SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

/X/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED: DECEMBER 31, 2000

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

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

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Class A Common Stock ($0.001 par value)	New York Stock Exchange and Pacific Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

TITLE OF CLASS

None

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 / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.[ ]

The aggregate market value of Class A Common Stock held on February 15, 2001 by non-affiliates of the registrant was $431,892,520.

The registrant had 24,954,605 shares of Class A Common Stock and 5,869,457 shares of Class B Common Stock outstanding as of February 15, 2001.

DOCUMENTS INCORPORATED BY REFERENCE	PART
Registrant's Annual Report to Shareholders for the year ended December 31, 2000	II
Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on May 10, 2001	III

PART I

ITEM 1. BUSINESS

Albany International Corp. ("the Registrant") designs, manufactures and markets paper machine clothing for each section of the paper machine. It manufactures and sells more paper machine clothing worldwide than any other company. In 1999, to enhance that position, the Company purchased the paper machine clothing business of the Geschmay group. Paper machine clothing consists of large continuous belts of custom designed and custom manufactured, engineered fabrics that are installed on paper machines and carry the paper stock through each stage of the paper production process. Paper machine clothing is a consumable product of technologically sophisticated design that is made with synthetic monofilament and fiber materials. The design and material composition of paper machine clothing can have a considerable effect on the quality of paper products produced and the efficiency of the paper machines on which it is used. The Registrant produces a substantial portion of its monofilament requirements.

Practically all press fabrics are woven tubular or endless from monofilament yarns on large, specially designed looms. After weaving, the base press fabric goes to a needling operation where a thick fiber layer, called a batt, is laid on the base just before passing through the needling machine. The needles are equipped with tiny barbs that grab batt fibers locking them into the body of the fabric. After needling, the composite fabrics are usually washed, and water is removed. The fabric then is heat set, treatments and coatings may be applied, and it is measured and trimmed to width.

The Registrant's manufacturing process is similar for forming fabrics and drying fabrics, except that there is normally no needling operation in the construction of those fabrics. Most monofilament screens are woven flat on wide looms. The fabrics are seamed to produce an endless loop, and heat stabilized by running them around two large cylinders under heat and drawn out by tension. After heat setting, the fabrics are seamed and boxed.

In addition to paper machine clothing, the Registrant manufactures other engineered products for the non-woven industry, corrugator belts, filtration media and high performance doors. The High Performance Door Division, which includes Rapid Roll Doors-Registered Trademark-, is the operation of the Company that developed high speed, high performance doors, which grew from the application of the Company's coated fabric technology to its woven fabrics. Since the inception of Rapid Roll Doors in the early 1980's, manufacturing operations in North America and Europe have supplied over 100,000 installations worldwide. Since 1996, the Registrant has acquired Schieffer Door Systems and Jansen Tortechnik in Germany, Burwell Door Systems in Australia and M&I Door Systems in Canada to enhance the high performance door operations.

INDUSTRY FACTORS

There are approximately 1,100 paper machines in the United States located in approximately 530 paper mills. It is estimated that there are approximately 4,770 paper machines in the world which produce at least 50 tons of paper per day. Additionally, there are many smaller paper machines. Demand for paper machine clothing is tied to the volume of paper production, which in turn reflects economic growth. According to published data, world paper production volumes have grown at an annual rate of approximately 3.5% over the last ten years. The Registrant anticipates continued growth for the long-term in world paper production. The profitability of the paper machine clothing business has generally been less cyclical than the profitability of the papermaking industry.

Because the paper industry has been characterized by an evolving but essentially stable manufacturing technology based on the wet forming papermaking process, which requires a very large capital investment, the Registrant does not believe that a commercially feasible substitute technology that does not employ paper machine clothing is likely to be developed and incorporated into the paper

production process by paper manufacturers in the foreseeable future. Accordingly, the prospects for continued demand for paper machine clothing appear excellent.

Over the last few years, paper manufacturers have generally reduced the number of suppliers of paper machine clothing per machine position. This trend has increased opportunities for market leaders, including the Registrant, to expand their market share.

INTERNATIONAL OPERATIONS

The Registrant maintains wholly-owned manufacturing facilities in Australia, Brazil, Canada, China, Finland, France, Germany, Great Britain, Italy, Mexico, The Netherlands, South Korea, Sweden and the United States. The Registrant has 50% interests in an entity in South Africa and an entity in Russia which are engaged primarily in the engineered fabrics business. The Registrant also has a 50% interest in an entity in England which is engaged in the high performance door business (see Note 1 of Notes to Consolidated Financial Statements).

The Registrant's geographically diversified operations allow it to serve the world's paper markets more efficiently and to provide superior technical service to its customers. The Registrant benefits from the transfer of research and development product innovations between geographic regions. The worldwide scope of the Registrant's manufacturing and marketing efforts also limits the impact on the Registrant of economic downturns that are limited to a geographic region.

The Registrant's widespread presence subjects it to certain risks, including controls on foreign exchange and the repatriation of funds. However, the Registrant has been able to repatriate earnings in excess of working capital requirements from each of the countries in which it operates without substantial governmental restrictions and does not foresee any material changes in its ability to continue to do so in the future. In addition, the Registrant believes that the risks associated with its operations and locations outside the United States are those normally associated with doing business in these locations.

MARKETING, CUSTOMERS AND BACKLOG

Paper machine clothing is custom designed for each user depending upon the type, size and speed of the papermaking machine, the machine section, the grade of paper being produced, and the quality of the pulp stock used. Technical expertise, judgment and experience are critical in designing the appropriate clothing for each position on the machine. As a result, the Registrant employs highly skilled sales and technical service personnel in 25 countries who work directly with paper mill operating management. The Registrant's technical service program in the United States gives its service engineers field access to the measurement and analysis equipment needed for troubleshooting and application engineering. Sales, service and technical expenses are major cost components of the Registrant. The Registrant employs approximately 1,200 people in the sales and technical functions combined, many of whom have engineering degrees or paper mill experience. The Registrant's market leadership position reflects the Company's commitment to technological innovation.

Typically, the Registrant experiences its highest quarterly sales levels in the fourth quarter of each fiscal year. The Registrant believes that this pattern only partially reflects seasonal shifts in demand for its products but is more directly related to purchasing policies of the Registrant's customers.

Payment terms granted to customers reflect general competitive practices. Terms vary with product and competitive conditions, but generally require payment within 30 to 90 days, from the date of invoice, depending on the country of operation. Historically, bad debts have been insignificant. No single customer, or group of related customers, accounted for more than 5% of the Registrant's sales of paper machine clothing in any of the past three years. Management does not believe that the loss of any one customer would have a material adverse effect on the Registrant's business.

The Registrant's order backlogs at December 31, 2000 and 1999 were approximately $604 million and $592 million, respectively. Order backlog at December 31, 2000 is generally expected to be invoiced during the next 12 months.

RESEARCH AND DEVELOPMENT

The Registrant invests heavily in research, new product development and technical analysis to maintain its leadership in the paper machine clothing industry. The Registrant's expenditures fall into two primary categories, research and development and technical expenditures. Research and development expenses totaled $23.3 million in 2000, $23.6 million in 1999, and $23.7 million in 1998. While most research activity supports existing products, the Registrant engages in research for new products. New product research has focused primarily on more sophisticated paper machine clothing and has resulted in a stream of products such as PRINTEX-TM-, KRAFTEX-Registered Trademark- and MICROTEX-Registered Trademark- forming fabrics, SEAMTECH-Registered Trademark-PLUS, the latest patented on-machine-seamed press fabric, DYNATEX-TM-, a unique multiaxial press fabric, SeamDynatex-TM-, our newest innovation combining the benefits of seamed and multi axial features and APERTECH-TM-, a new class of porous, polymeric press fabrics, process belts such as TRANSBELT -Registered Trademark-, VENTABELT -Registered Trademark-( ) and GLOSSBELT-TM-, as well as THERMONETICS-Registered Trademark-, AERO2000-TM-, AEROLINE-Registered Trademark- and AEROGRIP-Registered Trademark- which are dryer fabrics. Technical expenditures totaled $26.2 million in 2000, $24.5 million in 1999, and $26.3 million in 1998. Technical expenditures are focused on design, quality assurance and customer support.

Although the Registrant has focused most of its research and development efforts on paper machine clothing products and design, the Registrant also has made progress in developing non-paper machine clothing products, such as Primaloft-Registered Trademark-, a synthetic down alternative. Primaloft-Registered Trademark- is widely used in technical outdoor apparel as well as premium comforters and pillows. Through its major research subsidiary, Albany International Research Co. located in Mansfield, Massachusetts, the Registrant conducts research under contract for the U.S. government and major corporations. In addition to Albany International Research Co., the Registrant has another significant research facility in Halmstad, Sweden and four other development centers located at manufacturing locations in Selestat, France; Goppingen, Germany; Albany, New York; and Menasha, Wisconsin.

The Registrant holds a number of patents, trademarks and licenses, none of which are material to the continuation of the Registrant's business. The Registrant has licensed some of its patents to one or more competitors, mainly to enhance customer acceptance of the new products. The revenue from such licenses is less than 1% of consolidated net sales.

RAW MATERIALS AND INVENTORY

Primary raw materials for the Registrant's products are synthetic fibers, which are generally available from a number of suppliers. The Registrant, therefore, is not required to maintain raw material inventories in excess of its current needs to assure availability. In addition, the Registrant manufactures monofilament, a basic raw material for all types of paper machine clothing, at its facility in Homer, New York, which supplies approximately 35% of its world-wide monofilament requirements. This manufacturing capability assists the Registrant in its negotiations with monofilament producers for the balance of its supply requirements, and enhances the ability of the Registrant to develop proprietary products.

COMPETITION

While there are a number of small regional paper machine clothing suppliers worldwide, only four compete on a global basis. Market shares vary depending on the country and the type of paper machine clothing produced. In the paper machine clothing market, the Registrant believes that it has a market share of approximately 36% in the United States and Canadian markets, taken together, 27%

in the rest of the world and approximately 30% in the world overall. Together, the United States and Canada constitute approximately 38% of the total world market for paper machine clothing.

Competition is intense in all areas of the Registrant's business. While price competition is, of course, a factor, the primary bases for competition are the performance characteristics of the Registrant's products, which are principally technology-driven, and the quality of customer service. The Registrant, like its competitors, provides diverse services to customers through its sales and technical service personnel including: (1) consulting on performance of the paper machine; (2) consulting on paper machine configurations, both new and rebuilt; (3) selection and custom manufacture of the appropriate paper machine clothing; and (4) storing fabrics for delivery to the user.

EMPLOYEES

The Registrant employs 6,929 persons, of whom approximately 74% are engaged in manufacturing the Registrant's products. Wages and benefits are competitive with those of other manufacturers in the geographic areas in which the Registrant's facilities are located. The Registrant considers its relations with its employees in general to be excellent.

EXECUTIVE OFFICERS OF REGISTRANT

The following table sets forth certain information with respect to the executive officers of the Registrant:

NAME	AGE	POSITION
Francis L. McKone.........................	66	Chairman of the Board and Director
Frank R. Schmeler.........................	62	President, Chief Executive Officer and Director
Michel J. Bacon...........................	51	Group Vice President--Europe
William M. McCarthy.......................	50	Group Vice President--Canada, Pacific and Latin America
Edward Walther............................	57	Group Vice President--United States
Michael C. Nahl...........................	58	Senior Vice President and Chief Financial Officer
Edward R. Hahn............................	56	Senior Vice President--Chief Technical Officer
Frank Kolf................................	55	Senior Vice President--Administration and Development
Thomas H. Hagoort.........................	68	General Counsel and Secretary
Richard A. Carlstrom......................	57	Vice President--Controller
Thomas H. Curry...........................	52	Vice President--Sales and Marketing United States
David C. Michaels.........................	45	Vice President--Treasury and Tax
Kenneth C. Pulver.........................	57	Vice President--Corporate Communications
John C. Treanor...........................	62	Treasurer
Charles J. Silva, Jr......................	41	Assistant General Counsel and Assistant Secretary

FRANCIS L. MCKONE joined the Registrant in 1964. He has served the Registrant as Chairman of the Board since 1998, Chief Executive Officer from 1993 to 2000, President from 1984 to 1998, Executive Vice President from 1983 to 1984, Group Vice President-Papermaking Products Group from 1979 to 1983, and prior to 1979 as a Vice President of the Registrant and Division President-Papermaking Products U.S. He has been a Director of the Registrant since 1983. He is a Director of Thermo Fibergen, Inc., Thermo Fibertek, Inc. and a member of the Advisory Board of Albank, a division of Charter One Bank.

FRANK R. SCHMELER joined the Registrant in 1964. He has served the Registrant as Chief Executive Officer since 2000, as President since 1998, Chief Operating Officer from 1997 to 2000, Executive Vice President from 1997 to 1998, Senior Vice President from 1988 to 1997, Vice President and General Manager of the Felt Division from 1984 to 1988, Division Vice President and General Manager, Albany International Canada from 1978 to 1984 and as Vice President of Marketing, Albany International Canada from 1976 to 1978. He has been a Director of the Registrant since 1997.

MICHEL J. BACON joined the Registrant in 1978. He has served the Registrant as Group Vice President since 2001, Senior Vice President from 1996 to 2001, Vice President and General Manager of Albany International Canada from 1991 to 1996, Vice President of Operations, Albany International Canada Press Division from 1989 to 1991 and as Vice President of Marketing, Albany International Canada from 1987 to 1989.

WILLIAM M. MCCARTHY joined the Registrant in 1977. He has served the Registrant as Group Vice President since 2001, Senior Vice President from 1997 to 2001, and since 1991 has held various positions for Press Fabrics U.S. including Vice President and General Manager, Vice President-Marketing and Technical Director. From 1988 to 1991 he was Technical Director for Continental Europe-Press Fabrics.

EDWARD WALTHER joined the Registrant in 1994. He has served the Registrant as Group Vice President since 2001, as Executive Vice President from 1997 to 2001, Senior Vice President from 1995 to 1997 and as Vice President and General Manager--Continental Europe from 1994 to 1995. Prior to joining the Registrant, he held various marketing and managerial positions with a company in the paper machine clothing business.

MICHAEL C. NAHL joined the Registrant in 1981. He has served the Registrant as Senior Vice President and Chief Financial Officer since 1983 and prior to 1983 as Group Vice President. From 1965 to 1979 he served in marketing, financial, logistical, analytical and management positions for the Exxon Corporation and from 1979 to 1981 he was with General Refractories Corporation as Director of Strategic Planning, Vice President and Chief Financial Officer. He is a Director of UCAR International Inc. and First Integrated Capital Corp.

EDWARD R. HAHN joined the Registrant in 1971. He has served the Registrant as Senior Vice President since 2000 and as Vice President-Research and Development and Executive Director of Albany International Research Company from 1995 to 2000, as Vice President and General Manager of Press Fabrics U.S. from 1990 to 1995, as Vice President of Euroscan Press and Dryer Divisions from 1987 to 1990 and as Vice President of Operations for Nordiskafilt from 1986 to 1987.

FRANK KOLF joined the Registrant in 2001 as Senior Vice President. Prior to joining the Registrant, he served as Executive Vice President for the Wangner Group and as Director of Strategic Corporate Controlling with Carl Schenck AG.

THOMAS H. HAGOORT joined the Registrant in 1991. He has served the Registrant as General Counsel and Secretary since 1997 and as General Counsel from 1991 to 1997. From 1968 until December 31, 1990 he was a partner in Cleary, Gottlieb, Steen and Hamilton, an international law firm with headquarters in New York City.

RICHARD A. CARLSTROM joined the Registrant in 1972. He has served the Registrant as Vice President-Controller since 1993, as Controller since 1980, as Controller of a U.S. division from 1975 to 1980, and prior to 1975 as Financial Controller of Albany International Pty. in Australia.

