SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

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

For the quarter ended: March 31, 1994

OR

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

For the transition period from __________ to __________

Commission file number: 0-16214

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

Delaware	14-0462060
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
1373 Broadway, Albany, New York	12204
(Address of principal executive offices)	(Zip Code)

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

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

The registrant had 24,269,759 shares of Class A Common Stock and 5,653,251 shares of Class B Common Stock outstanding as of March 31, 1994.

ALBANY INTERNATIONAL CORP.

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Item 1. Financial Statements

ALBANY INTERNATIONAL CORP
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
(unaudited)
(in thousands except per share data)

	Three Months Ended March 31, 1994	1993
Net sales	$131,424	$137,095
Cost of goods sold	81,230	89,645
Gross profit	50,194	47,450
Selling, technical & general expenses	39,253	41,252
Operating income	10,941	6,198
Interest expense, net	3,535	4,697
Other expense, net	1,046	222
Income before income taxes	6,360	1,279
Income taxes	2,734	504
Income before associated company	3,626	775
Equity in earnings/(losses) of associated companies	27	(644)
Net income	3,653	131
Retained earnings, beginning of period	126,276	120,113
Less dividends	2,617	2,246
Retained earnings, end of period	$127,312	$117,998
Net income per common share	$0.12	$0.01
Dividends per common share	$0.0875	$0.0875
Weighted average number of shares	29,894,600	25,656,168

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

ALBANY INTERNATIONAL CORP.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	(unaudited) March 31, 1994	December 31, 1993
ASSETS		
Cash and cash equivalents	$6,217	$1,381
Accounts receivable, net	124,273	120,416
Inventories:		
Finished goods	75,435	72,763
Work in process	35,650	32,991
Raw material and supplies	21,049	18,539
	132,134	124,293
Deferred taxes and prepaid expenses	19,132	18,050
Total current assets	281,756	264,140
Property, plant and equipment, net	311,612	302,829
Investments in associated companies	1,258	10,951
Intangibles	26,080	25,558
Deferred taxes	31,569	33,640
Other assets	23,082	18,302
Total assets	$675,357	$655,420
LIABILITIES AND SHAREHOLDERS' EQUITY		
Notes and loans payable	$11,661	$8,560
Accounts payable	20,387	23,284
Accrued liabilities	51,930	55,288
Current maturities of long-term debt	2,188	2,917
Income taxes payable and deferred	4,263	7,881
Total current liabilities	90,429	97,930
Long-term debt	233,395	208,620
Other noncurrent liabilities	83,000	82,423
Deferred taxes and other credits	20,525	21,979
Total liabilities	427,349	410,952
SHAREHOLDERS' EQUITY		
Preferred stock, par value $5.00 per share; authorized 2,000,000 shares; none issued	-	-
Class A common stock, par value $.001 per share; authorized 100,000,000 shares; issued 24,544,209 in 1994 and 24,531,445 in 1993	25	25
Class B common stock, par value $.001 per share; authorized 25,000,000 shares; issued and outstanding 5,653,251 in 1994 and 5,658,515 in 1993	6	6
Additional paid in capital	170,350	170,112
Retained earnings	127,312	126,276
Translation adjustments	(44,038)	(45,758)
Pension adjustment	(1,856)	(1,856)
	251,799	248,805
Less treasury stock (Class A), at cost (274,450 shares in 1994; 307,491 shares in 1993)	3,791	4,337
Total shareholders' equity	248,008	244,468
Total liabilities and shareholders' equity	$675,357	$655,420

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

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

	Three Months Ended March 31, 1994	Three Months Ended March 31, 1993
OPERATING ACTIVITIES		
Net income	$3,653	$131
Adjustments to reconcile net cash provided by operating activities:		
Equity in earnings/(losses) of associated companies	(27)	644
Depreciation and amortization	9,970	10,903
Provision for deferred income taxes, other credits and long term liabilities	(283)	(718)
Increase in cash surrender value of life insurance, net of premiums paid	(548)	(450)
Unrealized currency transaction gains/(losses), net	(799)	4,756
(Gain)/Loss on sale of assets	(5)	16
Tax benefit of options exercised	11	-
Treasury shares contributed to ESOP	647	604
Changes in operating assets and liabilities:		
Accounts receivable	(822)	2,749
Inventories	(5,109)	(761)
Prepaid expenses	(1,059)	(1,076)
Accounts payable	(2,897)	(3,738)
Accrued liabilities	(5,491)	20,365
Income taxes payable	(3,721)	(3,074)
Other, net	(4,179)	763
Net cash (used)/provided by operating activities	(10,659)	31,114
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(7,968)	(4,887)
Proceeds from sale of assets	14	12
Acquisition, net of cash acquired	1,800	(50,856)
Net cash used in investing activities	(6,154)	(55,731)
FINANCING ACTIVITIES		
Proceeds from borrowings	28,331	26,395
Principal payments on debt	(783)	(935)
Proceeds from options exercised	126	-
Dividends paid	(2,614)	(2,243)
Net cash provided by financing activities	25,060	23,217
Effect of exchange rate changes on cash	(3,411)	96
Increase/(Decrease) in cash and cash equivalents	4,836	(1,304)
Cash and cash equivalents at beginning of period	1,381	4,005
Cash and cash equivalents at end of period	$6,217	$2,701

