

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934 Date  
of Report (Date of earliest event reported) March 23, 2006

ALBANY INTERNATIONAL CORP.

-----  
(Exact name of registrant as specified in its charter)

Delaware

0-16214

14-0462060

-----  
(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. 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

None

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(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to  
simultaneously satisfy the filing obligation of the registrant under any of the  
following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17  
CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR  
240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the  
Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the  
Exchange Act (17 CFR 240.13a-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

Amendments to Convertible Note Hedge and Warrant Transactions

On March 23, 2006, Albany International Corp. (the "Company") entered into  
amendments to the convertible note hedge transactions (the "Hedge Transactions")  
and warrant transactions (the "Warrant Transactions") with JPMorgan Chase Bank,  
N.A. and Bank of America, N.A., each an affiliate of an Initial Purchaser (as  
defined below in Item 3.02). See Item 3.02 of this Current Report on Form 8-K  
for a description of the amendments to the Hedge Transactions and the Warrant  
Transactions.

Item 3.02 Unregistered Sales of Equity Securities.

Convertible Senior Notes

On March 28, 2006, the Company issued an additional \$30 million aggregate  
principal amount of 2.25% Convertible Senior Notes due 2026 (the "Additional  
Notes") pursuant to the exercise in full by J.P. Morgan Securities Inc. and Banc  
of America Securities LLC (the "Initial Purchasers") of the over-allotment  
option contained in the Purchase Agreement dated March 8, 2006 between the  
Company and J.P. Morgan Securities Inc., Banc of America Securities LLC, LaSalle  
Financial Services, Inc., Daiwa Securities America Inc., HSBC Securities (USA)  
Inc., Mitsubishi UFJ Securities International plc, Greenwich Capital Markets,  
Inc. and Scotia Capital (USA) Inc (the "Purchase Agreement"). The Additional  
Notes were sold to the Initial Purchasers in a private placement for resale to  
qualified institutional buyers pursuant to Rule 144A under the Securities Act of  
1933, as amended (the "Securities Act"). Pursuant to the terms of the Purchase  
Agreement, the purchase price paid by the Initial Purchasers for the Additional  
Notes was 97.5% of the initial offering price thereof. The Additional Notes were  
issued pursuant to an Indenture dated as of March 13, 2006 (the "Indenture")  
between the Company and The Bank of New York Trust Company, N.A., as Trustee.  
See Item 3.02 of our Current Report on Form 8-K, dated March 13, 2006, for a  
description of the Indenture and the Notes (including the Additional Notes)

issued pursuant thereto.

#### Amendments to Convertible Note Hedge and Warrant Transactions

On March 23, 2006, the Company entered into amendments to the Hedge Transactions and the Warrant Transactions with JPMorgan Chase Bank, N.A. and Bank of America, N.A. The amendments to the Hedge Transactions increased the scope of the Hedge Transactions to correspond to the issuance of the Additional Notes. The amendments to the Warrant Transactions resulted in the sale by the Company of 687,331 additional warrants on its common stock. The Company paid a premium of approximately \$7.8 million for the amendments to the Hedge Transactions and received a premium of approximately \$5.3 million for the amendments to the Warrant Transactions, for a net cost of approximately \$2.6 million (the numbers may not add up, due to rounding error). After giving effect to the amendments to the Warrant Transactions, the Company has sold warrants on 4,123,986 shares of the Company's common stock.

Except as specified in the amendments, the terms of the Hedge Transactions and the Warrant Transactions remain the same. See Item 3.02 of our Current Report on Form 8-K, dated March 13, 2006, for a description of the Hedge Transactions and the Warrant Transactions. We issued and sold the additional warrants in transactions exempt from the registration requirements of the Securities Act because the offer and sale did not involve a public offering. There were no underwriting commissions or discounts in connection with the sale of the warrants.

The preceding description of the amendments to the Hedge Transactions and the Warrant Transactions is qualified in its entirety by reference to Exhibits 10.1 and 10.2, respectively, which are incorporated by reference herein.

#### Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are being furnished herewith:

- 10.1 Amendments, dated March 23, 2006, to convertible note hedge transaction confirmations, dated as of March 7, 2006, by and between JPMorgan Chase Bank, N.A., Bank of America, N.A. and the Company
- 10.2 Amendments, dated March 23, 2006, to warrant transaction confirmations, dated as of March 7, 2006, by and between JPMorgan Chase Bank, N.A., Bank of America, N.A. and the Company

Signature

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 hereunto duly authorized.