THOMAS H. CURRY joined the Registrant in 1992. He has served the Registrant as Vice President-Sales and Marketing U.S. since 1999 and from 1995 to 1999 held various positions for Press Fabrics U.S. including Vice President-General Manager and Vice President-Marketing and from 1992 to 1995 held various sales and marketing positions for the U.S. Dryer Division.

DAVID C. MICHAELS joined the registrant in 1987. He has served the Registrant as Vice President-Treasury and Tax since 2000 and previously served as Director of Tax. Prior to 1987, he held various financial and tax positions at Veeco Instruments, Inc.

KENNETH C. PULVER joined the Registrant in 1968. He has served the Registrant as Vice President-Corporate Communications since 1997 and as Vice President of Operations for Primaloft from 1992 to 1997. From 1984 to 1992 he served in various marketing positions with Albany Engineered Systems.

JOHN C. TREANOR joined the Registrant in 1970. He has served the Registrant as Treasurer since 1997, as Controller of Albany International Europe from 1992 to 1997 and as Controller of Albany International Canada from 1985 to 1992.

CHARLES J. SILVA, JR. joined the Registrant in 1994. He has served the Registrant as Assistant General Counsel and Assistant Secretary since 1996 and as Assistant General Counsel from 1994 to 1996. Prior to 1994, he was an associate with Cleary, Gottlieb, Steen and Hamilton, an international law firm with headquarters in New York City.

The Registrant believes it is in compliance with all Federal, State and local provisions which have been enacted or adopted regarding the discharge of materials into the environment, or otherwise relating to the protection of the environment, and does not have knowledge of environmental regulations which do or might have a material effect on future capital expenditures, earnings, or competitive position.

The Registrant is incorporated under the laws of the State of Delaware and is the successor to a New York corporation which was originally incorporated in 1895 and which was merged into the Registrant in August 1987 solely for the purpose of changing the domicile of the corporation. Upon such merger, each outstanding share of Class B Common Stock of the predecessor New York corporation was changed into one share of Class B Common Stock of the Registrant. References to the Registrant that relate to any time prior to the August 1987 merger should be understood to refer to the predecessor New York corporation.

ITEM 2. PROPERTIES

The Registrant's principal manufacturing facilities are located in the United States, Canada, Europe, Brazil, Mexico, Australia, South Korea and China. The aggregate square footage of the Registrant's operating facilities in the United States and Canada is approximately 2,866,000 square feet, of which 2,640,000 square feet are owned and 226,000 square feet are leased. The Registrant's facilities located outside the United States and Canada comprise approximately 4,037,000 square feet, of which 3,171,000 square feet are owned and 866,000 square feet are leased. The Registrant considers these facilities to be in good condition and suitable for their purpose. The capacity associated with these facilities is adequate to meet production levels required and anticipated through 2000. The Registrant's expected 2001 capital expenditures, including leases, of about $40 million will provide sufficient capacity for anticipated growth.

The Registrant believes it has modern, efficient production equipment. In the last five years, excluding acquisitions, it has spent $215 million on new plants and equipment or upgrading existing facilities.

ITEM 3. LEGAL PROCEEDINGS

The Registrant was initially named as a defendant in two actions in state court in Louisiana, seeking damages from the Registrant and approximately fifty other defendants (including primary suppliers of asbestos, asbestos abatement and removal companies, paper machine builders, pump manufacturers, insulation and building materials suppliers, boiler manufacturers and other suppliers of products alleged to have contained asbestos) for injuries allegedly suffered by approximately 2,000 employees at two paper mills in Bogalusa and St. Francisville, Louisiana, due to exposure to asbestos. Liberty Mutual, the underwriter of insurance coverage applicable to these claims, defended these matters on the Registrant's behalf, subject to the standard reservation of any rights under the applicable policies. (Mount Vernon Mills, from which the Registrant acquired the Albany Mount Vernon dryer business assets, and Brandon Drying Fabrics, Inc., a subsidiary of Geschmay Corp. (formerly Wangner Systems Corporation) acquired in 1999, are also named as separate defendants.)

The information identified during the discovery process suggests that the Registrant's production of asbestos-containing paper machine clothing products was limited to certain synthetic dryer fabrics marketed during the period from 1967 to 1976. It is the position of the Registrant and the other paper machine clothing defendants that there was insufficient exposure to asbestos from any paper machine clothing products to cause asbestos-related injury in any plaintiff. Furthermore, asbestos contained in the Company's synthetic products was encapsulated in a resin-coated yarn woven into the interior of the fabric, further reducing the likelihood of fiber release.

Discovery by both plaintiffs and defendants in the Bogalusa proceeding was essentially completed in late 1998. The first trial commenced in January 1999. (All claims relating to this first trial against the Registrant were settled prior to that time.) A unanimous jury verdict in favor of the remaining defendants (including two dryer fabric producers) was returned in early March 1999.

All remaining claims against Albany International Corp. pending in each of the Bogalusa and St. Francisville proceedings (approximately 2,000 plaintiffs in the aggregate) were settled during 2000. All settlement amounts were funded by Liberty Mutual. (Brandon Drying Fabrics, Inc. remains a defendant in these proceedings.)

The Company currently remains a defendant in a number of asbestos proceedings involving an aggregate of approximately 2,200 claimants. Brandon Drying Fabrics, Inc. is named as a separate defendant in most of these same proceedings.

One proceeding, in Jefferson County, Mississippi, accounts for 1,400 claimants. Based upon preliminary work histories provided by counsel, it appears that as many as half of these plaintiffs were never employed in paper mills. Of the approximately 800 remaining cases, a large number do not provide sufficient employment histories to determine whether the claimants would have ever had any contact with any asbestos-containing paper machine clothing sold by the Company.

The Registrant, in addition to being named as a direct defendant in the above proceedings, has also been named separately as the "successor-in-interest" to Mount Vernon Mills in many of these proceedings. The Registrant denies any liability for products sold by Mount Vernon Mills prior to the acquisition of the Mount Vernon assets, and has successfully moved for dismissal in several proceedings before the first trial. Similar motions will be filed in other proceedings.

The Registrant believes all asbestos-related claims to be without merit. While there can be no assurance as to their outcome, the Registrant believes that any material liability relating to the aforementioned proceedings in excess of existing insurance coverage limits is unlikely.

Brandon Drying Fabrics, Inc. is also a party to the above asbestos proceedings in the United States.

Brandon Drying Fabrics, Inc. was created in 1978 in connection with the purchase of certain assets from Abney Mills, a South Carolina textile manufacturing entity. Brandon Sales, Inc. was a wholly-owned subsidiary of Abney and its assets were among those purchased from Abney Mills. After the purchase, Brandon Drying Fabrics, Inc. manufactured drying fabrics under its own name, none of which contained asbestos. It is believed that Abney Mills ceased production of asbestos-containing products prior to the 1978 purchase. Affidavits obtained from former Abney Mills employees confirm that belief.

Under the terms of the Assets Purchase Agreement between Brandon Drying Fabrics, Inc. and Abney Mills, Abney Mills agreed to indemnify, defend and hold harmless from any actions or claims on account of products manufactured by Abney Mills and its related corporations prior to the date of the sale whether or not the product was sold subsequent to the date of the sale. It appears that Abney Mills has since been dissolved. Nevertheless, a representative of this dissolved entity has been notified of the pendency of these actions and demand has been made that it assume the defense of these actions.

Brandon Drying Fabric, Inc.'s insurance carriers have agreed to indemnification and defense costs related to these proceedings of 88.2% of the total, subject to the standard reservation of rights. The remaining 11.8% is being sought from an insurance company that denies that it issued a policy. Brandon's internal records demonstrate otherwise, and Brandon has filed suit against this company as well as its other carriers. Based on advice of counsel, Brandon is confident that it will prevail in establishing 100% indemnification and defense cost coverage.

The Registrant is unable to predict the outcome of these matters, but does not believe, based upon currently available information, that the ultimate resolution of such matters will have a material adverse effect on the financial position, results of operations, or cash flows of the Registrant. There are no other material pending legal proceedings, other than ordinary routine litigation incidental to the business.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted during the fourth quarter of 2000 to a vote of security holders.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

"Stock and Shareholders" and "Quarterly Financial Data" on page 38 of the Annual Report are incorporated herein by reference.

Restrictions on dividends and other distributions are described in Note 6, on pages 22 and 23 of the Annual Report. Such description is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

"Eleven Year Summary" on pages 36 and 37 of the Annual Report is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

"Review of Operations" on pages 32 to 35 of the Annual Report is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following consolidated financial statements of the Registrant and its subsidiaries, included on pages 14 to 31 in the Annual Report, are incorporated herein by reference:

Consolidated Statements of Income and Retained Earnings--years ended December 31, 2000, 1999, and 1998

Consolidated Statements of Comprehensive Income--years ended December 31, 2000, 1999 and 1998

Consolidated Balance Sheets--December 31, 2000 and 1999

Consolidated Statements of Cash Flows--years ended December 31, 2000, 1999 and 1998

Notes to Consolidated Financial Statements

Report of Independent Accountants

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

(a) DIRECTORS. The information set out in the section captioned "Election of Directors" of the Proxy Statement is incorporated herein by reference.

(b) EXECUTIVE OFFICERS OF REGISTRANT. Information about the officers of the Registrant is set forth in Item 1 above.

ITEM 11. EXECUTIVE COMPENSATION

The information set forth in the sections of the Proxy Statement captioned "Executive Compensation", "Summary Compensation Table", "Option/SAR Grants in Last Fiscal Year", "Option/ SAR Exercises During 2000 and Year-End Values", "Pension Plan Table", "Compensation and Stock Option Committee Report on Executive Compensation", "Compensation and Stock Option Committee Interlocks and Insider Participation", "Stock Performance Graph", and "Directors' Fees" is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information set out in the section captioned "Share Ownership" of the Proxy Statement is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS SCHEDULE AND REPORTS ON FORM 8-K

(a)(1)	FINANCIAL STATEMENTS. The consolidated financial statements included in the Annual Report are incorporated by reference in Item 8.
(a)(2)	SCHEDULE. The following consolidated financial statements schedule for each of the three years in the period ended December 31, 2000 is included pursuant to Item 14(d): Report of Independent Accountants on Financial Statements Schedule Schedule II--Valuation and Qualifying Accounts
(a)(3)(b)	No reports on Form 8-K were filed during the fourth quarter of 2000.

(3) EXHIBITS

3(a)	Certificate of Incorporation of Registrant. (3)
3(b)	Bylaws of Registrant. (10)
4(a)	Article IV of Certificate of Incorporation of Registrant (included in Exhibit 3(a)).
4(b)	Specimen Stock Certificate for Class A Common Stock. (1)
	CREDIT AGREEMENT
10(i)(i)	Credit Agreement, dated as of August 11, 1999 (the "Credit Agreement") among the Registrant, certain banks listed therein, The Chase Manhattan Bank, as Administrative Agent, Chase Manhattan International Limited, as London Agent, Citibank N.A., as Syndication Agent and Banc One Capital Markets, Inc., as Documentation Agent. (9)
10(i)(ii)	Amendment No. 1, dated as of December 22, 1999, to the Credit Agreement. (11)
	STOCK OPTIONS
10(m)(i)	Form of Stock Option Agreement, dated as of August 1, 1983, between the Registrant and each of five employees, together with schedule showing the names of such employees and the material differences among the Stock Option Agreements with such employees. (1)
10(m)(ii)	Form of Amendment of Stock Option Agreement, dated as of July 1, 1987, between the Registrant and each of the five employees identified in the schedule referred to as Exhibit 10(m)(i). (1)
10(m)(iii)	1988 Stock Option Plan. (2)
10(m)(iv)	1992 Stock Option Plan. (4)
10(m)(v)	1997 Executive Stock Option Agreement. (7)
10(m)(vi)	1998 Stock Option Plan. (8)
	EXECUTIVE COMPENSATION
10(n)	Pension Equalization Plan adopted April 16, 1986, naming two current executive officers and one former executive officer of Registrant as "Participants" thereunder. (1)
10(n)(i)	Supplemental Executive Retirement Plan. (5)
10(o)(i)	Form of Executive Deferred Compensation Plan adopted September 1, 1985, and Forms of Election Agreement. (1)

10(o)(ii)	Form of Directors' Deferred Compensation Plan adopted September 1, 1985, and Forms of Election Agreement. (1)
10(o)(iii)	Executive Deferred Compensation Plan. (2)
10(o)(iv)	Directors' Deferred Compensation Plan. (2)
10(o)(v)	Deferred Compensation Plan of Albany International Corp. (6)
10(o)(vi)	Centennial Deferred Compensation Plan. (6)
	OTHER EXHIBITS
11	Schedule of Computation of Net Income Per Share and Diluted Net Income Per Share.
13	Annual Report to Security Holders for the year ended December 31, 2000.
21	Subsidiaries of Registrant.
23	Consent of PricewaterhouseCoopers LLP.
24	Powers of Attorney.
27	Financial Data Schedule.

All other schedules and exhibits are not required or are inapplicable and, therefore, have been omitted.

(1)	Previously filed as an Exhibit to the Company's Registration Statement on Form S-1, No. 33-16254, as amended, declared effective by the Securities and Exchange Commission on September 30, 1987, which previously-filed Exhibit is incorporated by reference herein.
(2)	Previously filed as an Exhibit to the Registrant's Current Report on Form 8-K dated August 8, 1988, which previously-filed Exhibit is incorporated by reference herein.
(3)	Previously filed as an Exhibit to the Registrant's Registration Statement on Form 8-A, File No. 1-10026, declared effective by the Securities and Exchange Commission on August 26, 1988 (as to The Pacific Stock Exchange, Inc.), and on September 7, 1988 (as to The New York Stock Exchange, Inc.), which previously-filed Exhibit is incorporated by reference herein.
(4)	Previously filed as an Exhibit to the Registrant's Current Report on Form 8-K dated January 18, 1993, which previously-filed Exhibit is incorporated by reference herein.
(5)	Previously filed as an Exhibit to the Registrant's Current Report on Form 8-K dated June 30, 1994, which previously-filed Exhibit is incorporated by reference herein.
(6)	Previously filed as an Exhibit to the Registrant's Current Report on Form 8-K dated March 15, 1996, which previously-filed Exhibit is incorporated by reference herein.
(7)	Previously filed as an Exhibit to the Registrant's Current Report on Form 10-K dated March 16, 1998, which previously-filed Exhibit is incorporated by reference herein.
(8)	Previously filed as an Exhibit to the Registrant's Current Report on Form 10-Q dated August 10, 1998, which previously-filed Exhibit is incorporated by reference herein.
(9)	Previously filed as an Exhibit to the Registrant's Current Report on form 8-K dated September 21, 1999, which previously-filed Exhibit is incorporated by reference herein.
(10)	Previously filed as an Exhibit to the Registrant's Current Report on Form 10-Q dated November 10, 1999, which previously-filed Exhibit is incorporated by reference herein.
(11)	Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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 on the 26nd day of March, 2001.

ALBANY INTERNATIONAL CORP.

