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

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

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

The registrant had 24,705,628 shares of Class A Common Stock and 5,869,457 shares of Class B Common Stock outstanding as of March 31, 2000.

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,	
	2000	1999
Net sales	$215,754	$181,569
Cost of goods sold	128,434	106,549
Gross profit	87,320	75,020
Selling, technical and general expenses	59,277	52,357
Operating income	28,043	22,663
Interest expense, net	10,396	4,552
Other expense, net	455	103
Income before income taxes	17,192	18,008
Income taxes	7,393	7,024
Income before associated companies	9,799	10,984
Equity in earnings of associated companies	208	228
Net income	10,007	11,212
Retained earnings, beginning of period	276,554	255,586
Less dividends	-	-
Retained earnings, end of period	$286,561	$266,798
Net income per share	$0.33	$0.37
Diluted net income per share	$0.33	$0.37
Cash dividends per common share	-	-
Weighted average number of shares	30,503,925	30,235,779

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

ALBANY INTERNATIONAL CORP.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	(unaudited) March 31, 2000	December 31, 1999
ASSETS		
Cash and cash equivalents	$25,831	$7,025
Accounts receivable, net	230,005	235,303
Inventories:		
Finished goods	133,939	131,749
Work in process	60,659	61,200
Raw material and supplies	44,228	42,733
	238,826	235,682
Deferred taxes and prepaid expenses	31,833	30,063
Total current assets	526,495	508,073
Property, plant and equipment, net	412,606	435,172
Investments in associated companies	4,372	4,389
Intangibles	186,080	197,953
Deferred taxes	9,527	10,871
Other assets	51,012	50,384
Total assets	$1,190,092	$1,206,842
LIABILITIES AND SHAREHOLDERS' EQUITY		
Notes and loans payable	$27,441	$36,839
Accounts payable	34,027	42,647
Accrued liabilities	81,900	86,008
Current maturities of long-term debt	5,461	6,174
Income taxes payable and deferred	7,760	5,296
Total current liabilities	156,589	176,964
Long-term debt	528,805	521,257
Other noncurrent liabilities	130,211	124,847
Deferred taxes and other credits	56,045	58,367
Total liabilities	871,650	881,435
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 26,911,620 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 1999	6	6
Additional paid in capital	221,023	219,443
Retained earnings	286,561	276,554
Accumulated items of other comprehensive income:		
Translation adjustments	(139,429)	(120,877)
Pension liability adjustment	(3,903)	(3,903)
	364,285	371,250
Less treasury stock (Class A), at cost (2,205,992 shares in 2000 and 1999)	45,843	45,843
Total shareholders' equity	318,442	325,407
Total liabilities and shareholders' equity	$1,190,092	$1,206,842

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, 2000	Three Months Ended March 31, 1999
OPERATING ACTIVITIES		
Net income	$10,007	$11,212
Adjustments to reconcile net cash provided by operating activities:		
Equity in earnings of associated companies	(208)	(228)
Depreciation and amortization	16,084	12,471
Provision for deferred income taxes, other credits and long-term liabilities	3,431	5,148
Increase in cash surrender value of life insurance, net of premiums paid	(628)	(574)
Unrealized currency transaction (gains)/losses	(312)	709
Loss/(gain) on disposition of assets	109	(19)
Shares contributed to ESOP	1,580	1,584
Changes in operating assets and liabilities:		
Accounts receivable	5,610	3,275
Inventories	(3,144)	5,660
Prepaid expenses	(2,001)	(889)
Accounts payable	(8,620)	(1,375)
Accrued liabilities	42	(4,190)
Income taxes payable	2,433	(1,437)
Other, net	253	(1,261)
Net cash provided by operating activities	24,636	30,086
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(7,673)	(5,157)
Purchased software	(251)	(516)
Proceeds from sale of assets	7,916	39
Loan to other company	-	(2,000)
Net cash used in investing activities	(8)	(7,634)
FINANCING ACTIVITIES		
Proceeds from borrowings	13,000	-
Principal payments on debt	(15,054)	(5,119)
Net cash used in financing activities	(2,054)	(5,119)
Effect of exchange rate changes on cash flows	(3,768)	(14,094)
Increase in cash and cash equivalents	18,806	3,239
Cash and cash equivalents at beginning of year	7,025	5,868
Cash and cash equivalents at end of period	$25,831	$9,107

The accompanying notes are an integral part of the 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, 1999.

2. Accounting for 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 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 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 have been recorded in Other expense, net. Open positions have been valued at fair value using quoted market rates.

