SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(x) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended: MARCH 31, 1995

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission file number: 0-16214

ALBANY INTERNATIONAL CORP.
(Exact name of registrant as specified in its charter)

DELAWARE	14-0462060
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
1373 BROADWAY, ALBANY, NEW YORK	12204
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code 518-445-2200

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports,) and (2) has been subject to such filing requirements for the past 90 days. Yes X No

The registrant had 24,426,565 shares of Class A Common Stock and 5,633,427 shares of Class B Common Stock outstanding as of March 31, 1995.

ALBANY INTERNATIONAL CORP.

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Item 1. Financial Statements

ALBANY INTERNATIONAL CORP.
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
(unaudited)

(in thousands except per share data)

	Three Months Ended March 31, 1995	Three Months Ended March 31, 1994
Net sales	$154,131	$131,424
Cost of goods sold	91,237	81,230
Gross profit	62,894	50,194
Selling, technical and general expenses	44,672	39,253
Operating Income	18,222	10,941
Interest expense, net	4,720	3,535
Other expense, net	831	1,046
Income before income taxes	12,671	6,360
Income taxes	5,068	2,734
Income before associated companies	7,603	3,626
Equity in earnings of associated companies	86	27
Net Income	7,689	3,653
Retained earnings, beginning of period	139,740	126,276
Less dividends	2,633	2,617
Retained earnings, end of period	$144,796	$127,312
Net income per common share	$0.26	$0.12
Dividends per common share	$0.0875	$0.0875
Weighted average number of shares	30,046,144	29,894,600

The accompanying notes are an integral part of the financial statements.

ALBANY INTERNATIONAL CORP.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	(unaudited) March 31, 1995	December 31, 1994
ASSETS		
Cash and cash equivalents	$1,402	$228
Accounts receivable, net	155,423	154,140
Inventories:		
Finished goods	82,036	78,501
Work in process	40,165	37,665
Raw material and supplies	25,867	26,364
	148,068	142,530
Deferred taxes and prepaid expenses	21,224	17,278
Total current assets	326,117	314,176
Property, plant and equipment, net	321,703	320,719
Investments in associated companies	2,105	992
Intangibles	20,515	20,495
Deferred taxes	38,617	40,251
Other assets	28,939	24,753
Total assets	$737,996	$721,386
LIABILITIES AND SHAREHOLDERS' EQUITY		
Notes and loans payable	$21,060	$16,676
Accounts payable	25,897	30,236
Accrued liabilities	48,748	53,750
Current maturities of long-term debt	3,713	1,044
Income taxes payable and deferred	13,717	11,071
Total current liabilities	113,135	112,777
Long-term debt	234,807	232,767
Other noncurrent liabilities	82,915	81,176
Deferred taxes and other credits	25,601	22,719
Total liabilities	456,458	449,439
SHAREHOLDERS' EQUITY		
Preferred stock, par value $5.00 per share; authorized 2,000,000 shares; none issued	-	-
Class A common stock, par value $.001 per share; authorized 100,000,000 shares; issued 24,564,033 in 1995 and 1994	25	25
Class B common stock, par value $.001 per share; authorized 25,000,000 shares; issued and outstanding 5,633,427 in 1995 and 1994	6	6
Additional paid in capital	170,654	170,539
Retained earnings	144,796	139,740
Translation adjustments	(32,372)	(36,408)
	283,109	273,902
Less treasury stock (Class A), at cost (137,468 shares in 1995; 163,531 shares in 1994)	1,571	1,955
Total shareholders' equity	281,538	271,947
Total liabilities and shareholders' equity	$737,996	$721,386

The accompanying notes are an integral part of the financial statements.

ALBANY INTERNATIONAL CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Three Months Ended March 31, 1995	Three Months Ended March 31, 1994
OPERATING ACTIVITIES		
Net income	$7,689	$3,653
Adjustments to reconcile net cash provided by operating activities:		
Equity in earnings of associated companies	(86)	(27)
Depreciation and amortization	10,698	9,970
Accretion of convertible subordinated debentures	407	379
Provision for deferred income taxes, other credits and long-term liabilities	3,392	(283)
Increase in cash surrender value of life insurance, net of premiums paid	(463)	(548)
Unrealized currency transaction losses/(gains), net	121	(799)
Gain on disposition of assets	-	(5)
Tax benefit of options exercised	-	11
Treasury shares contributed to ESOP and profit-sharing plan	1,373	647
Changes in operating assets and liabilities:		
Accounts receivable	(1,404)	(822)
Inventories	(5,538)	(5,109)
Prepaid expenses	150	(1,059)
Accounts payable	(4,340)	(2,897)
Accrued liabilities	(4,766)	(5,491)
Income taxes payable	1,202	(3,721)
Other, net	(2,347)	(3,119)
Net cash provided/(used) in operating activities	6,088	(9,220)
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(8,871)	(7,968)
Purchased software	(303)	(1,060)
Proceeds from sale of assets	-	14
Acquisitions, net of cash acquired	-	1,800
Net cash used in investing activities	(9,174)	(7,214)
FINANCING ACTIVITIES		
Proceeds from borrowings	9,692	27,952
Principal payments on debt	(1,607)	(783)
Proceeds from options exercised	-	126
Purchase of treasury shares	(874)	-
Investment in associated company	(915)	-
Dividends paid	(2,627)	(2,614)
Net cash provided by financing activities	3,669	24,681
Effect of exchange rate changes on cash	591	(3,411)
Increase in cash and cash equivalents	1,174	4,836
Cash and cash equivalents at beginning of year	228	1,381
Cash and cash equivalents at end of period	$1,402	$6,217

The accompanying notes are an integral part of the financial statements.

