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, 1999

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)

518-445-2200

Registrant's telephone number, including area code

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:

NONE
(Title of Class)

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. /X/

The aggregate market value of Class A Common Stock held on February 15, 2000 by non-affiliates of the registrant was $365,879,775.

The registrant had 24,619,515 shares of Class A Common Stock and 5,869,457 shares of Class B Common Stock outstanding as of February 15, 2000.

DOCUMENTS INCORPORATED BY REFERENCE	PART
Registrant's Annual Report to Shareholders for the year ended December 31, 1999.	II
Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on May 4, 2000.	III

PART I

ITEM 1. BUSINESS

Albany International Corp. ("the Company") 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. 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 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.

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. Monofilament screens are woven on a loom. 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 which 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 1,200 paper machines in the United States located in approximately 600 paper mills. It is estimated that, excluding China, there are about 7,100 paper machines in the world and approximately 1,600, mostly very small, paper machines in China. Demand for paper machine clothing is tied to the volume of paper production, which in turn reflects economic growth. According to published data, world production volumes have grown at an annual rate in excess of 3% 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 1,000 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 and its lowest levels in the first quarter. 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, 1999 and 1998 were approximately $503 million and $474 million, respectively. Orders recorded at December 31, 1999 are 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 $23.6 million in 1999, $23.7 million in 1998 and $23.1 million in 1997. 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 TRIOTEX-Registered Trademark-, PRINTEX-TM-, KRAFTEX-Registered Trademark- and MICROTEX-Registered Trademark- forming fabrics, SEAMTECH-Registered Trademark-, the patented on-machine-seamed press fabric, DYNATEX-Registered Trademark-, a unique multi-layer press fabric, APERTECH-TM-, a new class of porous, polymeric press fabrics, process belts such as TRANSBELT-Registered Trademark-, VENTABELT-Registered Trademark- and GLOSSBELT-TM-, and Thermonetics-Registered Trademark-, AERO2000-TM-, AEROLINE-Registered Trademark- and AEROGRIP-Registered Trademark- which are dryer fabrics. Technical expenditures totaled $24.5 million in 1999, $26.3 million in 1998, and $26.9 million in 1997. 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. 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 materials 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 40% 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 approximately 50 paper machine clothing suppliers worldwide, only four major paper machine clothing companies 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, 26% in the rest of the world and approximately 30% in the world overall. Together, the United States and Canada constitute approximately 36% 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 7,164 persons, of whom approximately 75% 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	65	Chairman of the Board, CEO and Director
Frank R. Schmeler	61	President, COO and Director
Edward Walther	56	Executive Vice President
Michael C. Nahl	57	Senior Vice President and Chief Financial Officer
William M. McCarthy	49	Senior Vice President-Europe
Michel J. Bacon	50	Senior Vice President-Canada, Pacific and Latin America
Edward R. Hahn	55	Senior Vice President-Chief Technical Officer
Thomas H. Hagoort	67	General Counsel and Secretary
Richard A. Carlstrom	56	Vice President-Controller
Thomas H. Curry	51	Vice President--Sales and Marketing United States
Hugh A. McGlinchey	60	Vice President-Information Systems
David C. Michaels	44	Vice President-Treasury and Tax
Kenneth C. Pulver	56	Vice President--Corporate Communications
John C. Treanor	61	Treasurer
Charles J. Silva, Jr.	40	Assistant General Counsel and Assistant Secretary

FRANCIS L. MCKONE joined the Registrant in 1964. He has served the Registrant as Chairman of the Board and Chief Executive Officer since 1998, Chief Executive Officer since 1993, President since 1984, 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 President and Chief Operating Officer since 1998, Executive Vice President and Chief Operating Officer since 1997 and as Senior Vice President from 1988 to 1997, as Vice President and General Manager of the Felt Division from 1984 to 1988, as 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.

EDWARD WALTHER joined the Registrant in 1994. He has served the Registrant as Executive Vice President since 1997 and as Senior Vice President from 1995 to 1997 and as Vice President and General Manager--Continental Europe since 1994. 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.

WILLIAM M. MCCARTHY joined the Registrant in 1977. He has served the Registrant as Senior Vice President since 1997 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.