In June 1998, Financial Accounting Standard No. 133, Accounting for Derivative Instruments and Hedging Activities, was issued. This Standard establishes 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 this Standard. Since the Company already records forward exchange and futures contracts at fair value, this Standard is not expected to have a material effect on the accounting for these transactions. The Company plans to adopt this Standard on its effective date of January 1, 2001.

3. Other Expense, Net

Included in other expense, net for the three months ended March 31 are: currency transactions, $0.4 million income in 2000 and $0.9 million income in 1999; amortization of debt issuance costs and loan origination fees, $0.6 million in 2000 and $0.2 million in 1999 and other miscellaneous items, none of which are significant, in 2000 and 1999.

4. 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 the period. Diluted net income per share includes the effect of all potentially dilutive securities.

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

(in thousands)	Three Months Ended March 31, 2000	1999
Income available to common stockholders:		
Income available to common stockholders	$10,007	$11,212
Weighted average number of shares:		
Weighted average number of shares used in net income per share	30,504	30,236
Effect of dilutive securities:		
Stock options	-	204
Weighted average number of shares used in diluted net income per share	30,504	30,440

For the three months ended March 31, 2000, all options were excluded from the computation of diluted net income per share because the options exercise price was greater than the average market price of the common shares for the period.

5. Comprehensive Income/(Loss)

Total comprehensive income/(loss) consists of:

(in thousands)	Three Months Ended March 31, 2000	1999
Net income	$10,007	$11,212
Other comprehensive loss, before tax:		
Foreign currency translation adjustments	(18,552)	(21,840)
Income tax related to items of other comprehensive loss	-	-
Total comprehensive loss	$(8,545)	$(10,628)

6. Operating Segment Data

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

(in thousands)	Three Months Ended March 31, 2000	Three Months Ended March 31, 1999
Net Sales		
Engineered Fabrics	$181,175	$147,395
High Performance Doors	24,040	24,339
All other	10,539	9,835
Consolidated Total	$215,754	$181,569
Operating Income		
Engineered Fabrics	$40,686	$33,334
High Performance Doors	1,634	1,904
All other	1,829	1,138
Research expense	(5,089)	(5,475)
Unallocated expenses	(11,017)	(8,238)
Operating income before reconciling items	28,043	22,663
Reconciling items:		
Interest expense, net	(10,396)	(4,552)
Other expense, net	(455)	(103)
Consolidated income before income taxes	$17,192	$18,008

7. Income Taxes

The Company's effective tax rate for the three months ended March 31, 2000 and 1999 was 43% and 39% respectively.

8. Supplementary Cash Flow Information

Interest paid for the three months ended March 31, 2000 and 1999 was $9.3 million and $5.0 million, respectively.

Taxes paid for the three months ended March 31, 2000 and 1999 was $3.9 million and $5.0 million, respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

For the Three Months Ended March 31, 2000

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

RESULTS OF OPERATIONS:

Net sales increased to $215.8 million for the three months ended March 31, 2000 as compared to $181.6 million for the three months ended March 31, 1999. The effect of the stronger U.S. dollar as compared to the first quarter of 1999 was to decrease net sales by $4.5 million. Acquisitions made in 1999 added $33.3 million to first quarter 2000 net sales. Excluding these two factors, 2000 net sales were up 3.0% as compared to 1999.

Geographically, net sales for the three months ended March 31, 2000, as compared to the same period in 1999, excluding the effect of acquisitions, were flat in the United States and increased 11.1% in Canada. Sales in Korea and China were higher in 2000, as compared to 1999. European sales increased in local currencies and were down in U.S. dollars.

Gross profit was 40.5% of net sales for the three months ended March 31, 2000 as compared to 41.3% for the same period in 1999. Excluding the effect of the stronger U.S. dollar and acquisitions, gross profit was 42.2% of net sales in 2000. Year to date variable costs as a percent of net sales decreased to 34.7% in 2000 from 35.4% for the same period in 1999. Excluding the effect of the stronger U.S. dollar and acquisitions, variable costs as a percent of net sales were 33.6% in 2000.

Selling, technical, general and research expenses, excluding the effect of the stronger U.S. dollar and acquisitions, were down 1.0% for the three months ended March 31, 2000 as compared to the same period in 1999.

Operating income as a percentage of net sales increased to 13.0% for the three months ended March 31, 2000 from 12.5% for the comparable period in 1999 due to items discussed above. Excluding the effect of the stronger U.S. dollar and acquisitions, operating income as a percentage of net sales was 14.5% in 2000.