By: /s/ MICHAEL C. NAHL

Michael C. Nahl
PRINCIPAL FINANCIAL OFFICER, SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
* (Francis L. McKone)	Chairman of the Board and Director	March 26, 2001
/s/ MICHAEL C. NAHL (Michael C. Nahl)	Senior Vice President and Chief Financial Officer (Principal Accounting Officer)	March 26, 2001
* (Richard A. Carlstrom)	Vice President-Controller (Principal Accounting Officer)	March 26, 2001
* (Thomas R. Beecher Jr.)	Director	March 26, 2001
* (Charles B. Buchanan)	Director	March 26, 2001
* (Erland E. Kailbourne)	Director	March 26, 2001
* (Dr. Joseph G. Morone)	Director	March 26, 2001

SIGNATURE	TITLE	DATE
* (Frank R. Schmeler)	President and Director (Chief Executive Officer)	March 26, 2001
* (Christine L. Standish)	Director	March 26, 2001
* (Allan Stenshamn)	Director	March 26, 2001
* (Barbara P. Wright)	Director	March 26, 2001
* (John C. Standish)	Director	March 26, 2001
* (James L. Ferris Ph.D.)	Director	March 26, 2001

/s/ MICHAEL C. NAHL

*By Michael C. Nahl
Attorney-in-fact

REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENTS SCHEDULE

To The Board of Directors and

Shareholders of Albany International Corp.

Our audits of the consolidated financial statements referred to in our report dated January 25, 2001 appearing in the 2000 Annual Report to Shareholders of Albany International Corp. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 14(a)(2) of this Form 10-K. In our opinion, the financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PRICEWATERHOUSECOOPERS LLP
Albany, New York
January 25, 2001

SCHEDULE II
ALBANY INTERNATIONAL CORP. AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS
(DOLLARS IN THOUSANDS)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E
		ADDITIONS			
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	CHARGED TO EXPENSE	CHARGED TO INTANGIBLES(A)	DEDUCTIONS(B)	BALANCE AT END OF PERIOD
Allowance for doubtful accounts Year ended December 31:					
2000	$8,768	$1,008	$ --	$2,088	$7,688
1999	$5,504	$2,071	$2,838	$1,645	$8,768
1998	$5,224	$1,312	$ --	$1,032	$5,504

- ------------------------

(A) Represents the allowance for doubful accounts opening balance sheet amount for the Geschmay group, which was acquired in 1999.

(B) Includes accounts written off as uncollectible, recoveries and the effect of currency exchange rates.

Index to Exhibits

Exhibit		Description
3(a)	-	Certificate of Incorporation of Registrant. (3)
3(b)	-	Bylaws of Registrant. (10)
4(a)	-	Article IV of Certificate of Incorporation of Registrant (included in Exhibit 3(a)).
4(b)	-	Specimen Stock Certificate for Class A Common Stock. (1)
		CREDIT AGREEMENT
10(i)(i)	-	Credit Agreement, dated as of August 11, 1999 (the "Credit Agreement") among the Registrant, certain banks listed therein, The Chase Manhattan Bank, as Administrative Agent, Chase Manhattan International Limited, as London Agent, Citibank N.A., as Syndication Agent and Banc One Capital Markets, Inc., as Documentation Agent. (9)
10(i)(ii)	-	Amendment No. 1, dated as of December 22, 1999, to the Credit Agreement. (11)
		STOCK OPTIONS
10(m)(i)	-	Form of Stock Option Agreement, dated as of August 1, 1983, between the Registrant and each of five employees, together with schedule showing the names of such employees and the material differences among the Stock Option Agreements with such employees. (1)
10(m)(ii)	-	Form of Amendment of Stock Option Agreement, dated as of July 1, 1987, between the Registrant and each of the five employees identified in the schedule referred to as Exhibit 10(m)(i). (1)
10(m)(iii)	-	1988 Stock Option Plan. (2)
10(m)(iv)	-	1992 Stock Option Plan. (4)
10(m)(v)	-	1997 Executive Stock Option Agreement. (7)
10(m)(vi)	-	1998 Stock Option Plan. (8)

EXECUTIVE COMPENSATION

10(n)	-	Pension Equalization Plan adopted April 16, 1986, naming two current executive officers and one former executive officer of Registrant as "Participants" thereunder. (1)
10(n)(i)	-	Supplemental Executive Retirement Plan. (5)
10(o)(i)	-	Form of Executive Deferred Compensation Plan adopted September 1, 1985, and Forms of Election Agreement. (1)
10(o)(ii)	-	Form of Directors' Deferred Compensation Plan adopted September 1, 1985, and Form of Election Agreement. (1)
10(o)(iii)	-	Executive Deferred Compensation Plan. (2)
10(o)(iv)	-	Directors' Deferred Compensation Plan. (2)
10(o)(v)	-	Deferred Compensation Plan of Albany International Corp. (6)
10(o)(vi)	-	Centennial Deferred Compensation Plan. (6)

OTHER EXHIBITS

11	-	Schedule of Computation of Net Income Per Share and Diluted Net Income Per Share.
13	-	Annual Report to Security Holders for the year ended December 31, 2000.
21	-	Subsidiaries of Registrant.
23	-	Consent of PricewaterhouseCoopers LLP.
24	-	Powers of Attorney.
27	-	Financial Data Schedule.

All other schedules and exhibits are not required or are inapplicable and, therefore, have been omitted.

(1) Previously filed as an Exhibit to the Company's Registration Statement on Form S-1, No. 33-16254, as amended, declared effective by the Securities and Exchange Commission on September 30, 1987, which previously-filed Exhibit is incorporated by reference herein.

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(10) Previously filed as an Exhibit to the Registrant's Current Report on Form 10-Q dated November 10, 1999, which previously-filed Exhibit is incorporated by reference herein.

(11) Filed herewith.

EXHIBIT 10(i)(ii)

Amendment to Credit Agreement

CONFORMED COPY

AMENDMENT NO. 1 dated as of December 22, 1999 (this "AMENDMENT"), to the CREDIT AGREEMENT dated as of August 11, 1999 (the "CREDIT AGREEMENT"), among ALBANY INTERNATIONAL CORP., a Delaware corporation (the "COMPANY"), the BORROWING SUBSIDIARIES from time to time party thereto, the Lenders referred to therein, THE CHASE MANHATTAN BANK, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "ADMINISTRATIVE AGENT"), and CHASE MANHATTAN INTERNATIONAL LIMITED, as London Agent.

The Borrower has requested that certain terms of the Credit Agreement be amended, and the Required Lenders are willing, on the terms and subject to the conditions set forth herein, to agree to amend the Credit Agreement.

Accordingly, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as set forth below. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Credit Agreement.

SECTION 1. AMENDMENT TO SECTION 1.01. Section 1.01 of the Credit Agreement is hereby amended by amending the definition of "Collateral Requirement" as described below:

(a) Clause (a) of the definition of "Collateral Requirement" is hereby amended to read as follows:

> "one or more Pledge Agreements (or supplements thereto) shall have been duly executed and delivered by each Borrower, each Domestic Subsidiary (other than (i) any Domestic Subsidiary that is a subsidiary of a Foreign Subsidiary and (ii) so long as it does not own Specified Intercompany Indebtedness (as defined below) or Equity Interests in any Material Subsidiary, Wangner Systems Corporation) and each Foreign Subsidiary that is a Borrower or direct or indirect parent corporation of a Foreign Subsidiary that is a Borrower existing at such time and directly owning any outstanding Equity Interests in any other Subsidiary (other than an Excluded Foreign Subsidiary) or any Indebtedness (other than Indebtedness arising under clause (c) or (d) of the definition of Indebtedness) of the Company or any Subsidiary in a principal amount greater than $1,000,000 ("Specified Intercompany Indebtedness"), and there shall have been duly and validly pledged to the Collateral Agent thereunder, for the ratable benefit of the Secured Parties, as security for all the Obligations, (i) all the outstanding Equity Interests in each Domestic Subsidiary owned directly by the Company or any Domestic Subsidiary party to the Pledge Agreement, (ii) 65% of the outstanding Equity Interests (or such lesser percentage as shall be owned by the Company and the Domestic Subsidiaries party to the Pledge Agreements) in each Foreign Subsidiary owned in whole or in part directly by the Company or any Domestic Subsidiary party to a Pledge Agreement (other than Equity Interests in any Excluded Foreign Subsidiary), and (iii) all Specified Intercompany Indebtedness that is owed to the Company or any Domestic Subsidiary party to the Pledge Agreement".

(b) The following sentence is added to the end of the definition of "Collateral Requirement":

> "The foregoing definition shall not require the creation or perfection of pledges of or security interests in particular assets of the Company and the Subsidiaries if and for so long as, in the judgment of the Administrative Agent, the cost of creating or perfecting such pledges or security interests in such assets shall be excessive in view of the benefits to be obtained by the Lenders therefrom."

SECTION 2. AGREEMENT WITH RESPECT TO CERTAIN PLEDGED SHARES. (a) Notwithstanding any other provision of the Credit Agreement or the Pledge Agreements (including, but not limited to, Section 5.11(b) of the Credit Agreement and the granting clauses of the Pledge Agreements), so long as Albany International Holdings One, Inc. and Albany International Holdings Two, Inc. are not engaged in the operation of any businesses other than the ownership of Foreign Subsidiaries and do not own any assets other than Equity Interests in Foreign Subsidiaries, the Obligations of the Company and the Domestic Subsidiaries shall be secured by not more than 65% of the outstanding Equity Interests in Albany International Holdings One, Inc. or Albany International Holdings Two, Inc. The Collateral Agent is authorized and directed to enter into such amendments to the Pledge Agreements as it shall deem appropriate to give effect to the provisions of this paragraph.

(b) Notwithstanding the provisions of Section 5.11(b) of the Credit Agreement or Schedule II to the Pledge Agreement, due to the recision of the transfer by the Company of the Equity Interests of Telas Industriales de Mexico S.A. de C.V., a Mexican Subsidiary, to Albany International Holdings Two, Inc., such Equity Interests are permitted, with effect from August 24, 1999, to be owned directly by, and pledged by, the Company.

SECTION 3. REPRESENTATIONS AND WARRANTIES. To induce the other parties hereto to enter into this Amendment, the Borrower represents and warrants to each of the Lenders and the Administrative Agent that:

(a) This Amendment has been duly authorized, executed and delivered by the Borrower, and each of this Amendment and the Credit Agreement, after giving effect to this Amendment, constitutes the legal, valid and binding obligation of the Borrower enforceable in accordance with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium and similar laws affecting the enforcement of creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law).

(b) The representations and warranties contained in Article III of the Credit Agreement, after giving effect to this Amendment, are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date.

(c) No Default or Event of Default has occurred and is continuing or would result from the execution and delivery of this Amendment.

SECTION 4. EFFECTIVENESS. This Amendment shall become effective as of the date first written above on the date on which the Administrative Agent shall have received counterparts of this Amendment that, when taken together, bear the authorized signatures of the Borrower, the Required Lenders and the Administrative Agent.

SECTION 5. LIMITED EFFECT OF AMENDMENT. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders or the Administrative Agent under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Loan Party to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances. This Amendment shall apply and be effective only with respect to the provisions of the Credit Agreement specifically referred to herein. After the date hereof, any reference to the Credit Agreement shall mean the Credit Agreement, as modified hereby. This Amendment shall constitute a "Loan Document" for all purposes of the Credit Agreement and the other Loan Documents.

SECTION 6. COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same contract. Delivery of an executed counterpart of a signature page of this Amendment by facsimile transmission shall be as effective as delivery of a manually executed counterpart hereof.

SECTION 7. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 8. HEADINGS. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

ALBANY INTERNATIONAL CORP.,

by/s/ FRANK R. SCHMELER

Name: Frank R. Schmeler
Title: President

THE CHASE MANHATTAN BANK, individually, and as Administrative Agent,

by/s/ KRISTIN SANDS

Name: Kristin Sands
Title: Vice President

SIGNATURE PAGE TO
AMENDMENT NO. 1
DATED AS OF
DECEMBER 22, 1999,
TO THE ALBANY
INTERNATIONAL
CORP. CREDIT
AGREEMENT DATED
AS OF AUGUST 11,
1999

NAME OF INSTITUTION: ABN AMRO BANK N.V.

by /s/ ROBERT W. CASEY, JR.

Name: Robert W. Casey, Jr.
Title: Group Vice President

by /s/ CHRISTOPHER M. PLUMB

Name: Christopher M. Plumb
Title: Vice President

NAME OF INSTITUTION: CREDIT AGRICOLE INDOSUEZ

by /s/ CRAIG WELCH

Name: Craig Welch
Title: First Vice President

by /s/ SARAH MCCLINTOCK

Name: Sarah McClintock
Title: Vice President

NAME OF INSTITUTION: BANK ONE, NA (MAIN OFFICE CHICAGO)

by /s/ ANDREA S. KANTOR

Name: Andrea S. Kantor
Title: Vice President

NAME OF INSTITUTION: BANK OF AMERICA, N.A.

by /s/ JOHN W. POCALYKO

Name: John W. Pocalyko
Title: Managing Director

SIGNATURE PAGE TO
AMENDMENT NO. 1
DATED AS OF
DECEMBER 22, 1999,
TO THE ALBANY
INTERNATIONAL
CORP. CREDIT
AGREEMENT DATED
AS OF AUGUST 11,
1999

NAME OF INSTITUTION: BANK BOSTON, N.A.

by /s/ MICHAEL C. ANKROM, JR.

Name: Michael C. Ankrom, Jr.
Title: Vice President

NAME OF INSTITUTION: BANK OF MONTREAL

by /s/ BRIAN L. BANKE

Name: Brian L. Banke
Title: Director

NAME OF INSTITUTION: THE BANK OF NEW YORK

by /s/ THOMAS C. MCCROHAN

Name: Thomas C. McCrohan
Title: Vice President

NAME OF INSTITUTION: CITIBANK, N.A.

by /s/ STUART G. MILLER

Name: Stuart G. Miller
Title: Managing Director

NAME OF INSTITUTION: CREDIT SUISSE FIRST BOSTON

by /s/ JOEL GLODOWSKI
Name: Joel Glodowski
Title: Managing Director

by /s/ DAVID W. KRATOVIL

Name: David W. Kratovil
Title: Director

SIGNATURE PAGE TO
AMENDMENT NO. 1
DATED AS OF
DECEMBER 22, 1999,
TO THE ALBANY
INTERNATIONAL
CORP. CREDIT
AGREEMENT DATED
AS OF AUGUST 11,
1999

NAME OF INSTITUTION: DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES

by /s/ KEN HAMILTON

Name: Ken Hamilton
Title: Senior Vice President

by /s/ DEBORAH SLUSARCZYK

Name: Deborah Slusarczyk
Title: Vice President

NAME OF INSTITUTION: EVERGREEN BANK, N.A.

by /s/ JEROME A. MASTRIANNI

Name: Jerome A. Mastrianni
Title: Vice President

NAME OF INSTITUTION: FLEET NATIONAL BANK

by /s/ MICHAEL C. ANKROM, JR.