ALBANY INTERNATIONAL CORP.

By: /s/ David C. Michaels

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Name: David C. Michaels

Title: Vice President - Treasury and Tax

Date: March 28, 2006

Index to Exhibits

Exhibit Number	Description of Document
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10.1	Amendments, dated March 23, 2006, to convertible note hedge transaction confirmations, dated as of March 7, 2006, by and between JPMorgan Chase Bank, N.A., Bank of America, N.A. and the Company
10.2	Amendments, dated March 23, 2006, to warrant transaction confirmations, dated as of March 7, 2006, by and between JPMorgan Chase Bank, N.A., Bank of America, N.A. and the Company

JPMorgan [LOGO]

JPMorgan Chase Bank, N.A.  
P.O. Box 161  
60 Victoria Embankment  
London EC4Y 0JP  
England

March 23, 2006

To: Albany International Corp.  
1373 Broadway  
Albany, New York 12204  
Attention: David Michaels  
Telephone No.: (518) 445-2212  
Facsimile No.: (518) 447-6305

Re: Call Option Transaction Amendment

This letter agreement (the "Amendment") amends the terms and conditions of the Transaction (the "Transaction") entered into between JPMorgan Chase Bank, N.A., London Branch ("JPMorgan"), and Albany International Corp., a Delaware corporation (the "Counterparty"), pursuant to a letter agreement dated March 7, 2006 (the "Confirmation") pursuant to which the Counterparty purchased from JPMorgan a Number of Options equal to 90,000 in connection with the issuance by Counterparty of USD 150,000,000 principal amount of 2.25% Convertible Senior Notes due 2026 (the "Initial Convertible Notes"). This Amendment relates to, and sets forth the terms of, the purchase by the Counterparty from JPMorgan of an additional Number of Options (the "Additional Number of Options") in connection with the issuance by the Counterparty of an additional USD 30,000,000 principal amount of 2.25% Convertible Senior Notes due 2026 (the "Additional Convertible Notes", and together with the Initial Convertible Notes, the "Convertible Notes") to the initial purchasers of the Convertible Notes.

Upon the effectiveness of this Amendment, all references in the Confirmation to the "Number of Options" will be deemed to be to the Number of Options as amended hereby and all references in the Confirmation to the "Transaction" will be deemed to be to the Transaction, as amended hereby and all references to "Convertible Notes" will be deemed to include the Additional Convertible Notes. Except to the extent specified below, all other provisions of the Confirmation shall apply to the Additional Number of Options as if such Additional Number of Options were originally subject to the Confirmation. Capitalized terms used herein without definition shall have the meanings assigned to them in the Confirmation.

Amendments. The terms relating to the purchase by the Counterparty of the Additional Number of Options are as follows:

1. The "Trade Date" with respect to the Additional Number of Options will be March 23, 2006.
2. The "Number of Options" for the Transaction will be "108,000" reflecting an increase of 18,000 Options.
3. An additional "Premium" to be determined by the Calculation Agent will be payable by the Counterparty to JPMorgan in respect of the Additional Number of Options (the "Additional Call Option Premium") on a Currency Business Day to be specified by the Calculation Agent (such date, the "Additional Call Option Premium Payment Date"), by written notice to the Counterparty in substantially the form of the pricing supplement set forth in Exhibit A hereto (the "Pricing Supplement") no later than one Currency Business Day prior to the Additional Call Option Premium Payment Date.

JPMorgan Chase Bank, National Association  
Organised under the laws of the United States as a National Banking Association  
Main Office 1111 Polaris Parkway, Columbus, Ohio 43271  
Registered as a branch in England & Wales branch No. BR000746  
Registered Branch Office 125 London Wall, London EC2Y 5AJ  
Authorised and regulated by the Financial Services Authority

Repeated Representations. The Counterparty hereby repeats the representations and warranties set forth in Section 8 and Sections 9(f), (g) and (i) of the Confirmation; provided that the Counterparty shall be deemed to repeat the representation contained in Section 8(e) of the Confirmation on each day during the period beginning on the date hereof and ending on the Additional Call Option Premium Payment Date.