Previously announced cost reduction initiatives continued on schedule during the quarter and are expected to result in the targeted savings for the year 2000. The full impact of the $50 million cost reduction program will be realized in 2001. The Company is on schedule to close plants in the United States, Mexico and Germany and to reduce payroll-related costs by 3.5% by the end of 2000. Expenditures for equipment relocations and asset write-offs were approximately $1.4 million in the first quarter of 2000 and are expected to be approximately $8 million for the full year. During the first quarter of 2000, the Company announced the closing of a small forming fabric weaving facility in Italy and proposed the closure of a 200,000-square-foot facility in Angouleme, France to affected employees. In accordance with local law, the French proposal will not become final until the conclusion of a review procedure involving local managers and employees, which is expected to be completed during the second quarter of 2000. Both plants will be phased out during the next several months.

Interest expense for the three months ended March 31, 2000 increased $5.8 million as compared to the same period in 1999. This increase was due to higher debt and interest rates during the period due principally to acquisitions made in 1999.

The tax rate for the first three months of 2000 was 43% as compared to 39% for the comparable period in 1999. The increase was principally due to the non-deductibility of certain expenses related to acquisitions and restructuring.

LIQUIDITY AND CAPITAL RESOURCES:

Accounts receivable decreased $5.3 million since December 31, 1999. Excluding the effect of the stronger U.S. dollar, accounts receivable decreased $1.2 million. Inventories increased $3.1 million during the three months ended March 31, 2000. Excluding the effect of the stronger U.S. dollar, inventories increased $5.9 million.

The Company's current debt structure, which is mostly floating-rate, currently provides approximately $150 million in committed and available unused debt capacity with financial institutions. Management believes that this debt capacity, in combination with informal commitments and expected free cash flows, should be sufficient to meet anticipated operating requirements and normal business opportunities which support corporate strategies.

Capital expenditures for the three months ended March 31, 2000, including leases to the extent they are required to be capitalized, were $7.7 million as compared to $5.2 million for the same period last year. The Company anticipates that capital expenditures, including leases, will be approximately $35 million for the full year and will continue to finance these expenditures With cash from operations and existing credit facilities.

In June 1998, Financial Accounting Standard No. 133, "Accounting for Derivative Instruments and Hedging Activities", was issued. This Standard establishes 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 this Standard. Since the Company already records forward exchange and futures contracts at fair value, this Standard is not expected to have a material effect on the accounting for these transactions. The Company plans to adopt this Standard on its effective date of January 1, 2001.

FORWARD-LOOKING STATEMENTS

This Form 10-Q contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These statements include statements about such matters as global restructuring, annual cost savings, estimated impact of actions upon future earnings, industry trends, debt capacity, capital expenditures, operating efficiency and profitability. 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.

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, 2000.

Exhibit No.	Description
11.	Schedule of computation of net income per share and diluted net income per share
27.	Financial data schedule

SIGNATURES

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

ALBANY INTERNATIONAL CORP.

(Registrant)

Date: May 10, 2000

by /s/Michael C. Nahl

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

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 March 31, 2000 (1)	For the three months ended March 31, 1999 (1)
Net income	$10,007	$11,212
Weighted average number of shares	30,503,925	30,235,779
Effect of potentially dilutive securities:		
Stock options (2)	-	203,742
Weighted average number shares, including the effect of potentially dilutive securities	30,503,925	30,439,521
Net income per share	$0.33	$0.37
Diluted net income per share	$0.33	$0.37

Calculation of Weighted Average Number of Shares:

Activity	Shares Outstanding(1)	Days Year to Date	Weighted Average Shares For the three months ended March 31, 2000	Weighted Average Shares For the three months ended March 31, 1999
1999				
Beginning balance	30,220,223	30		10,073,408
ESOP shares - 13,772	30,234,271	28		9,406,218
ESOP shares - 15,530	30,250,111	31		10,419,483
ESOP shares - 49,234	30,300,330	1		336,670
Totals				30,235,779
2000				
Beginning balance	30,467,186	30	10,044,127	
ESOP shares - 21,786	30,488,972	29	9,716,266	
ESOP shares - 62,201	30,551,173	31	10,407,542	
ESOP shares - 23,912	30,575,085	1	335,990	
Totals			30,503,925	

(1) Includes Class A and Class B Common Stock

(2) Incremental shares of unexercised options are calculated based on the average price of the Company's stock for the respective period. The calculation includes all options that are dilutive to earnings per share.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM ALBANY INTERNATIONAL CORP'S CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTHS ENDED MARCH 31, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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