



NewsRelease


FOR IMMEDIATE RELEASE

**LYDALL SELLS ELECTRICAL PAPERS PRODUCT LINE
AND LICENSES MANUFACTURING TECHNOLOGY**

Manchester, CT – July 1, 2010 – Lydall, Inc. (NYSE: LDL) announced today that it has sold its electrical papers product line targeted for the transformer industry, and has licensed certain related manufacturing technologies, to WEIDMANN Electrical Technology, Inc. As part of the transaction, Lydall will continue to produce these electrical papers in its Green Island, New York, facility as a contract manufacturer for up to two years, and has committed to a license of know-how and a non-compete agreement in the electrical transformer industry. Lydall plans to use a portion of the proceeds of this transaction to upgrade certain equipment at its Green Island facility to enable production of higher value products.

“This transaction supports Lydall’s strategic initiatives to transition production away from legacy commodity products and toward high value filtration and Life Sciences applications. By divesting this product line and licensing the related technology, Lydall monetized a non-core product line and created a two-year revenue stream under the contract manufacturing agreement. After the contract manufacturing agreement expires, Lydall plans to convert the dedicated machinery and equipment to the production of higher value products,” stated Dale Barnhart, CEO of Lydall, Inc.

About Lydall, Inc.

Lydall, Inc. is a New York Stock Exchange listed company, headquartered in Manchester, Connecticut. The Company, with operations in the U.S., France, the Netherlands and Germany and sales offices in the U.S., Europe, and Asia, focuses on manufacturing specialty engineered products for the thermal/acoustical and filtration/separation markets. For more information, visit <http://www.lydall.com>.  **Lydall**® is a registered trademark of Lydall, Inc. in the U.S. and other countries. All product names are trademarks of Lydall, Inc. or Charter Medical, Ltd.

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