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

ALBANY INTERNATIONAL CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Management Opinion

In the opinion of management the accompanying unaudited consolidated financial statements contain all adjustments, consisting of only normal, recurring adjustments, necessary for a fair presentation of results for such periods. The results for any interim period are not necessarily indicative of results for the full year. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted. These consolidated financial statements should be read in conjunction with financial statements and notes thereto for the year ended December 31, 1993.

2. Other Expense, Net

Included in other expense, net are: currency transactions, $.5 million expense in 1994 and $.9 million income in 1993, pre-receivable sales, $.2 million in 1994 and $.4 million in 1993, amortization of debt issuance costs and loan origination fees of $.2 million in 1994 and $.3 million in 1993, and other miscellaneous expenses none of which are significant in 1994 and 1993.

3. Earnings Per Share

Earnings per share on common stock are computed using the weighted average number of shares of Class A and Class B Common Stock outstanding during each year. Options granted under the Company's stock option plans were not dilutive at March 31, 1994 and 1993. The convertible subordinated debentures are not common stock equivalents and will not affect primary earnings per share. Further, the convertible subordinated debentures were not dilutive at March 31, 1994 and 1993.

4. Income Taxes

The Company's effective tax rate for the three months ended March 31, 1994 was 43.0% as compared to 39.4% for the same period last year and approximates the anticipated effective tax rate for the full year 1994. The increase is due principally to the accrual of net charges associated with prior years resulting from both U.S. and non-U.S. examinations.

5. Debt

The Company has an agreement under which it may sell to a financial institution up to $40 million of the Company's right to receive certain payments for goods ordered from the Company. At March 31 there were no amounts sold under this agreement as compared to $12.0 at December 31, 1993. At December 31, 1993 this transaction had the effect of reducing long-term debt $12.0 million, reducing accounts receivable $5.4 million and increasing accrued liabilities $6.6 million.

6. Supplementary Cash Flow Information

Interest paid for the three months ended March 31, 1994 and 1993 was $3.4 million and $4.7 million, respectively.

Taxes paid for the three months ended March 31, 1994 and 1993 were $5.7 million and $.4 million, respectively.

7. Acquisitions

In February 1994, the Company exchanged its 40% equity interests in Brazil and Argentina for the remaining 60% interest in Mexico. The transaction was accounted for as a purchase and, accordingly, the Company has included the results of operations in its financial statements as of January 1, 1994.

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

FOR THE THREE MONTHS ENDED MARCH 31, 1994

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

RESULTS OF OPERATIONS:

Net sales decreased to $131.4 million for the three months ended March 31, 1994 compared with $ 137.1 for the three months ended March 31, 1993. The effect of the stronger U.S. dollar as compared to the first quarter of 1993 was to decrease net sales by $3.1 million. The sale of Albany Engineered Systems (AES) on June 30, 1993 further reduced first quarter 1994 sales by $ 9.4 million. Excluding these factors, 1994 net sales would have increased 5.0%. United States sales increased while Canadian sales decreased. In Europe, Nordic region sales increased significantly while sales in Continental Europe were behind 1993 levels due to continuing economic problems, particularly in Germany. Management is optimistic about the Company's long term prospects in Europe. The Company continues to gain market share in Forming Fabrics and retain its Press Fabric market share. There were no significant price increases during the three months ended March 31, 1994. Management anticipates that 1994 price increases will be minimal.

Gross profit was 38.2% of net sales for the three months ended March 31, 1994 as compared to 34.6% for the three months ended March 31, 1993. Year to date variable costs as a percent of net sales decreased from 34.8% in 1993 to 31.2% for the same period in 1994, due mainly to plant closings and workforce reductions, principally in Europe, during 1993. In addition, the Company's Total Quality Assurance program has resulted in improved product quality and efficiencies, both of which have contributed to lower costs.