Rule 10b-18. The Counterparty further represents that, except as disclosed in writing by the Counterparty to JPMorgan or as described in the offering memorandum relating to the Convertible Notes, neither the Counterparty nor any of its affiliates has purchased any Shares (as contemplated by Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) during each of the four calendar weeks preceding the date hereof. The Counterparty further covenants and agrees that neither it nor any of its affiliates will purchase any Shares prior to the earlier of the Additional Call Option Premium Payment Date and the Early Unwind Date (as defined below).

Conditionality and Early Unwind. The respective obligations of the parties hereunder shall become final and binding only if no Early Unwind Event (as defined below) shall have occurred and be continuing as of the Early Unwind Date (as defined below). Notwithstanding the foregoing, the Counterparty and JPMorgan, intending to be legally bound, hereby acknowledge and agree that in the event that an Early Unwind Event has occurred and is continuing on the Early Unwind Date, JPMorgan or one or more of its affiliates, shall terminate its hedging activities with respect to the portion of the Transaction contemplated by this Amendment on the Early Unwind Date and each party shall be released and discharged by the other parties from, and agrees not to make any claim against the other parties with respect to, any obligations or liabilities of the other parties arising out of and to be performed in connection with such portion of the Transaction; provided that, if such Early Unwind Event results from a breach by the Counterparty of any representation of or any undertaking by the Counterparty contained in the Purchase Agreement and relating to the issuance by the Counterparty of the Additional Convertible Notes, the Counterparty shall purchase from JPMorgan on the Early Unwind Date any Shares purchased by JPMorgan or one or more of its affiliates in connection with the portion of the Transaction contemplated by this Amendment and reimburse JPMorgan for any costs or expenses (including market losses) relating to the unwinding of its reasonable hedging activities in connection with such portion of the Transaction (including any losses or costs incurred as a result of its terminating, liquidating, obtaining or reestablishing any reasonable hedge or related trading position). The amount of any such reimbursement shall be determined by JPMorgan in its reasonable good faith discretion. JPMorgan shall notify the Counterparty of such amount, including, upon the Counterparty's request, an explanation of the basis of determination of such amount, and the Counterparty shall pay such amount in immediately available funds on the Early Unwind Date.

For purposes of the foregoing: (i) an "Early Unwind Event" means (a) the failure to close the Additional Convertible Notes issuance by the Early Unwind Date for any reason whatsoever or (b) the failure of the Counterparty to comply with any representations, warranties or undertakings contained in this Amendment; and (ii) an "Early Unwind Date" means March 28, 2006 or such later date as agreed upon by the parties.

No Additional Amendments or Waivers. Except as amended hereby, all the terms of the Transaction and provisions in the Confirmation shall remain and continue in full force and effect and are hereby confirmed in all respects.

Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all of the signatures thereto and hereto were upon the same instrument.

Governing Law. The provisions of this Amendment shall be governed by the New York law (without reference to choice of law doctrine).

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Amendment and returning it in the manner indicated in the attached cover letter.

Very truly yours,

J.P. Morgan Securities Inc., as agent for  
JPMorgan Chase Bank, National Association

By: /s/ Sudheer Tegulapelle  
Authorized Signatory  
Name: Sudheer Tegulapelle

Accepted and confirmed  
as of the Trade Date:

ALBANY INTERNATIONAL CORP.

By: /s/ David C. Michaels  
Authorized Signatory  
Name: David C. Michaels

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Bank of America(R) [LOGO]  
EQUITY FINANCIAL PRODUCTS GROUP  
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Bank of America, N.A.  
c/o Banc of America Securities LLC  
9 West 57th Street, 40th Floor  
New York, NY 10019

March 23, 2006

To: Albany International Corp.  
1373 Broadway  
Albany, New York 12204  
Attention: David Michaels  
Telephone No.: (518) 445-2212  
Facsimile No.: (518) 447-6305

Re: Call Option Transaction Amendment (Ref. No.: NY-21551)

This letter agreement (the "Amendment") amends the terms and conditions of the Transaction (the "Transaction") entered into between Bank of America, N.A. ("BofA"), and Albany International Corp., a Delaware corporation (the "Counterparty"), pursuant to a letter agreement dated March 7, 2006 (the "Confirmation") pursuant to which the Counterparty purchased from BofA a Number of Options equal to 60,000 in connection with the issuance by Counterparty of USD 150,000,000 principal amount of 2.25% Convertible Senior Notes due 2026 (the "Initial Convertible Notes"). This Amendment relates to, and sets forth the terms of, the purchase by the Counterparty from BofA of an additional Number of Options (the "Additional Number of Options") in connection with the issuance by the Counterparty of an additional USD 30,000,000 principal amount of 2.25% Convertible Senior Notes due 2026 (the "Additional Convertible Notes", and together with the Initial Convertible Notes, the "Convertible Notes") to the initial purchasers of the Convertible Notes.