Name: Michael C. Ankrom, Jr.
Title: Vice President

NAME OF INSTITUTION: HSBC BANK USA

by /s/ WILLIAM M. HOLLAND

Name: William M. Holland
Title: Vice President

SIGNATURE PAGE TO AMENDMENT NO. 1 DATED AS OF DECEMBER 22, 1999, TO THE ALBANY INTERNATIONAL CORP. CREDIT AGREEMENT DATED AS OF AUGUST 11, 1999

NAME OF INSTITUTION: SANWA BANK LIMITED

by /s/ STEPHEN C. SMALL

Name: Stephen C. Small
Title: Vice President and Area Manager

NAME OF INSTITUTION: KEYBANK NATIONAL ASSOCIATION

by /s/ DANIEL W. LALLY

Name: Daniel W. Lally
Title: Assistant Vice President

NAME OF INSTITUTION: CREDIT LYONNAIS NEW YORK BRANCH

by /s/ SCOTT R. CHAPPELKA

Name: Scott R. Chappelka
Title: Vice President

NAME OF INSTITUTION: MERITA BANK PLC, NEW YORK BRANCH

by /s/ ANU SEPPALA

Name: Anu Seppala
Title: Vice President

by /s/ WILLIAM KELLER

Name: William Keller
Title: Vice President

NAME OF INSTITUTION: THE BANK OF NOVA SCOTIA

by /s/ J. ALAN EDWARDS

Name: J. Alan Edwards
Title: Authorized Signatory

SIGNATURE PAGE TO
AMENDMENT NO. 1
DATED AS OF
DECEMBER 22, 1999,
TO THE ALBANY
INTERNATIONAL
CORP. CREDIT
AGREEMENT DATED
AS OF AUGUST 11,
1999

NAME OF INSTITUTION: THE SUMITOMO BANK, LIMITED

by s/ JOHN C. KISSINGER

Name: John C. Kissinger
Title: General Manager

NAME OF INSTITUTION: SUNTRUST BANK ATLANTA

by /s/ BRADLEY J. STAPLES

Name: Bradley J. Staples
Title: Director

NAME OF INSTITUTION: TROY SAVINGS BANK

by /s/ STEPHAN VON SCHENK

Name: Stephan von Schenk
Title: Vice President

NAME OF INSTITUTION: WACHOVIA BANK, N.A.

by /s/ SHARON PRINCE

Name: Sharon Prince
Title: Vice President

EXHIBIT 11

SCHEDULE OF COMPUTATION OF
NET INCOME PER SHARE AND
DILUTED NET INCOME PER SHARE

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

(in thousands, except per share data)

	For the three months ended December 31,		For the year ended December 31,	
	2000 (1)	1999 (1)	2000 (1)	1999 (1)
Net income	$ 9,331	($ 950)	$ 38,085	$ 30,222
Weighted average number of shares	30,752,319	30,428,606	30,632,284	30,339,938
Effect of potentially dilutive securities: Stock options (2)	1,033	1,495	4,164	142,584
Weighted average number shares, including the effect of potentially dilutive securities	30,753,352	30,430,101	30,636,448	30,482,522
Net income per share	$ 0.30	($ 0.03)	$ 1.24	$ 1.00
Diluted net income per share	$ 0.30	($ 0.03)	$ 1.24	$ 0.99

REPORT OF MANAGEMENT

Management of Albany International Corp. is responsible for the integrity and objectivity of the accompanying financial statements and related information. These statements have been prepared in conformity with accounting principles generally accepted in the United States of America, and include amounts that are based on our best judgments with due consideration given to materiality.

Management maintains a system of internal accounting controls designed to provide reasonable assurance, at reasonable cost, that assets are safeguarded and that transactions and events are recorded properly. A program of internal audits and management reviews provides a monitoring process that allows the Company to be reasonably sure the system of internal accounting controls operates effectively.

The financial statements have been audited by PricewaterhouseCoopers LLP, independent accountants. Their role is to express an opinion as to whether management's financial statements present fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America, the Company's financial condition and operating results. Their opinion is based on procedures which include reviewing and evaluating certain aspects of selected systems, procedures and internal accounting controls, and conducting such tests as they deem necessary.

The Audit Committee of the Board of Directors, composed solely of outside directors, meets periodically with the independent accountants, management and internal audit to review their work and confirm that they are properly discharging their responsibilities. In addition, the independent accountants are free to meet with the Audit Committee without the presence of management to discuss results of their work and observations on the adequacy of internal financial controls, the quality of financial reporting and other relevant matters.

[SIG]
Francis L. McKone
CHAIRMAN OF THE BOARD

[SIG]
Frank R. Schmeler
PRESIDENT AND CHIEF EXECUTIVE OFFICER

[SIG]
Michael C. Nahl
SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

REPORT OF INDEPENDENT ACCOUNTANTS

TO THE BOARD OF DIRECTORS AND
SHAREHOLDERS OF ALBANY INTERNATIONAL CORP.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income and retained earnings, of comprehensive income and of cash flows present fairly, in all material respects, the financial position of Albany International Corp. and its subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Albany, New York
January 25, 2001

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
ALBANY INTERNATIONAL CORP.

For the Years Ended December 31, (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	2000	1999	1998
STATEMENTS OF INCOME			
Net sales	$852,934	$778,366	$722,653
Cost of goods sold	515,649	458,930	417,375
Gross profit	337,285	319,436	305,278
Selling and general expenses	184,123	177,481	164,481
Technical and research expenses	49,528	48,096	49,998
Restructuring of operations:			
Termination benefits and other costs	--	14,496	20,191
Losses on disposal of fixed assets	--	2,376	--
Operating income	103,634	76,987	70,608
Interest income	(1,336)	(1,248)	(598)
Interest expense	43,158	26,800	19,908
Other (income)/expense, net	(755)	(481)	(406)
Income before income taxes	62,567	51,916	51,704
Income taxes	25,027	22,325	20,163
Income before associated companies	37,540	29,591	31,541
Equity in earnings of associated companies	545	631	231
Net income	38,085	30,222	31,772
RETAINED EARNINGS			
Retained earnings, beginning of period	276,554	255,586	246,013
Less dividends	--	9,254	22,199
Retained earnings, end of period	$314,639	$276,554	$255,586
Net income per share	$ 1.24	$ 1.00	$ 1.02
Diluted net income per share	$ 1.24	$ 0.99	$ 1.01

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
ALBANY INTERNATIONAL CORP.

For the Years Ended December 31,	2000	1999	1998
(IN THOUSANDS)			
NET INCOME	$ 38,085	$ 30,222	$ 31,772
Other comprehensive income/(loss), before tax:			
Foreign currency translation adjustments	(45,090)	(37,141)	615
Pension liability adjustments	1,680	12,965	(16,868)
Income taxes related to items of other comprehensive income/(loss)	276	--	--
Comprehensive (loss)/ income	$ (5,049)	$ 6,046	$ 15,519

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED BALANCE SHEETS
ALBANY INTERNATIONAL CORP.

At December 31,	2000	1999
(IN THOUSANDS, EXCEPT SHARE DATA)		
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,359	$ 7,025
Accounts receivable, less allowance for doubtful accounts ($7,688, 2000; $8,768, 1999)	236,810	235,303
Inventories		
Finished goods	119,619	131,749
Work in process	54,408	61,200
Raw material and supplies	42,846	42,733
Prepaid Expenses	7,534	7,532
Deferred taxes	27,711	22,531
Total current assets	494,287	508,073
Property, plant and equipment, at cost, net	387,658	435,172
Investments in associated companies	4,300	4,389
Intangibles	161,709	197,953
Deferred taxes	19,095	10,871
Other assets	45,203	50,384
Total assets	$1,112,252	$1,206,842
LIABILITIES		
Current liabilities:		
Notes and loans payable	$ 37,760	$ 36,839
Accounts payable	47,005	42,647
Accrued liabilities	80,678	86,008
Current maturities of long-term debt	44,092	6,174
Income taxes payable and deferred	12,499	5,296
Total current liabilities	222,034	176,964
Long-term debt	398,087	521,257
Other noncurrent liabilities	129,741	124,847
Deferred taxes and other credits	37,473	58,367
Total liabilities	787,335	881,435
COMMITMENTS AND CONTINGENCIES	--	--
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 27,138,064 in 2000 and 26,803,721 in 1999	27	27
Class B Common Stock, par value $.001 per share; authorized 25,000,000 shares; issued and outstanding 5,869,457 in 2000 and in 1999	6	6
Additional paid in capital	223,897	219,443
Retained earnings	314,639	276,554
Accumulated items of other comprehensive income:		
Translation adjustments	(165,691)	(120,877)
Pension liability adjustment	(2,223)	(3,903)
	370,655	371,250
Less treasury stock, at cost	45,738	45,843
Total shareholders' equity	324,917	325,407
Total liabilities and shareholders' equity	$1,112,252	$1,206,842

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENTS OF CASH FLOWS
ALBANY INTERNATIONAL CORP.

For the Years Ended December 31,	2000	1999	1998
(IN THOUSANDS)			
OPERATING ACTIVITIES			
Net income	$ 38,085	$ 30,222	$ 31,772
Adjustments to reconcile net cash provided by operating activities:			
Equity in earnings of associated companies	(545)	(631)	(231)
Depreciation and amortization	62,216	55,874	48,827
Provision for deferred income taxes, other credits and long-term liabilities	6,108	(1,127)	11,460
Increase in cash surrender value of life insurance, net of premiums paid	(728)	(1,110)	(1,017)
Unrealized currency transaction (gains)/losses	(3,172)	(5,802)	(1,911)
Losses on disposition of assets	2,152	2,914	368
Shares contributed to ESOP	4,489	4,337	4,064
Tax benefit of options exercised	--	8	281
Changes in operating assets and liabilities:			
Accounts receivable	1,654	(1,179)	(6,769)
Inventories	18,809	13,300	(12,685)
Prepaid expenses	(2)	(1,368)	774
Accounts payable	4,357	(511)	(1,527)
Accrued liabilities	(8,313)	3,938	14,975
Income taxes payable	3,280	(2,588)	(4,487)
Other, net	2,192	1,821	3,237
Net cash provided by operating activities	130,582	98,098	87,131
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	(36,866)	(34,953)	(38,825)
Purchased software	(978)	(2,929)	(1,763)
Proceeds from sale of assets	8,938	464	484
Acquisitions, net of cash acquired	(1,037)	(247,236)	(24,032)
Loan to other company	--	(3,000)	--
Investments in associated and other companies	--	--	(2,025)
Distributions from associated companies	--	148	195
Premiums paid for life insurance	(1,161)	(1,187)	(1,187)
Net cash used in investing activities	(31,104)	(288,693)	(67,153)
FINANCING ACTIVITIES			
Proceeds from borrowings	18,921	581,064	138,011
Principal payments on debt	(102,048)	(366,503)	(97,982)
Proceeds from options exercised	--	165	2,105
Debt issuance costs	--	(4,905)	--
Purchases of treasury shares	--	--	(47,077)
Dividends paid	--	--	(6,387)
Net cash (used in)/provided by financing activities	(83,127)	209,821	(11,330)
Effect of exchange rate changes on cash flows	(18,017)	(18,069)	(5,326)
(Decrease)/increase in cash and cash equivalents	(1,666)	1,157	3,322
Cash and cash equivalents at beginning of year	7,025	5,868	2,546
Cash and cash equivalents at end of year	$ 5,359	$ 7,025	$ 5,868

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of Albany International Corp. and its subsidiaries after elimination of intercompany transactions. The Company has 50% interests in an entity in South Africa, an entity in England and an entity in Russia. The consolidated financial statements include the Company's original investment in these entities, plus its share of undistributed earnings or losses, in the account "Investments in associated companies."

REVENUE RECOGNITION

The Company records sales when persuasive evidence of an arrangement exists, delivery has occurred, the selling price is fixed and collectibility is reasonably assured. The Company limits the concentration of credit risk in receivables from the paper manufacturing industry by closely monitoring credit and collection policies. The allowance for doubtful accounts is adequate to absorb estimated losses.

The Company records the costs of freight associated with the shipment of goods as a reduction to net sales. These freight costs were $17,431,000 in 2000, $14,320,000 in 1999 and $12,856,000 in 1998.

ESTIMATES

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TRANSLATION OF FINANCIAL STATEMENTS

Assets and liabilities of non-U.S. operations are translated at year-end rates of exchange, and the income statements are translated at the average rates of exchange for the year. Gains or losses resulting from translating non-U.S. currency financial statements are recorded in "Other comprehensive income" and accumulated in a separate component of shareholders' equity.

For operations in countries that are considered to have highly inflationary economies, gains and losses from translation and transactions are determined using a combination of current and historical rates and are included in net income.

Gains or losses resulting from currency transactions denominated in a currency other than the entity's local currency, forward exchange contracts which are not designated as hedges for accounting purposes and futures contracts are generally included in income. Changes in value of forward exchange contracts which are effective as hedges for accounting purposes are generally reported, net of tax, in "Other comprehensive income" and in shareholders' equity in the caption "Translation adjustments."

RESEARCH EXPENSE

Research expense, which is charged to operations as incurred, was $23,287,000 in 2000, $23,567,000 in 1999, and $23,732,000 in 1998.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and highly liquid short-term investments with original maturities of three months or less.

INVENTORIES

Inventories are stated at the lower of cost or market and are valued at average cost.

PROPERTY, PLANT AND EQUIPMENT

Depreciation is recorded using the straight-line method over the estimated useful lives of the assets for financial reporting purposes; accelerated methods are used for income tax purposes. Useful lives for buildings, and machinery and equipment are 25 to 40 years, and 3 to 10 years, respectively.

Significant additions or improvements extending assets' useful lives are capitalized; normal maintenance and repair costs are expensed as incurred.

The cost of fully depreciated assets remaining in use are included in the respective asset and accumulated depreciation accounts. When items are sold or retired, related gains or losses are included in net income.

INTANGIBLES AND OTHER ASSETS

The excess purchase price over fair values assigned to net assets acquired is amortized on a straight-line basis over 20 to 40 years.

Patents, trade names and technology, at cost, are amortized on a straight-line basis over 8 to 12 years.

Long-lived assets are reviewed for impairment whenever changes in circumstances indicate that the carrying amount may not be recoverable.

Computer software purchased for internal use, at cost, is amortized on a straight-line basis over 5 years and is included in "Other assets."

DERIVATIVES

Gains or losses on forward exchange contracts that function as an economic hedge against currency fluctuation effects on future revenue streams are recorded in "Other (income)/ expense, net".

Gains or losses on forward exchange contracts that are designated a hedge of a foreign operation's net assets and/or long-term intercompany loans are recorded in "Translation adjustments", a separate component of shareholders' equity. These contracts reduce the risk of currency exposure on foreign currency net assets and do not exceed the foreign currency amount being hedged. To the extent the above criteria are not met, or the related assets are sold, extinguished, or terminated, activity associated with such hedges is recorded in "Other (income)/expense, net".

All open positions on forward exchange contracts are valued at fair value using the estimated forward rate of a matching contract.

Gains or losses on futures contracts are recorded in "Other (income)/expense, net". Open positions are valued at fair value using quoted market rates.

Gains or losses on interest rate swap agreements, that are entered into to hedge part of the Company's interest rate exposure, are recorded in "Interest expense". Unrealized gains or losses related to changes in the fair value of the contracts are not recognized.

The Company values other swap agreements at market by estimating the cost of entering into one or more inverse swap transactions on such date that would neutralize the original transactions. The cost is estimated by obtaining the market swap rate for fixed-rate contracts of similar duration. Gains or losses on these swaps are recorded in "Other (income)/expense, net".

INCOME TAXES

The Company accounts for taxes in accordance with the asset and liability method. Deferred income taxes are recognized for the tax consequences of "temporary differences" by applying enacted statutory tax rates applicable for future years to differences between financial statement and tax bases of existing assets and liabilities. The effect of tax rate changes on deferred taxes is recognized in the income tax provision in the period that includes the enactment date.

It is the Company's policy to accrue appropriate U.S. and non-U.S. income taxes on earnings of subsidiary companies which are intended to be remitted to the parent company in the near future.

The provision for taxes is reduced by investment and other tax credits in the years such credits become available.

PENSION PLANS

Substantially all employees are covered under either Company or government sponsored pension plans. For principal Company sponsored plans, pension plan expenses are based on actuarial determinations. The plans are generally trusteed or insured and accrued amounts are funded as required in accordance with governing laws and regulations.

EARNINGS PER SHARE

Net income per share is computed using the weighted average number of shares of Class A and Class B Common Stock outstanding during each year. Diluted net income per share includes the effect of all potentially dilutive securities.