ALBANY INTERNATIONAL CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Management Opinion

In the opinion of management the accompanying unaudited consolidated financial statements contain all adjustments, consisting of only normal, recurring adjustments, necessary for a fair presentation of results for such periods. The results for any interim period are not necessarily indicative of results for the full year. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted. These consolidated financial statements should be read in conjunction with financial statements and notes thereto for the year ended December 31, 1994.

2. Other Expense, Net

Included in other expense, net are: currency transactions, $.1 million income in 1995 and $.5 million expense in 1994, pre-receivable sales, $.2 million in 1994, amortization of debt issuance costs and loan origination fees of $.4 million in 1995 and $.2 million in 1994, interest rate protection agreements, $.3 million income in 1995, and other miscellaneous expenses none of which are significant in 1995 and 1994.

3. Earnings Per Share

Earnings per share on common stock are computed using the weighted average number of shares of Class A and Class B Common Stock outstanding during each year. Options granted under the Company's stock option plans were not dilutive at March 31, 1995 and 1994. The convertible subordinated debentures are not common stock equivalents and will not affect primary earnings per share. Further, the convertible subordinated debentures were not dilutive at March 31, 1995 and 1994.

4. Income Taxes

The Company's effective tax rate for the three months ended March 31, 1995 was 40.0% as compared to 43.0% for the same period last year and approximates the anticipated effective tax rate for the full year 1995. The decrease is due principally to the fact that the 1994 rate included an accrual of net charges associated with prior years resulting from both U.S. and non-U.S. examinations.

5. Debt

In March 1995, the Company amended its existing $125 million revolving credit agreement, with its principal banks in the United States, to increase the banks' commitment to $150 million and to extend the maturity to the year 2000 with more favorable terms. Pricing will be based on a margin over floating rate cost of banks' funding and varies depending upon the Company's performance.

6. Supplementary Cash Flow Information

Interest paid for the three months ended March 31, 1995 and 1994 was $6.8 million and $3.4 million, respectively.

Taxes paid for the three months ended March 31, 1995 and 1994 were $.6 million and $5.7 million, respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 1995

The following discussion should be read in conjunction with the accompanying Consolidated Financial Statements and Notes thereto.

RESULTS OF OPERATIONS:

Net sales increased to $154.1 million for the three months ended March 31, 1995 compared with $131.4 million for the three months ended March 31, 1994. The effect of the weaker U.S. dollar as compared to the first quarter of 1994 was to increase net sales by $3.0 million. Excluding this effect, 1995 net sales increased 15.0%. All geographic regions reported sales increases with the exception of Mexico, which was affected by the peso devaluation.

The Company continues to gain market share in Forming Fabrics and Dryer Fabrics and retain its Press Fabrics market share. During the three months ended March 31, 1995, price increases of 5% for the United States, 6% for Canada and for selective European markets and Mexico became effective. It is expected that the average effect of price increases for the full year will be approximately 3%.

Gross profit was 40.8% of net sales for the three months ended March 31, 1995 as compared to 38.2% for the three months ended March 31, 1994. Year to date variable costs as a percent of net sales increased from 31.2% in 1994 to 31.9% for the same period in 1995, due mainly to increased sales of product lines with higher cost to sales dollar ratios.

Selling, technical, general and research expenses increased 13.8% for the three months ended March 31, 1995 as compared to the three months ended March 31, 1994. The translation of non-U.S. currencies into more U.S. dollars increased those expenses by $1.2 million. Excluding this effect, expenses would have increased 10.8%. Temporary increases associated with the introduction of a new Press Fabric product and exchange losses on trade receivables, principally in Europe, accounted for a significant portion of the increase.

Operating income as a percentage of net sales increased to 11.8% for the three months ended March 31,1995 from 8.3% for the comparable period in 1994 due to items discussed above. Management anticipates that operating income as a percentage of net sales should continue to improve in 1995.

Interest expense increased compared to the three months ended March 31, 1994 due to higher interest rates and higher total debt.

The tax rate for the three months ended March 31, 1995 is 40.0% as compared to 43.0% for the comparable period in 1994 and approximates the anticipated effective rate for the full year 1995. The rate decrease is due principally to the fact that the 1994 rate included an accrual of net charges associated with prior years resulting from both U.S. and non-U.S. examinations.