Upon the effectiveness of this Amendment, all references in the Confirmation to the "Number of Options" will be deemed to be to the Number of Options as amended hereby and all references in the Confirmation to the "Transaction" will be deemed to be to the Transaction, as amended hereby and all references to "Convertible Notes" will be deemed to include the Additional Convertible Notes. Except to the extent specified below, all other provisions of the Confirmation shall apply to the Additional Number of Options as if such Additional Number of Options were originally subject to the Confirmation. Capitalized terms used herein without definition shall have the meanings assigned to them in the Confirmation.

Amendments. The terms relating to the purchase by the Counterparty of the Additional Number of Options are as follows:

1. The "Trade Date" with respect to the Additional Number of Options will be March 23, 2006.
2. The "Number of Options" for the Transaction will be "72,000" reflecting an increase of 12,000 Options.
3. An additional "Premium" to be determined by the Calculation Agent will be payable by the Counterparty to BofA in respect of the Additional Number of Options (the "Additional Call Option Premium") on a Currency Business Day to be specified by the Calculation Agent (such date, the "Additional Call Option Premium Payment Date"), by written notice to the Counterparty in substantially the form of the pricing supplement set forth in Exhibit A hereto (the "Pricing Supplement") no later than one Currency Business Day prior to the Additional Call Option Premium Payment Date.



Repeated Representations. The Counterparty hereby repeats the representations and warranties set forth in Section 8 and Sections 9(f), (g) and (i) of the Confirmation; provided that the Counterparty shall be deemed to repeat the representation contained in Section 8(e) of the Confirmation on each day during the period beginning on the date hereof and ending on the Additional Call Option Premium Payment Date.

Rule 10b-18. The Counterparty further represents that, except as disclosed in writing by the Counterparty to BofA or as described in the offering memorandum relating to the Convertible Notes, neither the Counterparty nor any of its affiliates has purchased any Shares (as contemplated by Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) during each of the four calendar weeks preceding the date hereof. The Counterparty further covenants and agrees that neither it nor any of its affiliates will purchase any Shares prior to the earlier of the Additional Call Option Premium Payment Date and the Early Unwind Date (as defined below).

Conditionality and Early Unwind. The respective obligations of the parties hereunder shall become final and binding only if no Early Unwind Event (as defined below) shall have occurred and be continuing as of the Early Unwind Date (as defined below). Notwithstanding the foregoing, the Counterparty and BofA, intending to be legally bound, hereby acknowledge and agree that in the event that an Early Unwind Event has occurred and is continuing on the Early Unwind Date, BofA or one or more of its affiliates, shall terminate its hedging activities with respect to the portion of the Transaction contemplated by this Amendment on the Early Unwind Date and each party shall be released and discharged by the other parties from, and agrees not to make any claim against the other parties with respect to, any obligations or liabilities of the other parties arising out of and to be performed in connection with such portion of the Transaction; provided that, if such Early Unwind Event results from a breach by the Counterparty of any representation of or any undertaking by the Counterparty contained in the Purchase Agreement and relating to the issuance by the Counterparty of the Additional Convertible Notes, the Counterparty shall purchase from BofA on the Early Unwind Date any Shares purchased by BofA or one or more of its affiliates in connection with the portion of the Transaction contemplated by this Amendment and reimburse BofA for any costs or expenses (including market losses) relating to the unwinding of its reasonable hedging activities in connection with such portion of the Transaction (including any losses or costs incurred as a result of its terminating, liquidating, obtaining or reestablishing any reasonable hedge or related trading position). The amount of any such reimbursement shall be determined by BofA in its reasonable good faith discretion. BofA shall notify the Counterparty of such amount, including, upon the Counterparty's request, an explanation of the basis of determination of such amount, and the Counterparty shall pay such amount in immediately available funds on the Early Unwind Date.

For purposes of the foregoing: (i) an "Early Unwind Event" means (a) the failure to close the Additional Convertible Notes issuance by the Early Unwind Date for any reason whatsoever or (b) the failure of the Counterparty to comply with any representations, warranties or undertakings contained in this Amendment; and (ii) an "Early Unwind Date" means March 28, 2006 or such later date as agreed upon by the parties.