MICHEL J. BACON joined the Registrant in 1978. He has served the Registrant as Senior Vice President since 1996 and as Vice President and General Manager of Albany International Canada from 1991 to 1996, as 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.

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.

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, to which he became of counsel on January 1, 1991.

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 and General Manager and Vice President-Marketing and from 1992 to 1995 held various sales and marketing positions for the U.S. Dryer Division.

HUGH A. MCGLINCHEY joined the Registrant in 1991. He has served the Registrant as Vice President-Information Systems since 1993 and from 1991 to 1993 as Director-Information Systems. Prior to 1991 he served as Director-Corporate Information and Communications Systems for Avery Dennison Corporation.

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 in 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 facilities in the United States and Canada is approximately 3,005,000, of which 2,779,000 square feet are owned and 226,000 square feet are leased. The Registrant's facilities located outside the United States and Canada comprise approximately 4,219,000 square feet, of which 3,353,000 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 2000 capital expenditures, including leases, of about $35 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 $220 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 numerous other defendants for injuries allegedly suffered by hundreds of 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, has been defending these matters on the Registrant's behalf, subject to the standard reservation of any rights under the applicable policies.

The Registrant is one of a group of paper machine clothing manufacturers who at one time produced dryer felts containing asbestos. (Mount Vernon Mills, from whom the Registrant acquired the Albany Mount Vernon dryer business assets, and Brandon Dryer Fabrics, a subsidiary of Geschmay Corp. (formerly Wangner Systems Corporation) acquired in 1999, are also named as separate defendants.) There are currently over fifty other corporate 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 used in these mills that are alleged to have contained asbestos.

In the Bogalusa proceeding, the Registrant was initially served with a discovery request late in 1996, to which it responded initially in March 1997, and continued to respond supplementally during 1997 and 1998. Discovery of paper machine clothing dryer fabrics defendants in the St. Francisville proceeding commenced during 1999 and is ongoing.

The information identified during the discovery process suggests that the Registrant's production of asbestos-containing 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 paper machine clothing to cause asbestos-related injury in any plaintiff.

Discovery by both plaintiffs and defendants in the Bogalusa proceeding was essentially completed in late 1998. The first trial, involving six plaintiffs, commenced in January 1999. The claims of these six plaintiffs against all but three of the defendants, including those against the Registrant, were settled prior to that time. A unanimous jury verdict in favor of the three remaining defendants (including two dryer fabric producers) was returned in early March. A second trial, involving four plaintiffs, may commence in mid-summer 2000. Discovery in the St. Francisville proceeding is scheduled to conclude in the fall of 2000, with the initial trial of approximately 30 plaintiffs expected to commence in late 2000 or early 2001.

During 1999, the Registrant, as well as Brandon Drying Fabrics, Inc., was named as a defendant, together with many of the other defendants in the Louisiana proceedings, in additional asbestos proceedings. These proceedings comprise claims asserted by approximately 150 individuals (and, in some case, their spouses) alleging injury as the result of exposure to various asbestos-containing products. Most of these proceedings are pending in North Carolina and Ohio.

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 the Registrant's motion to be dismissed as a successor to Mount Vernon has been granted in Bogalusa and several other proceedings before the first trial. Similar motions will be filed in the St. Francisville proceedings.

The Registrant believes that any judgment or settlement relating to these proceedings will be well within existing insurance coverage limits.

Brandon Drying Fabrics, Inc. is also a party to the above asbestos proceedings in the United States. Brandon Drying Fabrics, Inc. is also a defendant in a number of additional individual cases in Washington, California, Texas, Alabama, Georgia, North Carolina and Mississippi.

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.

Geschmay Corp.'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. Geschmay Corp.'s internal records demonstrate otherwise, and a lawsuit to establish coverage is being pursued. Geschmay Corp. believes the suit will be successful.

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 1999 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 44 of the Annual Report are incorporated herein by reference.