2. EARNINGS PER SHARE

The amounts used in computing earnings per share and the effect on income and the weighted average number of shares of potentially dilutive securities are as follows:

(IN THOUSANDS)	2000	1999	1998
INCOME AVAILABLE TO COMMON STOCK-HOLDERS:	$38,085	$30,222	$31,772
WEIGHTED AVERAGE NUMBER OF SHARES:			
Weighted average number of shares used in net income per share	30,632	30,340	31,073
Effect of dilutive securities:			
Stock options......	4	143	334
Weighted average number of shares used in diluted net income per share	30,636	30,483	31,407

Options to purchase 3,886,950 shares of common stock at prices ranging from $15.00 to $25.563 per share, were outstanding at December 31, 2000 but were not included in the computation of diluted net income per share because the options' exercise price was greater than the average market price of the common shares.

3. PROPERTY, PLANT AND EQUIPMENT

The components of property, plant and equipment are summarized below:

(IN THOUSANDS)	2000	1999
LAND	$ 28,995	$ 30,345
Buildings	173,983	189,967
Machinery and equipment	547,581	563,008
	750,559	783,320
Accumulated depreciation	362,901	348,148
	$387,658	$435,172

There was no construction in progress in 2000, and $2,488,000 in 1999.

Depreciation expense was $49,937,000 in 2000, $47,669,000 in 1999, and $44,362,000 in 1998.

Expenditures for maintenance and repairs are charged to income as incurred and amounted to $20,300,000 in 2000, $17,305,000 in 1999, and $16,560,000 in 1998.

Capital expenditures were $36,866,000 in 2000, $34,953,000 in 1999, and $38,825,000 in 1998. At the end of 2000, the Company was committed to $18,895,000 of future expenditures for new equipment and facilities.

4. INTANGIBLES

The components of intangibles are summarized below:

(IN THOUSANDS)	2000	1999
Excess purchase price over fair value of net assets acquired	$170,374	$199,227
Patents, trade names and technology	20,320	20,320

Accumulated amortization	(38,786)	(29,709)
Deferred unrecognized pension cost (see Note 12)	9,801	8,115
	$161,709	$197,953

Amortization expense was $9,077,000 in 2000, $5,173,000 in 1999, and $2,194,000 in 1998.

During 2000, excess purchase price over fair value of net assets acquired was reduced by approximately $27,000,000 as a result of finalizing the valuation of certain assets and liabilities associated with the Geschmay acquisition (see Note 16).

5. ACCRUED LIABILITIES

Accrued liabilities consist of:

(IN THOUSANDS)	2000	1999
SALARIES AND WAGES	$22,782	$22,647
Employee benefits	19,168	21,597
Returns and allowances	5,293	6,164
Interest	3,555	1,044
Restructuring costs	14,319	16,953
Other	15,561	17,603
	$80,678	$86,008

6. FINANCIAL INSTRUMENTS

Notes and loans payable at December 31, 2000 and 1999 were short-term debt instruments with banks, denominated in local currencies with a weighted average interest rate of 7.08% in 2000 and 5.68% in 1999.

Long-term debt at December 31, 2000 and 1999, principally to banks and bondholders, exclusive of amounts due within one year, consists of:

(IN THOUSANDS)	2000	1999
August 1999 credit agreement which terminates in 2004 with borrowings outstanding at an average interest of 7.90% in 2000 and 6.61% in 1999........	$373,280	$487,000
Various notes and mortgages relative to operations principally outside the United States, at an average interest of 5.32% in 2000 and 5.72% in 1999, due in varying amounts through 2008..................	11,742	20,264
Industrial revenue financings at an average interest of 5.96% in 2000 and 5.49% in 1999, due in varying amounts through 2009..................	13,065	13,993
	$398,087	$521,257

The weighted average interest rate for all debt was 7.70% in 2000 and 6.36% in 1999.

Principal payments due on long-term debt are: 2001, $44,092,000; 2002, $59,280,000; 2003, $72,703,000; 2004, $250,318,000; 2005 $1,713,000.

Interest paid was $40,647,000 in 2000, $26,779,000 in 1999, and $17,812,000 in 1998.

In August 1999, the Company entered into a $750 million credit agreement with its banks. This facility includes a $250 million term loan of which $8.0 million was pre-paid in 2000 leaving $38.7 million due in 2001, $58.1 million in 2002, $67.8 million in 2003 and $77.4 million in 2004. The remaining $500 million is a revolving loan with the banks' commitment to lend terminating in 2004. This agreement includes commitment fees and variable interest rates based on various loan pricing methods. The interest rate margin is determined by the Company's leverage ratio. The credit agreement contains various covenants which include limits on the disposition of assets, cash dividends, and the Company's ability to purchase its Common Stock. Additionally, the credit agreement specifies a minimum interest coverage and a maximum leverage ratio. The Company cannot purchase its Common Stock or pay cash dividends unless, and only to the extent that, the leverage ratio, as defined in the credit agreement, is less than 2.75. The December 31, 2000 leverage ratio was below 2.75. Borrowings are collateralized by a pledge of shares of, and intercompany loans to, certain subsidiaries of the Company. In the event of nonperformance by any bank on its commitment to extend credit, the Company could not borrow the full amount of the facility. However, the Company does not anticipate nonperformance by any bank.

Under the August 1999 credit agreement, the Company could have borrowed an additional $140,000,000 at December 31, 2000.

During 2000, the Company entered into swap agreements that hedge a portion of its interest rate exposure. Under the terms of the agreements, each party makes payments on a notional amount of $100,000,000. The Company pays a blended fixed rate of 7.17% and the counterparties pay a floating rate based on LIBOR. The swap agreements expire on June 6, 2005. As of December 31, 2000, the blended rate receivable from the counterparties was 6.68%. The total cost of the swap agreements in 2000 was $167,000 and was recorded as "Interest expense". Unrealized gains and losses related to changes in the fair value of the agreements were not recognized in 2000. With the exception of the portion of debt which has been hedged, the estimated fair value of the Company's long-term debt excluding current maturities is considered to be the carrying value on the basis that the significant components are variable rate debt.

On January 2, 2001, the Company entered into additional swap agreements fixing interest rates on additional notional amounts of $100,000,000. The blended fixed rate payable by the Company under the new agreements is 5.65% and the counterparties pay a floating rate, based on LIBOR. The new agreements expire on August 11, 2005.

At December 31, 2000, the Company had no open positions under forward exchange contracts. Periodically, the Company also enters into futures contracts primarily to hedge in the short-term against interest rate fluctuations. At December 31, 2000, the Company had no open positions on

these contracts. The "Interest rate protection agreements" component of
"Other (income)/expense, net" includes losses/(gains)

on futures contracts, based on fair value, of $(382,000), $1,125,000, and $(1,018,000) in 2000, 1999, and 1998, respectively.

All financial instruments are held for purposes other than trading. For all positions there is risk from the possible inability of the counterparties (major financial institutions) to meet the terms of the contracts and the risk of unfavorable changes in interest and currency rates which may reduce the benefit of the contracts. However, for most closed forward exchange contracts, both the purchase and sale sides of the Company's exposures were with the same financial institution. The Company seeks to control off balance sheet risk by evaluating the credit worthiness of counterparties and by monitoring the currency exchange and interest rate markets, hedging risks in compliance with internal guidelines and reviewing all principal economic hedging contracts with designated directors of the Company.

In June 1998, Financial Accounting Standard No. 133, "Accounting for Derivative Instruments and Hedging Activities", was issued and was amended in June 2000 by Financial Accounting Standard No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities". These Standards establish a new model for accounting for derivatives and hedging activities. All derivatives will be required to be recognized as either assets or liabilities and measured at fair value. Each hedging relationship must be designated and accounted for pursuant to these Standards. Interest rate swaps that qualify as cash flow hedges will be measured at fair value with the offset to the initial asset or liability recognized in "Other comprehensive income". Subsequently, amounts will be reclassified to "Interest expense" in accordance with these Standards. Had the Company been required to adopt these standards at December 31, 2000, the fair value of the interest rate swaps would have resulted in a charge to other comprehensive income and an additional liability of approximately $4,900,000. The Company does not expect the adoption of these Standards to have a material effect on the results of operations. The Company adopted these Standards on their effective date of January 1, 2001.

7. COMMITMENTS AND CONTINGENCIES

The Company is involved as a defendant in a number of lawsuits, claims and assessments, including lawsuits alleging injury as a result of exposure to asbestos-containing products formerly manufactured by the Company. The Company believes that these cases are without merit and intends to continue vigorously contesting these lawsuits.

The Company is unable to predict the outcome of these matters, but does not believe, based upon currently available information, that the ultimate resolution of such matters will have a material adverse effect on the financial position, results of operations, or cash flows of the Company.

The Company's principal leases are for machinery and equipment, vehicles and real property. Certain leases contain renewal and purchase option provisions at fair market values. There were no significant capital leases. Total rental expense amounted to $22,671,000, $23,298,000, and $22,296,000, for 2000, 1999, and 1998, respectively.

Future rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2000 are: 2001, $21,449,000: 2002, $18,497,000; 2003, $16,610,000; 2004, $8,763,000; 2005, $7,620,000; and thereafter, $20,431,000.

8. SHAREHOLDERS' EQUITY

The Company has two classes of Common Stock, Class A Common Stock, par value $.001 and Class B Common Stock, par value $.001 which have equal liquidation rights. Each share of the Company's Class A Common Stock is entitled to one vote on all matters submitted to shareholders and each share of Class B Common Stock is entitled to ten votes. Class A and Class B Common Stock will receive equal dividends as the Board of Directors may determine from time to time. The Class B Common Stock is convertible into an equal number of shares of Class A Common Stock at any time. At December 31, 2000, 10,272,357 shares of Class A Common Stock were reserved for the conversion of Class B Common Stock and the exercise of stock options.

In January 1998, the Board authorized the purchase of 3,000,000 shares of Class A Common Stock, in the open market or otherwise, at such prices as management may from time to time consider to be advantageous to the Company's shareholders. Since January 1998, the Company has purchased

1,616,900 shares of its Class A Common Stock pursuant to this authorization and of the shares purchased, none were purchased during 2000 or 1999.

For 1998, the Board authorized the payment of cash dividends totalling $.105, per common share per year.

As discussed in Note 6, the Company is restricted from purchasing its Common Stock or paying cash dividends when the leverage ratio, as defined in the credit agreement, is 2.75 or higher.

Changes in shareholders' equity for 2000, 1999, and 1998 are as follows:

(IN THOUSANDS)	Class A Common Stock		Class B Common Stock		Additional Paid in Capital	Treasury Stock (Class A)	
	Shares	Amount	Shares	Amount		Shares	Amount
Balance: January 1, 1998.	25,375	$25	5,616	$6	$187,831	281	$ 6,416
Shares contributed to ESOP............................	--	--	--	--	(195)	(183)	(4,199)
Purchases of treasury shares..........................	--	--	--	--	--	2,262	47,077
Options exercised.....................................	118	--	--	--	2,386	--	--
Stock dividends.......................................	589	1	169	--	16,392	(118)	(2,656)
Shares issued to Directors............................	--	--	--	--	14	(2)	(46)
Balance: December 31, 1998............................	26,082	$26	5,785	$6	$206,428	2,240	$ 46,592
Shares contributed to ESOP............................	199	--	--	--	3,622	(29)	(646)
Options exercised.....................................	8	--	--	--	173	--	--
Stock dividends.......................................	484	1	115	--	9,215	(2)	(39)
Shares issued to Directors............................	--	--	--	--	5	(3)	(64)
Conversion of Class B shares to Class A shares........	31	--	(31)	--	--	--	--
Balance: December 31, 1999............................	26,804	$27	5,869	$6	$219,443	2,206	$ 45,843
Shares contributed to ESOP............................	334	--	--	--	4,489	--	--
Shares issued to Directors............................	--	--	--	--	(35)	(5)	(105)
Balance: December 31, 2000............................	27,138	$27	5,869	$6	$223,897	2,201	$ 45,738

9. OTHER (INCOME)/EXPENSE, NET

The components of other (income)/expense, net, as further described in Note 6, are:

(IN THOUSANDS)	2000	1999	1998
CURRENCY TRANSACTIONS	)(4,012	)(5,807	)(3,785
Interest rate protection agreements..........	(382)	1,125	(1,018)
Amortization of debt issuance costs and loan origination fees................	2,328	1,624	721
Other................	1,311	2,577	3,676
	$ (755)	$ (481)	$ (406)

10. INCOME TAXES

Income taxes currently payable are provided on taxable income at the statutory rate applicable to such income.

The components of income taxes are:

(IN THOUSANDS)	2000	1999	1998
Current:			
U.S. Federal	$ 5,506	$ 2,959	$ 14,858
U.S. State	1,360	1,303	1,699
Non-U.S.	21,177	23,068	7,352
	28,043	27,330	23,909
Deferred:			
U.S. Federal	(4,212)	1,407	(11,960)
U.S. State	(578)	143	(1,367)
Non-U.S.	1,774	(6,555)	9,581
	(3,016)	(5,005)	(3,746)
	$ 25,027	$ 22,325	$ 20,163

U.S. income (loss) before income taxes was $(4,469,000) in 2000, $8,625,000 in 1999, and $8,317,000 in 1998.
Taxes paid, net of refunds, were $18,362,000 in 2000, $23,711,000 in 1999, and $23,627,000 in 1998.

A comparison of the federal statutory rate to the Company's effective rate is as follows:

	2000	1999	1998
U.S. STATUTORY RATE	%035	%035	%0 35
State taxes	1.0	1.6	2.2
Non-U.S. tax rates, repatriation of earnings, and other net charges associated with prior years	3.9	5.4	1.5
Other	0.1	1.0	0.3
Effective tax rate	40.0%	43.0%	39.0%

The significant components of deferred income tax (benefit)/expense attributed to income from operations for the years ended December 31, 2000, 1999, and 1998 are as follows:

(IN THOUSANDS)	2000	1999	1998
DEFERRED TAX BENEFIT	)(2,727	)(3,138	)(10,453
Adjustments to deferred tax assets and liabilities for enacted changes in tax laws and rates	(282)	112	113
(Benefit)/utilization of operating loss carryforwards	(7)	(1,979)	6,594
	$(3,016)	$(5,005)	$ (3,746)

The Company has not recognized deferred income taxes on $129,706,000 of undistributed earnings of its international subsidiaries since such earnings are considered by management to be permanently reinvested. If the earnings were distributed in the form of dividends, the Company may be subject to both U.S. income taxes and foreign withholding taxes. Determination of the amount of this unrecognized deferred income tax liability is not practicable.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2000 and 1999 are presented below:

(IN THOUSANDS)	U.S. 2000	U.S. 1999	Non-U.S. 2000	Non-U.S. 1999
Accounts receivable, principally due to allowance for doubtful accounts	$ 545	$ 785	$ 435	$ 995
Inventories, principally due to additional costs inventoried for tax purposes, pursuant to the Tax Reform Act of 1986	2,850	3,979	(907)	271
Tax loss carryforwards	--	--	13,196	287
Other	9,944	14,226	1,648	1,988
Total current deferred tax assets	13,339	18,990	14,372	3,541
Sale lease back transaction	512	642	--	--
Deferred compensation	11,304	10,232	--	--
Tax loss carryforwards	--	--	--	3,723
Plant, equipment and depreciation	(15,396)	(23,482)	211	(160)
Post Retirement Benefits	17,462	15,842	--	--
Other	4,958	3,890	44	184
Total noncurrent deferred tax assets	18,840	7,124	255	3,747
Total deferred tax assets	$32,179	$26,114	$14,627	$ 7,288
Total current deferred tax liabilities	--	--	$ 7,404	$ 5,558
Plant, equipment and depreciation	--	--	26,965	49,209
Other	--	--	--	(3,027)
Total noncurrent deferred tax liabilities	--	--	26,965	46,182
Total deferred tax liabilities	--	--	$34,369	$51,740

Substantially all of the non-U.S. deferred tax asset relates to tax loss carryforwards of which approximately 7% is expected to be used in 2001 and the remainder of the noncurrent loss carryforward has no expiration. The Company has restructured its operations to reduce or eliminate losses and has reorganized in certain countries to ensure that losses will be offset against the profits of companies with long-term earnings histories. Accordingly, the Company expects to realize the benefit of its U.S. and non-U.S. deferred tax assets in the future.