No Additional Amendments or Waivers. Except as amended hereby, all the terms of the Transaction and provisions in the Confirmation shall remain and continue in full force and effect and are hereby confirmed in all respects.

Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all of the signatures thereto and hereto were upon the same instrument.

Governing Law. The provisions of this Amendment shall be governed by the New York law (without reference to choice of law doctrine).

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Amendment and returning it in the manner indicated in the attached cover letter.

Very truly yours,

Bank of America, N.A.

By: /s/ Eric P. Hambleton  
Authorized Signatory  
Name: Eric P. Hambleton

Accepted and confirmed  
as of the Trade Date:

ALBANY INTERNATIONAL CORP.

By: /s/ David C. Michaels  
Authorized Signatory  
Name: David C. Michaels

JPMorgan [LOGO]

JPMorgan Chase Bank, N.A.  
P.O. Box 161  
60 Victoria Embankment  
London EC4Y 0JP  
England

March 23, 2006

To: Albany International Corp.  
1373 Broadway  
Albany, New York 12204  
Attention: David Michaels  
Telephone No.: (518) 445-2212  
Facsimile No.: (518) 447-6305

Re: Warrants Transaction Amendment

This letter agreement (the "Amendment") amends the terms and conditions of the Transaction (the "Transaction") entered into between JPMorgan Chase Bank, N.A., London Branch ("JPMorgan"), and Albany International Corp., a Delaware corporation (the "Company"), pursuant to a letter agreement dated March 7, 2006 (the "Confirmation"), pursuant to which JPMorgan has purchased from the Company a Number of Warrants equal to 2,061,993. This Amendment relates to, and sets forth the terms of, the purchase by JPMorgan from the Company of an additional Number of Warrants (the "Additional Number of Warrants").

Upon the effectiveness of this Amendment, all references in the Confirmation to the "Number of Warrants" will be deemed to be to the Number of Warrants, as amended hereby and all references in the Confirmation to the "Transaction" will be deemed to be to the Transaction as amended hereby. Except to the extent specified below, all other provisions of the Confirmation shall apply to the Additional Number of Warrants as if such Additional Number of Warrants were originally subject to the Confirmation. Capitalized terms used herein without definition shall have the meanings assigned to them in the Confirmation.

Amendments. The terms relating to the purchase by JPMorgan of the Additional Number of Warrants are as follows:

1. The "Trade Date" with respect to the Additional Number of Warrants will be March 23, 2006.
2. The "Number of Warrants" for the Transaction will be "2,474,392" reflecting an increase of 412,399 Warrants.
3. An additional "Premium" to be determined by the Calculation Agent will be payable by JPMorgan to the Company with respect to the Additional Number of Warrants (the "Additional Warrant Premium") on a Currency Business Day to be specified by the Calculation Agent (such date, the "Additional Warrant Premium Payment Date") by written notice to the Company in substantially the form of the pricing supplement set forth in Exhibit A hereto (the "Pricing Supplement") no later than one Currency Business Day prior to the Additional Warrant Premium Payment Date.

Repeated Representations. The Company hereby repeats the representations and warranties set forth in Section 8 and Sections 9(f), (g) and (h) of the Confirmation; provided that the Company shall be deemed to

JPMorgan Chase Bank, National Association  
Organised under the laws of the United States as a National Banking Association  
Main Office 1111 Polaris Parkway, Columbus, Ohio 43271  
Registered as a branch in England & Wales branch No. BR000746  
Registered Branch Office 125 London Wall, London EC2Y 5AJ  
Authorised and regulated by the Financial Services Authority

repeat the representation contained in Section 8(e) of the Confirmation on each day during the period beginning on the date hereof and ending on the Additional Warrant Premium Payment Date.

Rule 10b-18. The Company further represents that, except as disclosed by the Company to JPMorgan or as described in the offering memorandum relating to the Convertible Notes, neither the Company nor any of its affiliates has purchased any Shares (as contemplated by Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) during each of the four calendar weeks

preceding the date hereof. The Company further covenants and agrees that neither it nor any of its affiliates will purchase any Shares prior to earlier of the Additional Warrant Premium Payment Date and the Early Unwind Date (as defined below).