Restrictions on dividends and other distributions are described in Note 6, on pages 27 to 29 of the Annual Report. Such description is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

"Eleven Year Summary" on pages 42 and 43 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 38 to 41 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 20 to 37 in the Annual Report, are incorporated herein by reference:

Consolidated Statements of Income and Retained Earnings--years ended December 31, 1999, 1998 and 1997

Consolidated Statements of Comprehensive Income--years ended December 31, 1999, 1998 and 1997

Consolidated Balance Sheets--December 31, 1999 and 1998

Consolidated Statements of Cash Flows--years ended December 31, 1999, 1998 and 1997

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 1999 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, 1999 is included pursuant to Item 14(d):

Report of Independent Accountants on Financial Statements Schedule

Schedule II--Valuation and Qualifying Accounts

a)(3)(b) A report on Form 8-K was filed on November 8, 1999 (Item 7. Financial Statements and Exhibits).

(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 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)
		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 AGREEMENTS

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, 1999.
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.

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 (Chief Executive Officer)	March 22, 2000
/s/ MICHAEL C. NAHL (Michael C. Nahl)	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	March 22, 2000
* (Richard A. Carlstrom)	Vice President-Controller (Principal Accounting Officer)	March 22, 2000
* (Thomas R. Beecher, Jr.)	Director	March 22, 2000
* (Charles B. Buchanan)	Director	March 22, 2000
* (Erland E. Kailbourne)	Director	March 22, 2000
* (Dr. Joseph G. Morone)	Director	March 22, 2000
* (Frank R. Schmeler)	President and Director (Chief Operating Officer)	March 22, 2000
* (Christine L. Standish)	Director	March 22, 2000
* (Allan Stenshamn)	Director	March 22, 2000
* (Barbara P. Wright)	Director	March 22, 2000

*By: /s/ MICHAEL C. NAHL

Michael C. Nahl
ATTORNEY-IN-FACT

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 22nd day of March, 2000.

ALBANY INTERNATIONAL CORP.

By: /S/ MICHAEL C. NAHL

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

REPORT OF INDEPENDENT ACCOUNTANTS
ON FINANCIAL STATEMENTS SCHEDULE

To The Shareholders and Board of Directors
Albany International Corp.

Our audits of the consolidated financial statements referred to in our report dated January 27, 2000 appearing in the 1999 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 27, 2000

Schedule

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:					
1999	5,504	2,071	2,838	1,645	8,768
1998	$5,224	$1,312	$ --	$1,032	$5,504
1997	$4,962	$1,298	$ --	$1,036	$5,224

(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

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 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)
		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 AGREEMENTS
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, 1999.
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.

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, 1999 (1)	For the three months ended December 31, 1998 (1)	For the years ended December 31, 1999 (1)	For the years ended December 31, 1998 (1)
Net (loss)/income	($ 950)	($ 945)	$ 30,222	$ 31,772
Weighted average number of shares	30,428,606	30,189,814	30,339,938	31,073,493
Effect of potentially dilutive securities:				
Stock options (2)	1,495	110,988	142,584	334,128
Weighted average number shares, including the effect of potentially dilutive securities	30,430,101	30,300,802	30,482,522	31,407,621
Net (loss)/income per share	($ 0.03)	($ 0.03)	$ 1.00	$ 1.02
Diluted net (loss)/income per share	($ 0.03)	($ 0.03)	$ 0.99	$ 1.01

Calculation of Weighted Average Number of Shares (3):

