management - New York
- Item 2(d). Title of Class of Securities:  
Common Stock, \$0.10 par value
- Item 2(e). CUSIP Number:  
550819106
- 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).
  - (e).  An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E);  
Goldman Sachs Asset Management, a separate business unit of The Goldman Sachs Group, Inc.
  - (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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If this statement is filed pursuant to Rule 13d-1(c), check this box [ ] .

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- Item 4.                   Ownership.\*
- (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 5.                   Ownership of Five Percent or Less of a Class.  
Not Applicable
- Item 6.                   Ownership of More than Five Percent on Behalf of Another Person.  
Not Applicable
- Item 7.                   Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.  
Not Applicable
- Item 8.                   Identification and Classification of Members of the Group.  
Not Applicable
- Item 9.                   Notice of Dissolution of Group.  
Not Applicable
- 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.

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34-39538 (January 12, 1998), this filing reflects the securities beneficially owned by Goldman Sachs Asset Management, a separate business unit of The Goldman Sachs Group, Inc. ("GSAM"). GSAM, an investment advisor, disclaims beneficial ownership of any securities managed, on GSAM's behalf, by third parties. This filing does not reflect securities, if any, beneficially owned by any other business unit of The Goldman Sachs Group, Inc. and GSAM hereby disclaims beneficial ownership of any such securities.

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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: February 10, 2003

GOLDMAN, SACHS & CO. on behalf of  
Goldman Sachs Asset Management

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	Power of Attorney, dated January 6, 2003, relating to Goldman, Sachs & Co.

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Exhibit (99.1)

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POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS that GOLDMAN, SACHS & CO. (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 January 6th, 2003.

GOLDMAN, SACHS & CO.

By: s/ Gregory K. Palm

-----  
Name: Gregory K. Palm  
Title: Managing Director