11. OPERATING SEGMENT AND GEOGRAPHIC DATA

In accordance with Financial Accounting Standard No. 131, "Disclosures About Segments of an Enterprise and Related Information", the internal organization that is used by management for making operating decisions and assessing performance is used as the source of the Company's reportable segments. The accounting policies of the segments are the same as those described in the "Accounting Policies" footnote.
The primary segment of the Company is Engineered Fabrics which includes developing, manufacturing, marketing and servicing custom designed engineered fabrics used in the manufacture of paper, paperboard and products in other process industries. Another segment of the Company is an aggregation of the Company's operations that manufacture, market and service high performance doors. The segment "All other" is made up of operations that manufacture products outside of the core business of the Company.

The following table shows data by operating segment, reconciled to consolidated totals included in the financial statements.

(IN THOUSANDS)	2000	1999	1998
NET SALES			
Engineered Fabrics	$ 707,751	$ 633,373	$ 583,857
High Performance Doors	103,692	104,354	101,768
All other	41,491	40,639	37,028
Consolidated total	$ 852,934	$ 778,366	$ 722,653
DEPRECIATION AND AMORTIZATION			
Engineered Fabrics	$ 53,329	$ 46,890	$ 41,202
High Performance Doors	2,255	2,304	1,561
All other	2,711	3,402	3,129
Corporate	3,921	3,278	2,935
Consolidated total	$ 62,216	$ 55,874	$ 48,827
OPERATING INCOME			
Engineered Fabrics	$ 150,653	$ 138,658	$ 131,047
Restructuring of operations:			
Termination benefits and other costs	--	(14,496)	(20,191)
Losses on disposal of fixed assets	--	(2,376)	--
	150,653	121,786	110,856
High Performance Doors	8,152	6,520	11,138
All other	3,397	4,802	4,759
Research expense	(23,287)	(23,567)	(23,732)
Unallocated expenses	(35,281)	(32,554)	(32,413)
Operating income before reconciling items	103,634	76,987	70,608
Reconciling items:			
Interest income	1,336	1,248	598
Interest expense	(43,158)	(26,800)	(19,908)
Other income/ (expense), net	755	481	406
Consolidated income before income taxes	$ 62,567	$ 51,916	$ 51,704
OPERATING ASSETS			
Engineered Fabrics	$1,267,794	$1,368,167	$1,006,458
High Performance Doors	68,703	64,040	67,075
All other	83,578	89,945	81,461
Reconciling items:			
Accumulated depreciation	(362,901)	(348,148)	(336,019)
Deferred tax assets	46,806	33,402	44,171
Investments in associated companies	4,300	4,389	4,054
Other	3,972	(4,953)	(834)
Consolidated total assets	$1,112,252	$1,206,842	$ 866,366

CAPITAL EXPENDITURES			
Engineered Fabrics	$ 33,137	$ 28,757	$ 33,158
High Performance Doors	531	1,638	881
All other	2,790	4,302	4,027
Corporate	408	256	759
Consolidated total	$ 36,866	$ 34,953	$ 38,825

The following table shows data by geographic area. Net sales are based on the location of the operation recording the final sale to the customer.

(IN THOUSANDS)	2000	1999	1998
NET SALES			
United States	$ 334,253	$ 310,070	$ 289,434
Canada	63,397	58,060	62,329
Sweden	80,828	83,714	88,612
Germany	98,131	69,375	50,467
Other countries	276,325	257,147	231,811
Consolidated total	$ 852,934	$ 778,366	$ 722,653
PROPERTY, PLANT AND EQUIPMENT, AT COST, NET			
United States	$ 134,487	$ 133,127	$ 95,487
Canada	20,356	22,916	22,935
Sweden	42,638	51,778	58,476
Germany	55,144	64,004	6,347
Other countries	135,033	163,347	141,864
Consolidated total	$ 387,658	$ 435,172	$ 325,109

12. PENSION PLANS

The Company has a noncontributory, qualified defined benefit pension plan covering U.S. employees, a noncontributory, nonqualified pension plan covering certain U.S. executives and both contributory and noncontributory pension plans covering non-U.S. employees. Employees are covered primarily by plans which provide pension benefits that are based on the employee's service and average compensation during the three to five years before retirement or termination of employment. In October 1998, the U.S. noncontributory, qualified defined benefit pension plan was closed to new participants.

The following table sets forth the components of amounts recognized in the Company's balance sheet.

(IN THOUSANDS)	2000	1999
Projected benefit obligation in excess of plan assets	$(44,047)	$(48,116)
Unrecognized net loss	14,784	22,040
Prior service cost not yet recognized in net periodic pension cost	10,059	8,292
Remaining unrecognized net obligation	247	99
Contributions	675	626
Accrued pension liability	$(18,282)	$(17,059)

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the pension plans with accumulated benefit obligation in excess of plan assets were $160,799,000, $140,517,000, and $113,370,000 respectively, for 2000 and $158,755,000, $138,107,000, and $111,480,000, respectively, for 1999.

The weighted average expected long-term rate of return for these plans was 9.0% for 2000 and 9.1% for 1999. The weighted average discount rate was 7.1% for 2000 and 1999. In 2000 and 1999, the weighted average rate of increase in future compensation levels was 4.7%.

The following table sets forth the reconciliation of beginning and ending balances of benefit obligations and fair value of plan assets, and the funded status of the plans.

(IN THOUSANDS)	2000	1999
Change in benefit obligation:		
Benefit obligation at beginning of year	$204,126	$199,160
Service cost	6,498	6,927
Interest cost	14,146	13,775
Participant contributions	1,137	1,447

Plan amendments	1,977	3,766
Benefits paid	(13,587)	(11,769)
Acquisitions/divestitures	--	9,795
Actuarial (gain)	(1,769)	(16,195)
Exchange rate loss	(5,581)	(2,780)
Benefit obligation at end of year	$206,947	$204,126
Change in plan assets:		
Fair value of plan assets at beginning of year	$156,010	$144,177
Actual return on plan assets	18,710	18,918
Employer contributions	4,856	5,435
Participant contributions	1,137	1,447
Benefits paid	(13,587)	(11,610)
Acquisitions/divestitures	--	210
Administrative expenses	(878)	(1,229)
Exchange rate loss	(3,348)	(1,338)
Fair value of plan assets at end of year	$162,900	$156,010

Amounts recognized in the balance sheet are as follows:

(IN THOUSANDS)	2000	1999
Accrued liability	$(30,306)	$(29,077)
Intangible asset	9,801	8,115
Accumulated other comprehensive income	2,223	3,903
Net amount recognized	$(18,282)	$(17,059)

The Company was required to accrue an additional minimum liability for those plans for which accumulated plan benefits exceeded plan assets. The liability at December 31, 2000 and 1999 respectively, of $12,024,000 and $12,018,000 was offset by an asset amounting to

$9,801,000 and $8,115,000 (included in intangibles) and a direct charge to equity of $2,223,000 and $3,903,000.
Net pension cost included the following components:

(IN THOUSANDS)	2000	1999	1998
Service cost	$ 6,498	$ 6,927	$ 6,423
Interest cost on projected benefit obligation	14,146	13,775	12,319
Actual return on assets	(13,504)	(12,557)	(12,431)
Net amortization and deferral	1,215	1,287	981
Net periodic pension cost	$ 8,355	$ 9,432	$ 7,292

Annual pension cost, including the 1998 enhanced retirement program, charged to operating expense for all Company plans, including all statutory and defined contribution plans, was $13,791,000 for 2000, $13,518,000 for 1999, and $25,455,000 for 1998.

13. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

In addition to providing pension benefits, the Company provides certain medical, dental and life insurance benefits for its retired United States employees. Substantially all of the Company's U.S. employees may become eligible for these benefits, which are subject to change, if they reach normal retirement age while working for the Company. Retirees share in the cost of these benefits. The Company's non-U.S. operations do not offer such benefits to retirees.

The Company accrues the cost of providing postretirement benefits during the active service period of the employees. The Company currently funds the plan as claims are paid.

The following table reflects the status of the postretirement benefit plan:

(IN THOUSANDS)	2000	1999
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 62,389	$ 51,220
Service cost	1,848	1,357
Interest cost	5,862	4,389
Plan participants' contribution	581	455
Amendments	(8,654)	--
Acquisitions	3,177	--
Actuarial loss	16,317	10,874
Benefits paid	(5,900)	(5,906)
Benefit obligation at end of year	$ 75,620	$ 62,389
Change in plan assets:		
Fair value of plan assets at beginning of year	--	--
Employer contributions	5,319	5,451
Plan participants' contributions	581	455
Benefits paid	(5,900)	(5,906)
Fair value of plan assets at end of year	--	--
Funded status	75,620	62,389
Unrecognized prior service cost	8,558	--
Unrecognized net (loss)	(24,588)	(6,364)
Accrued postretirement cost	$ 59,590	$ 56,025

Net periodic postretirement benefit cost included the following:

(IN THOUSANDS)	2000	1999	1998
Service cost of benefits earned	$1,849	$1,357	$1,112
Interest cost on accumulated postretirement benefit obligation	5,862	4,389	3,446
Amortization of prior service cost	(98)	--	--
Amortization of unrecognized net loss	971	60	(219)

Net periodic postretirement benefit cost	$8,584	$5,806	$4,339

For measuring the expected postretirement benefit obligation, an annual rate of increase in the per capita claims cost of 5.5% is assumed for 2000 and 1999. This rate is assumed to remain at 5.5%.

The weighted average discount rate was 7.5% for 2000 and 1999, and 7.2% for 1998.

A one percentage point increase in the health care cost trend rate would result in a $9,616,000 increase in the accumulated postretirement benefit obligation as of December 31, 2000 and an increase of $1,127,000 in the aggregate service and interest cost components of the net periodic postretirement benefit cost for 2000.

14. TRANSLATION ADJUSTMENTS

The Consolidated Statements of Cash Flows were affected by translation as follows:

(IN THOUSANDS)	2000	1999	1998
Change in cumulative translation adjustments	$ 44,814	$ 37,141	$ (615)
Other noncurrent liabilities	3,392	1,756	431
Deferred taxes	5,911	3,816	1,075
Long-term debt	1,205	549	674
Investments in associated companies	(634)	(167)	(452)
Net fixed assets	(24,835)	(16,900)	3,417
Other assets	(11,836)	(8,126)	796
Effect of exchange rate changes	$ 18,017	$ 18,069	$ 5,326

Shareholders' equity was affected by translation as follows: decrease/(increase) from translation of non-U.S. financial statements of $39,454,000, $34,982,000, and $(2,736,000) and from remeasurement of loans of $5,360,000, $2,159,000, and $2,121,000 in 2000, 1999, and 1998 respectively.

In 1998, net translation losses included in operations in Mexico were $2,217,000 and were included in cost of goods sold.

15. STOCK OPTIONS AND INCENTIVE PLANS

During 1988, 1992 and 1998, the shareholders approved stock option plans for key employees. The 1988 and 1992 plans each provide for granting of up to 2,000,000 shares of Class A Common Stock while the 1998 plan currently provides for the granting of up to 5,000,000 shares of Class A Common Stock. In addition, in 1997 the Board of Directors granted one option outside these plans for 250,000 shares of Class A Common Stock. Options are exercisable in five cumulative annual amounts beginning 12 months after date of grant. The option issued by the Board in 1997 is not exercisable unless the Company's share price reaches $48 per share and is then limited to 10% of the total number of shares multiplied by the number of full years of employment elapsed since the grant date. Option exercise prices are not less than the market value of the shares on the date of grant. During 2000, the Board of Directors approved an amendment to increase the period after retirement to exercise options from 5 years to 10 years. This amendment, however, does not change the original termination date of each option. Unexercised options generally terminate twenty years after date of grant for all plans.

For the purpose of applying Financial Accounting Standard No. 123 ("FAS 123"), "Accounting for Stock-Based Compensation", the fair value of each option granted is estimated on the grant date using the Black-Scholes Single Option model. No adjustments were made for certain factors which are generally recognized to reduce the value of option contracts. These factors include limited transferability, a 20% per year vesting schedule, a share price threshold with vesting based on years of employment and the risk of forfeiture of the non-vested portion if employment is terminated. The expected volatility was 26.8% in 2000, 25.5% in 1999, and 24.6% in 1998. The expected life of the options varies based on employee group and ranges from 11 to 20 years. The risk-free interest rate ranges from 5.3% to 5.7% in 2000, 6.6% to 6.9% in 1999, and 4.7% to 5.6% in 1998. The Company applies Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", in accounting for the stock option plans. Accordingly, no compensation cost has been recognized in 2000, 1999 or 1998. Had compensation cost and fair value been determined pursuant to FAS 123, net income would decrease from $38,085,000 to $34,147,000 in 2000, $30,222,000 to $28,567,000 in 1999, and $31,772,000 to $30,119,000 in 1998. Earnings per share would decrease from $1.24 to $1.11 in 2000, $1.00 to $0.94 in 1999, and $1.02 to $0.97 in 1998. Diluted earnings per share would decrease from $1.24 to $1.11 in 2000, $0.99 to $0.94 in 1999, and $1.01 to $0.96 in 1998. The weighted average fair value of options granted during 2000, 1999, and 1998, for the purposes of FAS 123, is $7.35, $10.98, and $7.52 per share, respectively.

Activity with respect to these plans is as follows:

	2000	1999	1998
Shares under option at January 1	3,927,650	3,550,750	3,309,000
Options granted	348,300	411,750	423,000
Options cancelled	41,200	26,300	63,300
Options exercised	--	8,550	117,950
Shares under option at December 31	4,234,750	3,927,650	3,550,750
Options exercisable at December 31	2,895,700	2,518,950	2,191,900
Shares available for options	168,150	476,750	370,200

The weighted average exercise price is as follows:

	2000	1999	1998
Shares under option at January 1	$18.65	$19.00	$18.95
Options granted	10.56	15.69	19.38
Options cancelled	18.70	19.76	20.90
Options exercised	--	19.26	17.85
Shares under option at December 31	17.98	18.65	19.00
Options exercisable at December 31	18.18	17.97	17.58

The following is a summary of the status of options outstanding at December 31, 2000:

	Outstanding Options			Exercisable Options	
Exercise Price Range	Number	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
$10.56	347,800	19.88	$10.56	--	$10.56
15.00-15.50	825,000	8.06	15.42	825,000	15.42
15.69	400,300	18.86	15.69	85,700	15.69
16.25-16.75	623,700	10.14	16.62	623,700	16.62
17.63-18.63	80,500	11.16	18.33	80,500	18.33
18.75	176,400	13.36	18.75	176,400	18.75
19.38	397,600	17.84	19.38	172,000	19.38
19.75	398,050	16.29	19.75	259,250	19.75
22.25	735,400	14.89	22.25	673,150	22.25
25.56	250,000	16.85	25.56	--	--

The Company's voluntary deferred compensation plans provide that a portion of certain employees' salaries are deferred in exchange for amounts payable upon their retirement, disability or death. The repayment terms are selected by the participants in accordance with the provisions of each plan. The Company is the beneficiary of life insurance policies on the lives of certain plan participants. The Company's expense for all plans, net of the increase in cash surrender value, was $1,780,000 in 2000, $2,037,000 in 1999, and $1,957,000 in 1998. The increase in cash value, net of premiums, was $728,000 in 2000, $1,110,000 in 1999, and $1,017,000 in 1998.