Activity	Shares Outstanding (1)	Days Year to Date	Days Quarter	Weighted Average Shares For the three months ended December 31, 1999	Weighted Average Shares For the three months ended December 31, 1998	Weighted Average Shares For the years ended December 31, 1999	Weighted Average Shares For the years ended December 31, 1998
1998							
Beginning balance	32,271,301	8					707,316
Treasury shares - 5,000	32,266,047	6					530,401
Options - 2,500 shares	32,268,674	1					88,407
Treasury shares - 411,100	31,836,677	7					610,566
Treasury shares - 400,000	31,416,345	7					602,505
Treasury shares - 13.700	31,401,949	1					86,033
ESOP shares - 12,783	31,415,382	25					2,151,738
Treasury shares - 26,000	31,388,060	3					257,984
ESOP shares - 41,378	31,431,541	13					1,119,480
Options - 600 shares	31,432,172	5					430,578
Options - 20,000 shares	31,453,189	9					775,558
Options - 8,000 shares	31,461,595	4					344,785
Options - 9,500 shares and ESOP shares - 10,011	31,482,098	2					172,505
Options - 4,400 shares	31,486,722	1					86,265
Options - 8,000 shares	31,495,128	3					258,864
Options - 16,600 shares	31,512,572	15					1,295,037
Options - 1,600 shares	31,514,253	3					259,021
Options - 5,400 shares	31,519,928	4					345,424
Options - 1,500 shares	31,521,504	2					172,721
ESOP shares - 10,443	31,532,478	1					86,390
Options - 500 shares	31,533,003	10					863,918
Options - 7,400 shares	31,540,779	4					345,652
Directors shares - 2,004	31,542,885	4					345,675
Options - 600 shares	31,543,516	1					86,421
Options - 3,000 shares	31,546,668	2					172,858
Options - 1,200 shares	31,547,929	5					432,163
Options - 600 shares	31,548,560	4					345,738
ESOP shares - 9,096	31,558,118	3					259,382
Options - 10,000 shares	31,568,626	2					172,979
Options - 10,000 shares	31,579,135	3					259,555
Options - 2,500 shares	31,581,762	1					86,525
Options - 500 shares	31,582,287	9					778,741
Options - 3,000 shares	31,585,440	1					86,535
Treasury shares - 6,900	31,578,189	3					259,547
Options - 550 shares	31,578,767	3					259,552
Treasury shares - 120,000	31,452,667	5					430,858
ESOP shares - 11,371	31,465,010	22					1,896,521
Treasury shares - 72,200	31,389,518	1					85,999
Treasury shares - 33,700	31,354,281	1					85,902
Treasury shares - 50,000	31,302,001	7					600,312
ESOP shares - 13,945	31,316,582	4					343,195
Treasury shares - 52,000	31,262,211	3					256,950
Treasury shares - 64,800	31,194,456	4					341,857

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)

Treasury shares - 7,800	31,186,300	2					170,884
Treasury shares - 63,700	31,119,695	4					341,038
Treasury shares - 16,800	31,102,129	2					170,423
Treasury shares - 60,000	31,039,393	1					85,039
Treasury shares - 14,400	31,024,336	1					84,998
Treasury shares - 50,000	30,972,056	5					424,275
Treasury shares - 40,100	30,930,127	1					84,740
Treasury shares - 5,000	30,924,899	4					338,903
ESOP shares - 13,856	30,939,387	2					169,531
Treasury shares - 36,000	30,901,746	1					84,662
Treasury shares - 152,000	30,742,814	1					84,227
Treasury shares - 200,000	30,533,694	5					418,270
Treasury shares - 100,000	30,429,133	1					83,367
Treasury shares - 15,000	30,413,449	5					416,623
Treasury shares - 35,000	30,376,853	1					83,224
Treasury shares - 44,900	30,329,906	9					747,861
Treasury shares - 63,600	30,263,406	5					414,567
ESOP shares - 14,678	30,280,048	1					82,959
Treasury shares - 102,500	30,173,407	30	30		9,839,155		2,480,006
ESOP shares - 16,039	30,190,094	30	30		9,844,596		2,481,378
ESOP shares - 13,789	30,204,440	31	31		10,177,583		2,565,309
ESOP shares - 15,612	30,220,223	1	1		328,481		82,795
					------------		------------
Totals					30,189,814		31,073,493
					============		============
1999							
Beginning balance	30,220,223	30				2,483,854	
ESOP shares - 13,772	30,234,271	28				2,319,341	
ESOP shares - 15,530	30,250,111	31				2,569,188	
ESOP shares - 49,234	30,300,330	20				1,660,292	
Options - 2,400 shares	30,302,778	10				830,213	
ESOP shares - 13,350	30,316,395	6				498,352	
Stock dividend adjust. - 1,592	30,318,019	4				332,252	
Directors shares - 2,884	30,320,961	2				166,142	
Options - 1,550 shares	30,322,542	1				83,075	
Options - 1,400 shares	30,323,970	4				332,317	
Options - 1,000 shares	30,324,990	4				332,329	
Options - 400 shares	30,325,398	10				830,833	
ESOP shares - 12,335	30,337,979	14				1,163,649	
Options - 1,800 shares	30,339,815	16				1,329,965	
ESOP shares - 13,827	30,353,919	31				2,578,004	
ESOP shares - 16,877	30,371,133	31				2,579,466	
ESOP shares - 16,925	30,388,397	30				2,497,676	
ESOP shares - 20,754	30,409,566	31	30	9,916,163		2,582,730	
ESOP shares - 18,686	30,428,626	30	30	9,922,378		2,500,983	
ESOP shares - 16,805	30,445,767	31	31	10,258,900		2,585,805	
ESOP shares - 21,465	30,467,186	1	1	331,165		83,472	
				------------		------------	
Totals				30,428,606		30,339,938	
				============		============	

(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.