Selling, technical and general expenses decreased 4.8% for the three months ended March 31, 1994 as compared to the three months ended March 31, 1993. These costs were reduced by translation of non-U.S. currencies into fewer U.S. dollars due to the stronger U.S. dollar, $.8 million, and the sale of AES, $3.2 million. Excluding these effects, expenses increased 4.9%. The Company has not reduced its sales and service efforts as there is an increasing customer demand for service. Management anticipates that this demand for service will continue to increase as customers reduce the number of suppliers.

Operating income as a percentage of net sales increased to 8.3% for the three months ended March 31, 1994 from 4.5% for the comparable period in 1993 due to items discussed above. The Company estimates that operating income as a percent of net sales should continue to improve during 1994. However, the magnitude of any improvements will depend on the rate of recovery of the European economies.

Interest expense decreased as compared to the three months ended March 31, 1993 as total debt is $40.9 million lower at March 31, 1994 as compared to the same period in 1993. This debt reduction is due principally to a 4.1 million share public offering during the fourth quarter of 1993 which proceeds were used to repay floating rate bank debt.

The change in other expense, net was due primarily to currency transactions which resulted in income of $.9 million for the three months ended March 31, 1993 and an expense of $.5 million for the comparable period in 1994.

The tax rate for the three months ended March 31, 1994 is 43.0% as compared to 39.4% for the comparable period in 1993 and approximates the anticipated effective rate for the full year 1994. The rate increase is due principally to the accrual of net charges associated with prior years resulting from both U. S. and non-U. S. examinations.

During February 1994, the Company exchanged its 40% equity interests in Brazil and Argentina for the remaining 60% interest in Mexico. The transaction was accounted for as a purchase, and accordingly, the Company has included the results of operations in its financial statements as of January 1, 1994. Reported results of Mexico were not significant. The Company's only remaining equity interest is a 50% partnership in South Africa.

LIQUIDITY AND CAPITAL RESOURCES:

Inventories increased $7.8 million during the three months ended March 31,1994 due to the strengthening of the U.S. dollar during the period, the purchase of the remaining Mexican equity interest (discussed above) and customer requests to maintain higher stocks as the transition to fewer suppliers takes effect. This transition should cause inventories to increase in the near term but should result in more predictable requirements and possibly lower levels in the long term.

The Company has an agreement under which it may sell to a financial institution up to $40 million of the Company's right to receive certain payments for goods ordered from the Company. At March 31, 1994, the were no amounts sold under this agreement as compared to $12.0 million at December 31,1993. At December 31, 1993 this transaction reduced long-term debt by $12.0, reduced accounts receivable by $5.4 million and increased accrued liabilities by $6.6 million.

Capital expenditures for the three months ended March 31, 1994 were $8.0 million as compared to $4.8 million for the same period last year. The Company anticipates that capital expenditures for the full year will approximate $39 million. The Company will finance these expenditures with cash

from operations and existing credit facilities.

A cash dividend of $.0875 per share, which was declared for the fourth quarter of 1993, was paid in the first quarter of 1994. The Company also declared a cash dividend of $.0875 per share for the first quarter of 1994 which will be paid in the second quarter of this year.

Part II - Other Information

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the quarter ended March 31, 1994.

EXHIBIT NO.	DESCRIPTION
11.	Schedule of computation of primary net income per share

SIGNATURES

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

ALBANY INTERNATIONAL CORP.

(Registrant)

Date: April 27, 1994

by /s/Michael C. Nahl

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

ALBANY INTERNATIONAL CORP.
EXHIBIT II
SCHEDULE OF COMPUTATION OF PRIMARY NET INCOME PER SHARE
(in thousands, except per share data)

	For the three months ended March 31, 1994 (1)	1993 (1)
Common stock outstanding at end of period	29,923,010	25,681,396
Adjustments to ending shares to arrive at weighted average for the period:		
Shares contributed to E.S.O.P. (2)	(21,743)	(25,228)
Shares issued under option (2)	(6,667)	-
Weighted average number of shares	29,894,600	25,656,168
Net income	$3,653	$131
Net income per share	$0.12	$0.01

(1) Includes Class A and Class B Common Stock

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

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

		Shares
January 31, 1993	13,626 * (30/90)	4,542
February 28, 1993	13,572 * (58/90)	8,746
March 31, 1993	12,074 * (89/90)	11,940
		25,228
January 31, 1994	10,831 * (30/90)	3,610
February 28, 1994	11,120 * (58/90)	7,166
March 31, 1994	11,090 * (89/90)	10,967
		21,743

SHARES ISSUED UNDER OPTION:

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