The Company maintains a voluntary savings plan covering substantially all employees in the United States. The Plan, known as "Prosperity Plus," is a 401(k) plan under the U.S. Internal Revenue Code. Employees may contribute from 1% to 15% of their regular wages which under Section 401(k) are tax deferred. The Company matches between 50% and 100% of each dollar contributed by employees up to 10% of their wages in the form of cash or Class A Common Stock which is contributed to an Employee Stock Ownership Plan. The investment of employee contributions to the plan is self directed. The cost of the plan amounted to $4,150,000 in 2000, $3,774,000 in 1999, and $3,597,000 in 1998.

The Company's profit-sharing plan covers substantially all employees in the United States. At the beginning of each year, the Board of Directors announces the formula that it expects to utilize in determining the amount of the profit-sharing contribution for that year. The profit-sharing contributions will only be made to current active participants in Prosperity Plus in the form of cash or the Company's Class A Common Stock. The expense recorded for this plan was $974,000 in 2000, $581,000 in 1999, and $1,281,000 in 1998.

16. ACQUISITIONS AND RESTRUCTURING

2000 ACQUISITIONS

In September, the Company acquired all the shares of Portsam AB, a Swedish company that provides services for high performance doors. The purchase price was approximately $1.1 million.

1999 ACQUISITIONS

In April, the Company purchased all of the shares of Jansen Tortechnik, a manufacturer of high quality sectional overhead doors located in Surwold, Germany for approximately $7,700,000.

In August, the Company completed the purchase of all of the outstanding capital stock of the paper machine clothing business of the Geschmay group for approximately $250,000,000. Geschmay's principal operations are located in Europe and the United States. The fair market value of assets and liabilities was determined by valuations and appraisals. The excess purchase price over fair market value is amortized on a straight-line basis over 20 years.

1998 ACQUISITIONS

In January, the Company acquired substantially all of the assets of Burwell Door Systems located in Sydney, Australia for approximately $3,500,000. In March, the Company purchased all of the outstanding capital stock of Techniweave, Inc., a specialty fabricator of high performance textiles and composites. The purchase price was approximately $8,900,000 with $3,300,000 paid at closing and $5,600,000 deferred for up to ten years.

Also in March, the Company purchased all of the outstanding capital stock of Metco Form Oy, a Finnish supplier of forming fabrics and other engineered fabrics for pulp mills and other chemical process industries. The purchase price was approximately $10,800,000.

In April, the Company purchased all of the outstanding capital stock of M&I Door Systems located in Barrie, Ontario, Canada for approximately $8,100,000.

All acquisitions were accounted for as purchases and, accordingly, the Company included in its financial statements the results of operations of the acquired entities as of the respective acquisition dates. Except for the Geschmay group, as described below, pro-forma financial information in accordance with Accounting Principles Board Opinion No. 16, "Business Combinations", is not included since the operating results of these acquisitions would not be material for this purpose.

The unaudited pro-forma information below presents results of operations as if the acquisition of the Geschmay group in August 1999 had occurred at the beginning of 1998. The unaudited pro-forma information is not necessarily indicative of the results of operations of the consolidated Company had these events occurred at the beginning of 1998, nor is it necessarily indicative of future results.

(IN THOUSANDS)	1999	1998
Net sales	$877,111	$881,486
Net income	13,417	9,920
Net income per share	0.44	0.32
Diluted net income per share	0.44	0.32

In 1998, the Company announced the first steps of a global restructuring plan. In 1999 and 1998, the Company recorded a charge for restructuring of operations of $16,872,000 and $20,191,000, respectively. The 1999 charge includes $12,956,000 for termination benefits, $1,540,000 for plant rationalization costs and $2,376,000 for losses on disposal of fixed assets. The 1998 charge includes $15,792,000 for an enhanced retirement program and termination costs and $4,399,000 for plant rationalization costs.

The components of accrued restructuring costs, which exclude pension liabilities, consist of:

(IN THOUSANDS)	2000	1999
TERMINATION COSTS	$11,248	$17,394
Plant rationalization costs	--	1,070
Lease Obligations	3,071	--
	$14,319	$18,464

The change in accrued restructuring costs is the net result of actual payments for restructuring costs of $7,808,000 and new accruals during 2000 that were charged to excess purchase purchase price over fair value of net assets acquired of $3,663,000 (see Note 4).

FINANCIAL REVIEW

Review of Operations

- --2000 VS. 1999

Net sales increased $74.6 million or 9.6% as compared with 1999. Net sales were reduced by $32.4 million from the effect of a stronger U.S. dollar as compared to 1999. Acquisitions completed in 1999, as discussed below, added $87.4 million to net sales. Excluding these two factors, net sales increased 2.5% as compared to 1999.

Net sales in the United States increased 9.2% in 2000 as compared to 1999. Excluding the 1999 acquisition of Geschmay, net sales in the United States decreased 0.7% over the same period. Trade sales in Canada increased 8.0% while European net sales increased 17.7% in 2000 as compared to 1999. Excluding the effect of the stronger U.S. dollar and the acquisition of Geschmay, net sales in Europe increased 2.0%.

Gross profit was 39.5% of net sales in 2000 as compared to 41.0% in 1999. Excluding the effect of 1999 acquisitions and currency fluctuation, gross profit in 2000 was 41.2%.

In 1999, the Company recorded a charge for restructuring of operations of $16.9 million. The charge included $13.0 million for termination benefits, $1.5 million for plant rationalization costs and $2.4 million for losses on disposal of fixed assets. In connection with the integration of Geschmay into Albany International, 2000 cost of goods sold includes a charge of $9.7 million for the relocation of equipment.

The cost reduction programs announced in 1998 and 1999 are complete and included a workforce reduction, the closing of six manufacturing facilities and several sales offices. Through the end of 2000, these initiatives have yielded cost savings of approximately $38 million, with an additional $12 million to be realized in 2001.

Selling, general, technical and research expenses, excluding acquisitions, decreased 6.1% in 2000 as compared to 1999. Excluding the additional effect of the stronger U.S. dollar, these costs decreased 2.6%.

Other (income)/expense, net includes the net effect of currency transactions and interest rate protection agreements. Other income was slightly higher in 2000 compared to 1999. Income or losses from currency transactions and interest rate protection agreements generally result from economic hedges which can have either a positive or negative effect on other (income)/expense, net in any particular period. The specific hedges in place are changed from time to time depending on market conditions and cash flow forecasts of various non-U.S. operations and are intended to partially offset the effects of translation on operating income (see Notes 6 and 9 of Notes to Consolidated Financial Statements).

Interest expense increased $16.4 million as compared with 1999. This increase was due to higher average debt and interest rates resulting from the August 1999 credit agreement, as discussed below, entered into to finance the acquisition of Geschmay.

The tax rate for 2000 was 40%, compared to 43% in 1999. The lower tax rate resulted from finalizing, during 2000, the amount of nondeductible expenses arising from the Geschmay acquisition.

Diluted net income per share was $1.24 in 2000 compared to $0.99 in 1999. Excluding equipment relocation charges from 2000 results, and excluding restructuring charges from 1999 results, diluted earnings per share were $1.43 in 2000 compared to $1.31 per share in 1999. Approximately $0.07 of this improvement is due to a reduction in the tax rate. During the fourth quarter of 2000, the Company intentionally slowed down production in order to reduce inventory levels. The slowdown resulted in a reduction in earnings per share of approximately $0.09.

In September, the Company acquired all the shares of Portsam AB, a Swedish company that provides services for high performance doors. The purchase price was approximately $1.1 million.

In August 1999, the Company completed the purchase of all of the outstanding capital stock of the paper machine clothing business of the Geschmay group for approximately $250 million. Geschmay's principal operations are located in Europe and the United States. The fair market value of assets and liabilities was determined by valuations and appraisals. The integration of Geschmay is complete and the acquisition is no longer dilutive to earnings. In April 1999, the Company purchased all of the shares of Jansen Tortechnik, a manufacturer of high quality sectional overhead doors located in Surwold, Germany for approximately $7.7 million. The acquisitions were accounted for as purchases and, accordingly, the Company included in its financial statements the results of operations of the acquired entities as of the respective acquisition dates (see Note 16 of Notes to Consolidated Financial Statements for the pro forma effects of the Geschmay acquisition).

In June 1998, Financial Accounting Standard No. 133, "Accounting for Derivative Instruments and Hedging Activities", was issued and was amended in June 2000 by Financial Accounting Standard No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities". These Standards establish a new model for accounting for derivatives and hedging activities. All derivatives will be recognized as either assets or liabilities and measured at fair value. Each hedging relationship must be designated and accounted for pursuant to these Standards. Had the Company been required to adopt these standards at December 31, 2000, the fair value of interest rate swaps would have resulted in a charge to other comprehensive income and an additional liability of approximately $4,900,000. The Company does not expect the adoption of these Standards to have a material effect on the results of operations. The Standards were adopted by the Company on their effective date of January 1, 2001.

As of December 31, 2000, the Company had $100 million of interest rate swaps which hedged a portion of the Company's interest rate exposure. In January 2001, the Company entered into an additional $100 million of interest rate swaps. The combined effect of all interest rate swap agreements is to hedge interest exposure on a notional amount of $200 million through June 2005. The blended fixed rate payable by the Company under these swap agreements is 6.41%.

- --1999 VS. 1998

Net sales increased $55.7 million or 7.7% as compared with 1998. Net sales were reduced by $7.0 million from the effect of a stronger U.S. dollar as compared to 1998. Acquisitions completed in 1999 and 1998 added $74.2 million to net sales. Excluding these two factors, net sales decreased 1.6% as compared to 1998.

Net sales in the United States increased 7.1% in 1999 as compared to 1998, and excluding the acquisition of Geschmay increased 1.9% over the same period. Trade sales in Canada decreased 4.0% while European net sales increased 11.2% in 1999 as compared to 1998. Excluding the effect of the stronger U.S. dollar and the acquisition of Geschmay, net sales in Europe increased 1.2%.

Gross profit was 41.0% of net sales in 1999 as compared to 42.2% in 1998. Excluding the effect of the 1999 and 1998 acquisitions, gross profit margin would have been 42.7%.

Selling, general, technical and research expenses, excluding acquisitions, decreased 2.6% in 1999 as compared to 1998. Excluding the additional effect of the stronger U.S. dollar, these costs decreased 1.5%.

Other (income)/expense, net includes the net effect of currency transactions and interest rate protection agreements. These amounts were flat as compared to 1998.

Interest expense increased $6.9 million as compared with 1998. This increase was due to higher total debt and interest rates resulting from the August 1999 credit agreement entered into to finance the acquisition of Geschmay.

The tax rate for 1999 was 43%, compared to 39% in 1998, principally due to the nondeductibility of certain expenses related to acquisitions and restructuring.

In 1998, the Company recorded a charge for restructuring of operations of $20.2 million. The charge included $15.8 million for an enhanced retirement program and $4.4 million for plant rationalization costs. Excluding the effect of restructuring charges, diluted net income per share was $1.31 in 1999, and $1.40 in 1998.

For purposes of applying Financial Accounting Standard No. 52, "Foreign Currency Translation", to economies that cease to be highly inflationary, effective January 1, 1999, the functional currency for the Company's Mexican operations changed from the U.S. dollar to the Mexican Peso. This change did not have a significant effect on operations.

INTERNATIONAL ACTIVITIES

The Company conducts more than half of its business in countries outside of the United States. As a result, the Company experiences transaction and translation gains and losses because of currency fluctuations. The Company periodically enters into foreign currency contracts to hedge this exposure (see Notes 6, 9 and 14 of Notes to Consolidated Financial Statements). The Company believes that the risks associated with its operations and locations outside the United States are not other than those normally associated with operations in such locations.

Operating margins related to the Company's geographic regions in 2000 as compared to 1999 increased in Europe and Canada and decreased in the United States. Total operating income, excluding the 1999 restructuring charges and currency fluctuation, increased 17.2% as compared to 1999. Operating income, before the restructuring charges, as a percent of net sales for the United States was 14.1% in 2000, 16.9% in 1999, and 17.6% in 1998; for Canada was 21.8% in 2000, 17.6% in 1999, and 13.5% in 1998; for Europe was 8.8% in 2000, 7.1% in 1999, and 9.0% in 1998; and combined for the rest of the

countries where the Company has operations, the percentages were 10.7% in 2000, 8.8% in 1999, and 7.3% in 1998.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2000 the Company's order backlog was $604.2 million, an increase of approximately 2% from the prior year-end.

Accounts receivable increased $1.5 million from December 31, 1999. Excluding the effect of the stronger U.S. dollar, accounts receivable increased $14.6 million. Inventories decreased $18.8 million from December 31, 1999. Excluding the effect of currency fluctuation, inventories decreased $9.5 million. Part of the inventory reduction that was achieved during 2000 was attributable to intentionally slowing down production in the fourth quarter.

Cash flow provided by operating activities was $130.6 million in 2000 compared with $98.1 million in 1999 and $87.1 million in 1998. Free cash flow per share, defined as cash flow provided by operating activities, minus capital expenditures and cash dividends, has grown from $1.35 in 1998, to $2.08 in 1999, to $3.06 in 2000. For 1998, the Company paid a cash dividend of $.105 per share. The strong cash flow in 2000 enabled the Company to reduce debt by $84.3 million during the year. The Company also reduced its leverage ratio, as defined in its principal borrowing agreement, to below 2.75. Achieving this leverage ratio will reduce the interest rate on a substantial portion of the Company's debt and certain restrictions are not effective at this lower leverage ratio.

Capital expenditures were $36.9 million in 2000, $35.0 million in 1999, and $38.8 million in 1998. Capital expenditures in 2001 are expected to be below the average of the last five years. The Company will continue to finance these expenditures with cash from operations and existing credit facilities.

In August 1999, the Company entered into a $750 million credit agreement with its banks. This facility includes a term loan with $38.7 million due in 2001, $58.1 million in 2002, $67.8 million in 2003 and $77.4 million in 2004. The remaining $500 million is a revolving loan with the banks' commitment to lend terminating in 2004. This agreement includes commitment fees and variable interest rates based on various loan pricing methods. The interest rate margin is determined by the Company's leverage ratio. The credit agreement contains various covenants that include limits on the disposition of assets, cash dividends, and the Company's ability to purchase its Common Stock. Additionally, the credit agreement specifies minimum interest coverage and a maximum leverage ratio. Borrowings are collateralized by a pledge of shares of, and intercompany loans to, certain subsidiaries of the Company.

EURO

Effective January 1, 1999, certain member countries of the European Union established fixed conversion rates between their existing currencies and the European Union's common currency ("euro"). Since the Company does business in these member countries, issues involved with the introduction of the euro continue to be addressed. These issues include the conversion of data processing systems, assessing currency risk and the impact on the Company's marketing strategy in Europe.

MARKET RISK SENSITIVITY

The Company has market risk with respect to foreign currency exchange rates and interest rates. The market risk is the potential loss arising from adverse changes in these rates as discussed below.

The Company has manufacturing plants in 15 countries and sales worldwide and therefore is subject to foreign currency risk. This risk is composed of both potential losses from the translation of foreign currency financial statements and the remeasurement of foreign currency transactions. To manage this risk, the Company periodically enters into forward exchange contracts to either hedge the net assets of a foreign investment or to provide an economic hedge against future cash flows. The total net assets of foreign operations and foreign currency, long-term intercompany loans subject to potential loss amount to approximately $505 million. The potential loss in fair value resulting from a hypothetical 10% adverse change in quoted foreign currency exchange rates amounts to $50.5 million. Furthermore, related to foreign currency transactions, the same 10% change would cause an additional loss of $7.8 million. Actual results may differ.

Including the interest rate swaps that were entered into during January 2001, the Company has fixed the interest rate on approximately 42% of its total debt. Except for the portion of debt that is hedged, the fair value of the Company's long-term debt at December 31, 2000 is estimated to be the carrying value as the significant components are variable rate debt.