(3) Weighted average number of shares have been retroactively restated to reflect the stock dividend issued on January 12, 2000 (2.0%). Each change in the total share balance is comprised of the transaction noted plus the retroactive effect of the stock dividend.

EXHIBIT 13

1999 ANNUAL REPORT

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 generally accepted accounting principles, 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 accordance with generally accepted accounting principles, 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.

/s/ Francis L. McKone

Francis L. McKone
CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

/s/ Frank R. Schmeler

Frank R. Schmeler
PRESIDENT AND CHIEF OPERATING OFFICER

/s/ Michael C. Nahl

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, 1999 and 1998, and the results of their operations and cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States. 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 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 the opinion expressed above.

/s/ PricewaterhouseCoopers LLP

Albany, New York
January 27, 2000

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
ALBANY INTERNATIONAL CORP.

FOR THE YEARS ENDED DECEMBER 31,	1999	1998	1997
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)			
STATEMENTS OF INCOME			
Net sales	$778,366	$722,653	$710,079
Cost of goods sold	458,930	417,375	404,982
Gross profit	319,436	305,278	305,097
Selling and general expenses	177,481	164,481	155,515
Technical and research expenses	48,096	49,998	49,963
Restructuring of operations:			
Termination benefits and other costs	14,496	20,191	--
Losses on disposal of fixed assets	2,376	--	--
Operating income	76,987	70,608	99,619
Interest income	(1,248)	(598)	(646)
Interest expense	26,800	19,908	16,113
Other (income)/expense, net	(481)	(406)	4,521
Income before income taxes	51,916	51,704	79,631
Income taxes	22,325	20,163	31,055
Income before associated companies	29,591	31,541	48,576
Equity in earnings of associated companies	631	231	483
Net income	30,222	31,772	49,059
RETAINED EARNINGS			
Retained earnings, beginning of period	255,586	246,013	209,875
Less dividends	9,254	22,199	12,921
Retained earnings, end of period	$276,554	$255,586	$246,013
Net income per share	$ 1.00	$ 1.02	$ 1.52
Diluted net income per share	$ 0.99	$ 1.01	$ 1.50

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,	1999	1998	1997
(IN THOUSANDS)			
NET INCOME	$ 30,222	$ 31,772	$ 49,059
Other comprehensive income/(loss), before tax:			
Foreign currency translation adjustments	(37,141)	615	(42,011)
Pension liability adjustments	12,965	(16,868)	12,483
Income taxes related to items of other comprehensive income/(loss)	--	--	--
Comprehensive income	$ 6,046	$ 15,519	$ 19,531

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

CONSOLIDATED BALANCE SHEETS
ALBANY INTERNATIONAL CORP.

AT DECEMBER 31,	1999	1998
(IN THOUSANDS)		
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,025	$ 5,868
Accounts receivable, less allowance for doubtful accounts ($8,768, 1999; $5,504, 1998)	235,303	184,748
Inventories		
Finished goods	131,749	115,740
Work in process	61,200	43,523
Raw material and supplies	42,733	37,646
Deferred taxes and prepaid expenses	30,063	22,188
Total current assets	508,073	409,713
Property, plant and equipment, at cost, net	435,172	325,109
Investments in associated companies	4,389	4,054
Intangibles	197,953	60,800
Deferred taxes	10,871	27,193
Other assets	50,384	39,497
Total assets	$1,206,842	$866,366
LIABILITIES		
Current liabilities:		
Notes and loans payable	$ 36,839	$112,828
Accounts payable	42,647	25,838
Accrued liabilities	86,008	66,791
Current maturities of long-term debt	6,174	5,178
Income taxes payable and deferred	5,296	9,403
Total current liabilities	176,964	220,038
Long-term debt	521,257	181,137
Other noncurrent liabilities	124,847	113,282
Deferred taxes and other credits	58,367	37,059
Total liabilities	881,435	551,516
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; 26,803,721 issued in 1999 and 26,082,438 in 1998	27	26
Class B Common Stock, par value $.001 per share; authorized 25,000,000 shares; issued and outstanding 5,869,457 in 1999 and 5,785,282 in 1998	6	6
Additional paid in capital	219,443	206,428
Retained earnings	276,554	255,586
Accumulated items of other comprehensive income:		
Translation adjustments	(120,877)	(83,736)
Pension liability adjustment	(3,903)	(16,868)
	371,250	361,442
Less treasury stock, at cost	45,843	46,592
Total shareholders' equity	325,407	314,850
Total liabilities and shareholders' equity	$1,206,842	$866,366