Conditionality and Early Unwind. The respective obligations of the parties hereunder shall become final and binding only if no Early Unwind Event (as defined below) shall have occurred and be continuing as of the Early Unwind Date (as defined below). Notwithstanding the foregoing, the Company and JPMorgan, intending to be legally bound, hereby acknowledge and agree that in the event that an Early Unwind Event has occurred and is continuing on the Early Unwind Date, JPMorgan or one or more of its affiliates, shall terminate its hedging activities with respect to the portion of the Transaction contemplated by this Amendment on the Early Unwind Date and each party shall be released and discharged by the other parties from, and agrees not to make any claim against the other parties with respect to, any obligations or liabilities of the other parties arising out of and to be performed in connection with such portion of the Transaction; provided that, if such Early Unwind Event results from a breach by the Company of any representation of or any undertaking by the Company contained in the Purchase Agreement and relating to the issuance by the Company of additional USD 30,000,000 principal amount of Convertible Notes (the "Additional Convertible Notes"), the Company shall purchase from JPMorgan on the Early Unwind Date any Shares purchased by JPMorgan or one or more of its affiliates in connection with the portion of the Transaction contemplated by this Amendment and reimburse JPMorgan for any costs or expenses (including market losses) relating to the unwinding of its reasonable hedging activities in connection with such portion of the Transaction (including any losses or costs incurred as a result of its terminating, liquidating, obtaining or reestablishing any reasonable hedge or related trading position). The amount of any such reimbursement shall be determined by JPMorgan in its reasonable good faith discretion. JPMorgan shall notify the Company of such amount, including, upon the Company's request, an explanation of the basis of determination of such amount, and the Company shall pay such amount in immediately available funds on the Early Unwind Date.

For purposes of the foregoing: (i) an "Early Unwind Event" means (a) the failure to close the Additional Convertible Notes issuance by the Early Unwind Date for any reason whatsoever or (b) the failure of the Company to comply with any representations, warranties or undertakings contained in this Amendment; and (ii) an "Early Unwind Date" means March 28, 2006 or such later date as agreed upon by the parties.

No Additional Amendments or Waivers. Except as amended hereby, all the terms of the Transaction and provisions in the Confirmation shall remain and continue in full force and effect and are hereby confirmed in all respects.

Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all of the signatures thereto and hereto were upon the same instrument.

Governing Law. The provisions of this Amendment shall be governed by the New York law (without reference to choice of law doctrine).

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Amendment and returning it in the manner indicated in the attached cover letter.

Very truly yours,

J.P. Morgan Securities Inc., as agent for  
JPMorgan Chase Bank, National Association

By: /s/ Sudheer Tegulapelle  
Authorized Signatory  
Name: Sudheer Tegulapelle

Accepted and confirmed  
as of the Trade Date:

ALBANY INTERNATIONAL CORP.

By: /s/ David C. Michaels  
Authorized Signatory  
Name: David C. Michaels

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Bank of America(R) [LOGO]  
EQUITY FINANCIAL PRODUCTS GROUP  
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Bank of America, N.A.  
c/o Banc of America Securities LLC  
9 West 57th Street, 40th Floor  
New York, NY 10019

March 23, 2006

To: Albany International Corp.  
1373 Broadway  
Albany, New York 12204  
Attention: David Michaels  
Telephone No.: (518) 445-2212  
Facsimile No.: (518) 447-6305

Re: Warrants Transaction Amendment (Ref. No.: NY-21552)

This letter agreement (the "Amendment") amends the terms and conditions of the Transaction (the "Transaction") entered into between Bank of America, N.A. ("BofA"), and Albany International Corp., a Delaware corporation (the "Company"), pursuant to a letter agreement dated March 7, 2006 (the "Confirmation"), pursuant to which BofA has purchased from the Company a Number of Warrants equal to 1,374,662. This Amendment relates to, and sets forth the terms of, the purchase by BofA from the Company of an additional Number of Warrants (the "Additional Number of Warrants").

Upon the effectiveness of this Amendment, all references in the Confirmation to the "Number of Warrants" will be deemed to be to the Number of Warrants, as amended hereby and all references in the Confirmation to the "Transaction" will be deemed to be to the Transaction as amended hereby. Except to the extent specified below, all other provisions of the Confirmation shall apply to the Additional Number of Warrants as if such Additional Number of Warrants were originally subject to the Confirmation. Capitalized terms used herein without definition shall have the meanings assigned to them in the Confirmation.