MARKET OUTLOOK

During the last several years, there have been unprecedented changes in the global paper industry and its supplier base that have resulted in a virtual transformation of the marketplace. The Company responded with a successful

restructuring program, the largest acquisition in its history, and aggressive cost reduction initiatives. The Company has entered the new century with strong momentum and is poised for continued improvements.

Pricing in the Company's primary markets remains a challenge as paper industry consolidation continues, which is expected to lead to further industry stabilization. Pricing to value is a high priority, and during the fourth quarter of 2000, the Company was able to obtain modest price increases. The Company expects 2001 earnings to benefit from completing the restructuring and cost saving initiatives. Reducing total debt is a high priority, and accordingly, the Company will continue to focus on reducing inventories and accounts receivable.

The Company's efforts to improve efficiencies, eliminate non-value added costs, and reduce debt in 2000 were successful. Barring the impact of adverse economic conditions, the Company looks for improved results in 2001. About $12.0 million of incremental cost savings from completed programs should have a positive effect on 2001 results, and the Company should benefit from the $9.7 million spent during 2000 to relocate equipment. Management anticipates that, based on currently projected income by region, the Company will continue to benefit from improvements in the tax efficiency of its global organization and, as a result, may have a somewhat lower tax rate in 2001 than the 40 percent in 2000.

FORWARD-LOOKING STATEMENTS

This annual report contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These statements include statements about such matters as future earnings, pricing, markets, cost reductions, integration, new products, paper industry consolidation and outlook, tax rate, inventory and accounts receivable reduction, capital expenditures, depreciation, contingencies and operating efficiency. Actual future events and circumstances (including future performance, results and trends) could differ materially from those set forth in such statements due to various factors. These factors include even more competitive marketing conditions resulting from customer consolidations, possible softening of customer demand, unanticipated events or circumstances related to recently acquired businesses, the occurrence of unanticipated events or difficulties relating to divestiture, joint venture, operating, capital, global integration and other projects, changes in currency exchange rates, changes in general economic and competitive conditions, technological developments, and other risks and uncertainties, including those detailed in the Company's filings with the Securities and Exchange Commission.

	2000	1999	1998	1997
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)				
SUMMARY OF OPERATIONS				
Net sales	$ 852,934	$ 778,366	$722,653	$710,079
Cost of goods sold	515,649	458,930	417,375	404,982
Operating income (1),(4)	103,634	76,987	70,608	99,619
Interest expense, net	41,822	25,552	19,310	15,467
Income before income taxes	62,567	51,916	51,704	79,631
Income taxes	25,027	22,325	20,163	31,055
Income before associated companies	37,540	29,591	31,541	48,576
Net income/(loss) (3),(5)	38,085	30,222	31,772	49,059
Net income/(loss) per share	1.24	1.00	1.02	1.52
Diluted net income/(loss) per share	1.24	0.99	1.01	1.50
Average number of shares outstanding	30,632	30,340	31,073	32,312
Capital expenditures	36,866	34,953	38,825	50,804
Cash dividends declared	--	--	3,140	12,921
Per Class A common share	--	--	0.105	0.42
Per Class B common share	--	--	0.105	0.42
FINANCIAL POSITION				
Current assets	$ 494,287	$ 508,073	$409,713	$373,323
Current liabilities	222,034	176,964	220,038	170,440
Current ratio	2.2	2.9	1.9	2.2
Property, plant and equipment, net	387,658	435,172	325,109	321,611
Total assets	1,112,252	1,206,842	866,366	796,897
Long-term debt	398,087	521,257	181,137	173,654
Shareholders' equity	324,917	325,407	314,850	343,108
Per share	10.56	10.68	10.42	10.63
Total capital (2)	804,856	889,677	613,993	594,560
Total debt to total capital	59.6%	63.4%	48.7%	42.3%
Return on shareholders' equity	11.7%	9.3%	10.1%	14.3%
NUMBER OF EMPLOYEES	6,929	7,164	6,011	5,881

(1) Included in 1990 is a charge to income of $8,500,000 for an early retirement window and terminations which were part of a world wide cost containment program.

(2) 1991 and prior includes all debt, deferred taxes and other credits and shareholders' equity. Following the adoption of FAS No. 109 "Accounting for Income Taxes" in 1992, total capital includes all debt and shareholders' equity.

1996	1995	1994	1993	1992	1991	1990
$692,760	$652,645	$567,583	$546,120	$561,084	$557,218	$556,104
399,311	379,696	338,991	345,468	366,756	359,184	358,697
96,785	88,827	62,821	40,051	18,893	44,488	31,661
15,833	20,009	16,820	16,115	18,829	20,090	18,450
80,940	69,842	41,677	24,566	3,282	19,752	14,421
31,570	27,208	17,921	9,679	1,247	10,803	7,538
49,370	42,634	23,756	14,887	2,035	8,949	6,883
48,306	43,011	23,882	15,003	(3,114)	10,794	8,269
1.51	1.36	0.76	0.54	(0.12)	0.40	0.31
1.50	1.29	0.76	0.53	(0.12)	0.40	0.31
31,907	31,737	31,476	28,035	26,858	26,707	26,599
53,473	41,921	36,322	30,940	20,219	40,067	110,729
12,159	11,708	10,488	9,361	8,950	8,903	7,518
0.40	0.3875	0.35	0.35	0.35	0.35	0.3500
0.40	0.3875	0.35	0.35	0.35	0.35	0.1313
$384,627	$364,207	$319,947	$270,034	$256,422	$259,917	$277,622
176,746	126,945	115,863	101,069	112,955	106,220	106,904
2.2	2.9	2.8	2.7	2.3	2.4	2.6
339,461	342,150	320,719	302,829	308,618	362,456	365,558
831,917	802,232	727,157	661,314	652,745	680,706	708,212
187,100	245,265	232,767	208,620	239,732	250,423	262,042
332,330	304,942	274,632	247,223	193,975	247,231	245,004
10.38	9.57	8.70	7.87	7.20	9.23	9.20
586,890	567,460	525,119	467,320	456,773	551,240	574,977
43.4%	46.3%	47.7%	47.1%	57.5%	48.2%	49.3%
14.5%	14.1%	8.7%	6.1%	-1.6%	4.4%	3.4%
5,854	5,658	5,404	5,286	5,678	5,726	6,144

(3) In 1992, the Company elected to adopt FAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions", effective January 1, 1992, and recognize the accumulated liability. This adoption resulted in a charge of $27,431,000, net of tax of $16,813,000, and a reduction of 1992 operating income of $2,798,000.

The Company's election to adopt FAS No. 109, as of January 1, 1992, resulted in an increase to 1992 income of $20,142,000.

During the fourth quarter of 1992, the Company elected an early payment of a $3,000,000 tax exempt financing for $1,357,000 which resulted in an extraordinary gain of $1,019,000, net of tax.

(4) In 1992, the Company reported a charge of $12,045,000 for restructuring of certain operations, including plant closings in Norway and Germany and other workforce reductions.

(5) In 1996, the Company recorded a one-time, extraordinary, non-cash charge to income of $1,296,000, net of tax of $828,000, related to the redemption of 5.25% convertible subordinated debentures.

QUARTERLY FINANCIAL DATA
(unaudited)

(IN MILLIONS EXCEPT PER SHARE AMOUNTS)	1ST	2ND	3RD	4TH
2000				
Net sales	$ 215.7	$ 213.0	$ 201.1	$ 223.1
Gross profit	87.3	85.3	79.4	85.3
Net income	10.0	9.4	9.4	9.3
Net income per share	.33	.31	.30	.30
Diluted net income per share	.33	.31	.30	.30
Cash dividends per share	--	--	--	--
Class A Common Stock prices:				
High	15.50	15.375	15.125	14.3125
Low	12.75	12.9375	11.9375	9.625
1999				
Net sales	$ 181.6	$ 175.8	$ 196.6	$ 224.4
Gross profit	75.0	73.7	78.4	92.3
Net income/(loss)	11.2	9.3	10.7	(1.0)
Net income/(loss) per share	.37	.31	.35	(.03)
Diluted net income/(loss) per share	.37	.30	.35	(.03)
Cash dividends per share	--	--	--	--
Class A Common Stock prices: (1)				
High	22.25	25.00	23.0625	17.3125
Low	17.625	18.6875	14.8125	13.8125
1998				
Net sales	$ 176.2	$ 179.6	$ 176.3	$ 190.6
Gross profit	74.8	78.0	73.3	79.2
Net income/(loss)	11.1	10.6	11.1	(1.0)
Net income/(loss) per share	.35	.34	.36	(.03)
Diluted net income/(loss) per share	.35	.33	.36	(.03)
Cash dividends per share	.105	--	--	--
Class A Common Stock prices: (1)				
High	27.063	30.188	24.50	20.563
Low	20.313	23.00	17.875	16.063

(1) Class A Common Stock prices are not restated to reflect the effect of stock dividends.

STOCK AND SHAREHOLDERS

The Company's Class A Common Stock is traded principally on the New York Stock Exchange. At December 31, 2000 there were approximately 4,900 shareholders.

EXHIBIT 21

SUBSIDIARIES OF REGISTRANT

SUBSIDIARIES OF THE REGISTRANT

Affiliate	Percent ownership Direct	Percent ownership Indirect	Country of Incorporation
Albany International Corp.			United States
Albany International Research Co.	100%		United States
Albany International Techniweave Inc.	100%		United States
Albany International Holdings One, Inc.	100%		United States
Albany International Holdings Two, Inc.	100%		United States
Geschmay Corp.	100%		United States
Geschmay Export Corp.		100%	U.S. Virgin Islands
Albany International Pty., Ltd.		100%	Australia
Albany Nordiskafilt GmbH		100%	Austria
Nomafa Gesellschaft mbH		100%	Austria
Albany Engenharia de Sisternas Ind. e Com. Ltda		100%	Brazil
Albany International Feltros E Telas Industrials Ltds		100%	Brazil
Albany International Canada Inc.		100%	Canada
M&I Door Systems Ltd.		100%	Canada
Geschmay Canada Inc.		100%	Canada
AI Finance Canada Inc.		100%	Canada
Albany International (China) Co., Ltd.	100%		China
Schieffer Skandinavien A/S		67%	Denmark
Albany Fennolfelt OY AB		100%	Finland
Metco Form Oy		100%	Finland
Albany International Holding, S.A		100%	France
Albany International S.A		100%	France
Nomafa S.A.R.L		100%	France
T.I.S. S.A		100%	France
Cofpa S.A		100%	France
Albany International GmbH, Eschenbach		100%	Germany
Albany Nordiskafilt GmbH		100%	Germany
Schieffer Tor-und Schutzsysteme GmbH		100%	Germany
Nomafa GmbH		100%	Germany
Jansen Tore Surwold GmbH		100%	Germany
Albany International Germany Holding GmbH		100%	Germany
Albany International GmbH and Co. KG		100%	Germany
Albany International Germany Three GmbH		100%	Germany
Albany Germany GmbH & Co. KG		100%	Germany
Albany International Verwaltungs GmbH		100%	Germany
Wurttembergische Filztuchfabrik D. Geschmay GmbH and Co. KG		100%	Germany
AI Financial Services Company		100%	Ireland
Feltrificio Veneto S.p.A		100%	Italy
Albany International Italia S.p.A		100%	Italy
Albany Nordiskafilt Kabushiki Kaisha		100%	Japan
Albany International Korea, Inc.		100%	Korea
Albany International de Mexico, S.A. de C.V		100%	Mexico
Albany International Service Company, S.A. de C.V		100%	Mexico
Martel Wire, S.A. de C.V		100%	Mexico
Telas Industriales de Mexico, S.A. de C.V	100%		Mexico
Albany International B.V		100%	Netherlands
Nomafa B.V		100%	Netherlands
Albany Nordiskafilt AS		100%	Norway
Schieffer Polska Sp. zo.o	65%		Poland
Nevo Cloth Ltd.		50%	Russia
Geschmay Asia Private Limited		100%	Singapore
Nordiskafilt S.A.(proprietary) Ltd		100%	South Africa
Beier Albany and Company (Proprietary) Limited	50%		South Africa
Albany Nordiska S.A		100%	Spain
Albany Nordiskafilt Asktiebolag		100%	Sweden
Albany Wallbergs AB	100%		Sweden
Nomafa Aktiebolag		100%	Sweden
Portsam AB		100%	Sweden
Nomafa AG		100%	Switzerland
Nordiska Industrie Produkte AG	100%		Switzerland
Loading Bay Specialist Ltd		50%	United Kingdom
Albany International Ltd.	100%		United Kingdom

EXHIBIT 23

CONSENT OF INDEPENDENT ACCOUNTANTS

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 33-23163, 33-28028, 33-33048 and 333-90069) of Albany International Corp. of our report dated January 25, 2001 relating to the financial statements, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated January 25, 2001 relating to the financial statement schedule, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Albany, New York
March 22, 2001

EXHIBIT 24

POWERS OF ATTORNEY

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and officers of Albany International Corp., a Delaware corporation ("the Company") which contemplates that from time to time it will file with the Securities and Exchange Commission ("the SEC") under, or in connection with, the provisions of the Securities Exchange Act of 1934, as amended, or rules and regulations promulgated thereunder, reports (including, without limitation, reports on Forms 8-K, 10-Q and 10-K), statements and other documents (such reports, statements and other documents, together with amendments, supplements and exhibits thereto, are collectively hereinafter referred to as "1934 Act Reports"), hereby constitutes and appoints Francis L. McKone, Frank R. Schmeler, Michael C. Nahl, Richard A. Carlstrom, Thomas H. Hagoort, David C. Michaels, John C. Treanor and Charles J. Silva, and each of them with full power to act without the others, his or her true and lawful attorneys-in-fact and agents, with full and several power of substitution, for him and her and in his or her name, place and stead, in any and all capacities, to sign any or all 1934 Act Reports and any or all other documents relating thereto, with power where appropriate to affix the corporate seal of the Company thereto and to attest said seal, and to file any or all 1934 Act Reports, together with any and all other information and documents in connection therewith, with the SEC, hereby granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

The appointment of any attorney-in-fact and agent hereunder shall automatically terminate at such time as such attorney-in-fact and agent ceases to be an officer of the Company. Any of the undersigned may terminate the appointment of any of his or her attorneys-in-fact and agents hereunder by delivering written notice thereof to the Company.

IN WITNESS WHEREOF, the undersigned have duly executed this Power of Attorney this 13th day of February, 2001.

/s/ FRANCIS L. MCKONE
Francis L. McKone
Chairman of the Board and Director

/s/ FRANK R. SCHMELER
Frank R. Schmeler,
President and Director
(Chief Executive Officer)

/s/ MICHAEL C. NAHL
Michael C. Nahl
Senior Vice President
(Chief Financial Officer)

/s/ RICHARD A. CARLSTROM
Richard A. Carlstrom
Controller
(Principal Accounting Officer)

/s/ CHARLES B. BUCHANAN
Charles B. Buchanan
Director

/s/ THOMAS R. BEECHER, JR.
Thomas R. Beecher, Jr.
Director

/s/ ALLAN STENSHAMN
Allan Stenshamn
Director

/s/ BARBARA P. WRIGHT
Barbara P. Wright
Director

/s/ JOSEPH G. MORONE
Joseph G. Morone, Ph.D.
Director

/s/ CHRISTINE L. STANDISH
Christine L. Standish
Director

/s/ ERLAND E. KAILBOURNE
Erland E. Kailbourne
Director

/s/ JAMES L. FERRIS
James L. Ferris
Director

/s/ JOHN C. STANDISH
John C. Standish
Director

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YEAR
DEC-31-2000
DEC-31-2000
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