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,	1999	1998	1997
(IN THOUSANDS)			
OPERATING ACTIVITIES			
Net income	$ 30,222	$ 31,772	$ 49,059
Adjustments to reconcile net cash provided by operating activities:			
Equity in earnings of associated companies	(631)	(231)	(483)
Depreciation and amortization	55,874	48,827	44,991
Provision for deferred income taxes, other credits and long-term liabilities	(1,127)	11,460	(3,828)
Increase in cash surrender value of life insurance, net of premiums paid	(1,110)	(1,017)	(851)
Unrealized currency transaction (gains)/losses	(5,802)	(1,911)	3,571
Losses on disposition of assets	2,914	368	382
Shares contributed to ESOP	4,337	4,064	4,336
Changes in operating assets and liabilities:			
Accounts receivable	(1,179)	(6,769)	4,009
Inventories	13,300	(12,685)	(557)
Prepaid expenses	(1,368)	774	(55)
Accounts payable	(511)	(1,527)	(7,026)
Accrued liabilities	3,938	14,975	(922)
Income taxes payable	(2,588)	(4,487)	(4,365)
Other, net	1,821	3,237	(1,699)
Net cash provided by operating activities	98,090	86,850	86,562
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	(34,953)	(38,825)	(50,804)
Purchased software	(2,929)	(1,763)	(2,318)
Proceeds from sale of assets	464	484	496
Acquisitions, net of cash acquired	(247,236)	(24,032)	--
Loan to other company	(3,000)	--	--
Investments in associated and other companies	--	(2,025)	(4,000)
Distributions from associated companies	148	195	--
Premiums paid for life insurance	(1,187)	(1,187)	(1,190)
Net cash used in investing activities	(288,693)	(67,153)	(57,816)
FINANCING ACTIVITIES			
Proceeds from borrowings	581,064	138,011	55,030
Principal payments on debt	(366,503)	(97,982)	(54,847)
Proceeds from options exercised	165	2,105	7,000
Tax benefit of options exercised	8	281	1,089
Debt issuance costs	(4,905)	--	--
Purchases of treasury shares	--	(47,077)	(8,257)
Dividends paid	--	(6,387)	(12,724)
Net cash provided by/(used in) financing activities	209,829	(11,049)	(12,709)
Effect of exchange rate changes on cash flows	(18,069)	(5,326)	(21,525)
Increase/(decrease) in cash and cash equivalents	1,157	3,322	(5,488)
Cash and cash equivalents at beginning of year	5,868	2,546	8,034
Cash and cash equivalents at end of year	$ 7,025	$ 5,868	$ 2,546

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 products are shipped to customers pursuant to orders or contracts. Sales terms are in accordance with industry practice in markets served. 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.

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 $23,567,000 in 1999, $23,732,000 in 1998, and $23,070,000 in 1997.

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.

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 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.

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, net". 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 Financial Accounting Standard No. 109, "Accounting for Income Taxes", which requires the use of the asset and liability method of accounting for income taxes. Under 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. Under FAS No. 109, 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)	1999	1998	1997
INCOME AVAILABLE TO COMMON STOCKHOLDERS:			
Income available to common stockholders	$30,222	$31,772	$49,059
WEIGHTED AVERAGE NUMBER OF SHARES:			
Weighted average number of shares used in net income per share	30,340	31,073	32,312
Effect of dilutive securities:			
Stock options	143	334	426
Weighted average number of shares used in diluted net income per share	30,483	31,407	32,738

Options to purchase 1,809,600 shares of common stock at prices ranging from $19.375 to $25.5625 per share, were outstanding at December 31, 1999 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)	1999	1998
Land	$ 30,345	$ 23,542
Buildings	189,967	162,948
Machinery and equipment	563,008	474,638
	783,320	661,128
Accumulated depreciation	348,148	336,019
	$435,172	$325,109

Construction in progress was approximately $2,488,000 in 1999 and $1,012,000 in 1998.