Amendments. The terms relating to the purchase by BofA of the Additional Number of Warrants are as follows:

1. The "Trade Date" with respect to the Additional Number of Warrants will be March 23, 2006.
2. The "Number of Warrants" for the Transaction will be "1,649,594" reflecting an increase of 274,932 Warrants.
3. An additional "Premium" to be determined by the Calculation Agent will be payable by BofA to the Company with respect to the Additional Number of Warrants (the "Additional Warrant Premium") on a Currency Business Day to be specified by the Calculation Agent (such date, the "Additional Warrant Premium Payment Date") by written notice to the Company in substantially the form of the pricing supplement set forth in Exhibit A hereto (the "Pricing Supplement") no later than one Currency Business Day prior to the Additional Warrant Premium Payment Date.

Repeated Representations. The Company hereby repeats the representations and warranties set forth in Section 8 and Sections 9(f), (g) and (h) of the Confirmation; provided that the Company shall be deemed to repeat the representation contained in Section 8(e) of the Confirmation on each day during the period beginning on the date hereof and ending on the Additional Warrant Premium Payment Date.

Rule 10b-18. The Company further represents that, except as disclosed by the Company to BofA or as described in the offering memorandum relating to the Convertible Notes, neither the Company nor any of its affiliates has purchased any Shares (as contemplated by Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) during each of the four calendar weeks preceding the date hereof. The Company further covenants and agrees that neither it nor any of its affiliates will purchase any Shares prior to earlier of the Additional Warrant Premium Payment Date and the Early Unwind Date (as defined below).

Conditionality and Early Unwind. The respective obligations of the parties hereunder shall become final and binding only if no Early Unwind Event (as defined below) shall have occurred and be continuing as of the Early Unwind Date (as defined below). Notwithstanding the foregoing, the Company and BofA, intending to be legally bound, hereby acknowledge and agree that in the event that an Early Unwind Event has occurred and is continuing on the Early Unwind Date, BofA or one or more of its affiliates, shall terminate its hedging activities with respect to the portion of the Transaction contemplated by this Amendment on the Early Unwind Date and each party shall be released and discharged by the other parties from, and agrees not to make any claim against the other parties with respect to, any obligations or liabilities of the other parties arising out of and to be performed in connection with such portion of the Transaction; provided that, if such Early Unwind Event results from a breach by the Company of any representation of or any undertaking by the Company contained in the Purchase Agreement and relating to the issuance by the Company of additional USD 30,000,000 principal amount of Convertible Notes (the "Additional Convertible Notes"), the Company shall purchase from BofA on the Early Unwind Date any Shares purchased by BofA or one or more of its affiliates in connection with the portion of the Transaction contemplated by this Amendment and reimburse BofA for any costs or expenses (including market losses) relating to the unwinding of its reasonable hedging activities in connection with such portion of the Transaction (including any losses or costs incurred as a result of its terminating, liquidating, obtaining or reestablishing any reasonable hedge or related trading position). The amount of any such reimbursement shall be determined by BofA in its reasonable good faith discretion. BofA shall notify the Company of such amount, including, upon the Company's request, an explanation of the basis of determination of such amount, and the Company shall pay such amount in immediately available funds on the Early Unwind Date.

For purposes of the foregoing: (i) an "Early Unwind Event" means (a) the failure to close the Additional Convertible Notes issuance by the Early Unwind Date for any reason whatsoever or (b) the failure of the Company to comply with any representations, warranties or undertakings contained in this Amendment; and (ii) an "Early Unwind Date" means March 28, 2006 or such later date as agreed upon by the parties.

No Additional Amendments or Waivers. Except as amended hereby, all the terms of the Transaction and provisions in the Confirmation shall remain and continue in full force and effect and are hereby confirmed in all respects.

Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all of the signatures thereto and hereto were upon the same instrument.

Governing Law. The provisions of this Amendment shall be governed by the New York law (without reference to choice of law doctrine).

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Amendment and returning it in the manner indicated in the attached cover letter.

Very truly yours,

Bank of America, N.A.

By: /s/ Eric P. Hambleton  
Authorized Signatory  
Name: Eric P. Hambleton

Accepted and confirmed  
as of the Trade Date:

ALBANY INTERNATIONAL CORP.

By: /s/ David C. Michaels  
Authorized Signatory  
Name: David C. Michaels