LIQUIDITY AND CAPITAL RESOURCES:

Inventories increased $5.5 million during the three months ended March 31, 1995 due to the weakening U.S. dollar and high orders which resulted in some building of inventory in anticipation of future sales.

In March 1995, the Company amended its existing $125 million revolving credit agreement, with its principal banks in the United States, to increase the banks commitment to $150 million and to extend the maturity to the year 2000 with more favorable terms. Pricing will be based on a margin over floating rate cost of banks funding and varies depending upon the Company's performance. Management believes that the unused line, in combination with expected free cash flows, should be sufficient to meet operating requirements and for business opportunities and acquisitions which support corporate strategies to enhance value to customers and shareholders.

Capital expenditures for the three months ended March 31, 1995 were $8.9 million as compared to $8.0 million for the same period last year. The Company anticipates that capital expenditures for the full year will be approximately $40 million. The Company will finance these expenditures with cash from operations and existing credit facilities.

A cash dividend of $.0875 per share, which was declared for the fourth quarter of 1994, was paid in the first quarter of 1995. The Company also declared a cash dividend of $.0875 per share for the first quarter of 1995 which will be paid in the second quarter of this year.

Part II - Other Information

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the quarter ended March 31, 1995.

EXHIBIT NO.	DESCRIPTION
11.	Schedule of computation of primary and fully diluted net income per share
27.	Financial data schedule

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALBANY INTERNATIONAL CORP.

(Registrant)

Date: May 3, 1995

by /s/Michael C. Nahl

Michael C. Nahl
Sr. Vice President and
Chief Financial Officer

ALBANY INTERNATIONAL CORP.
EXHIBIT 11
SCHEDULE OF COMPUTATION OF PRIMARY AND FULLY DILUTED NET INCOME PER SHARE

(in thousands, except per share data)

PRIMARY EARNINGS PER SHARE:

	For the three months ended March 31, 1995 (1)	1994 (1)
Common stock outstanding at end of period	30,059,992	29,923,010
Adjustments to ending shares to arrive at weighted average for the period:		
Shares contributed to E.S.O.P. (2)	(49,514)	(21,743)
Shares issued under option (2)	-	(6,667)
Treasury shares purchased (2)	35,666	-
Weighted average number of shares	30,046,144	29,894,600
Net income	$7,689	$3,653
Net income per share (3)	$0.26	$0.12

(1) Includes Class A and Class B Common Stock

(2) Calculated as follows:
number of shares multiplied by the reciprocal of the number of days outstanding (or the number of days held in treasury) divided by the number of days in the period

SHARES CONTRIBUTED TO E.S.O.P.:

January 31, 1994	10,831 * (30/90)	3,610
February 28, 1994	11,120 * (58/90)	7,166
March 31 1994	11,090 * (89/90)	10,967
		21,743
January 31, 1995	12,346 * (30/90)	4,115
February 23, 1995	656 * (53/90)	386
February 28, 1995	13,324 * (58/90)	8,587
February 28, 1995	37,040 * (58/90)	23,870
March 31, 1995	12,697 * (89/90)	12,556
		49,514

SHARES ISSUED UNDER OPTION:

March 22, 1994	7,500 * (80/90)	6,667

TREASURY SHARES PURCHASED:

February 16, 1995	15,000 * (46/90)	7,666
March 14, 1995	35,000 * (72/90)	28,000
		35,666

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(3) Dilutive common stock equivalents are not material and therefore are not included in the calculation of primary earnings per common share.

ALBANY INTERNATIONAL CORP.
EXHIBIT 11
SCHEDULE OF COMPUTATION OF PRIMARY AND FULLY DILUTED NET INCOME PER SHARE

(in thousands, except per share data)

FULLY DILUTED EARNINGS PER SHARE:

	For the three months ended March 31, 1995	1994
Weighted average number of shares	30,046,144	29,894,600
Incremental shares of unexercised options (4)	259,133	323,889
Convertible shares of subord. debentures (5)	5,712,450	-
Adjusted weighted average number of shares	36,017,727	30,218,489
Net income (including after-tax income adjustment) (5)	$9,114	$3,653
Fully diluted net income per share	$0.25	$0.12

(4) Incremental shares of exercisable options are calculated based on the higher of the average price of the Company's stock or the ending price for the respective period. The calculation includes all options whose exercise price is below the higher of the average or ending stock price.

(5) The subordinated debentures are convertible into 5,712,450 shares of the Company's Class A common stock. There were no conversions as of March 31, 1995. Upon any conversion, the Company would realize an after-tax income adjustment based on the effective interest expense on the bonds less the corresponding income tax deduction. The full amount of the shares and the income adjustment will be included in the calculation only when they cause dilution to net income per share.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM ALBANY INTERNATIONAL'S CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTHS ENDED MARCH 31, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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3-MOS
DEC-31-1995
MAR-31-1995
1,402
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7,689
$0.26
$0.25