Depreciation expense was $47,669,000 in 1999, $44,362,000 in 1998, and $41,750,000 in 1997.

Expenditures for maintenance and repairs are charged to income as incurred and amounted to $17,305,000 in 1999, $16,560,000 in 1998, and $18,167,000 in 1997.

Capital expenditures were $34,953,000 in 1999, $38,825,000 in 1998, and $50,804,000 in 1997. At the end of 1999, the Company was committed to $14,399,000 of future expenditures for new equipment and facilities.

4. INTANGIBLES

The components of intangibles are summarized below:

(IN THOUSANDS)	1999	1998
Excess purchase price over fair value	$199,227	$ 70,114
Patents, trade names and technology	20,320	10,410
Accumulated amortization	(29,709)	(24,536)
Deferred unrecognized pension cost (see Note 12)	8,115	4,812
	$197,953	$ 60,800

Amortization expense was $5,173,000 in 1999, $2,194,000 in 1998, and $1,554,000 in 1997.

5. ACCRUED LIABILITIES

Accrued liabilities consist of:

(IN THOUSANDS)	1999	1998
Salaries and wages	$22,647	$20,619
Employee benefits	21,597	19,413
Returns and allowances	6,164	3,649
Interest	1,044	2,271
Restructuring costs	16,953	6,734
Other	17,603	14,105
	$86,008	$66,791

6. FINANCIAL INSTRUMENTS

Notes and loans payable at December 31, 1999 and 1998 were short-term debt instruments with banks, denominated in local currencies with a weighted average interest rate of 5.68% in 1999 and 7.45% in 1998.

Long-term debt at December 31, 1999 and 1998, principally to banks and bondholders, exclusive of amounts due within one year, consists of:

(IN THOUSANDS)	1999	1998
$750 million credit agreement which terminates in 2004 with borrowings outstanding at an average interest of 6.61% in 1999 ($300 million credit agreement at an average interest of 5.78% in 1998).	$487,000	$149,000
Various notes and mortgages relative to operations principally outside the United States, at an average interest of 5.72% in 1999 and 6.64% in 1998, due in varying amounts through 2008.	20,264	17,547
Industrial revenue financings at an average interest of 5.49% in 1999 and 5.38% in 1998, due in varying amounts through 2009.	13,993	14,590
	$521,257	$181,137

The weighted average interest rates for all debt was 6.36% in 1999 and 6.38% in 1998.

Principal payments due on long-term debt are: 2000, $6,174,000; 2001, $45,140,000; 2002, $65,611,000; 2003, $73,177,000; 2004, $320,281,000.

Interest paid was $26,779,000 in 1999, $17,812,000 in 1998, and $16,107,000 in 1997.

In August 1999, the Company entered into a new $750 million credit agreement with its banks. This facility includes a $250 million term loan with $40 million due in 2001, $60 million in 2002, $70 million in 2003 and $80 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, the Company's ability to purchase its Common Stock, and interest coverage and also contains a maximum leverage ratio, as well as mandatory prepayments out of excess cash flow and proceeds from asset sales and debt offerings. The December 31, 1999 leverage ratio precludes the current payment of cash dividends. The Company cannot purchase its Common Stock or pay cash dividends until the leverage ratio, as defined in the credit agreement, does not exceed 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 credit agreement and formal and informal agreements with other financial institutions, the Company could have borrowed an additional $140,000,000 at December 31, 1999.

The Company has been a party to swap agreements that hedge a portion of its interest rate exposure. On a notional amount of $100,000,000, the Company paid a fixed rate while the counterparties paid a floating rate based upon LIBOR. In February 1999, the Company closed-out its position in these agreements and had a total gain of approximately $67,000.

The Company has been a party to swap agreements wherein on a notional amount of $250,000,000 the Company paid a periodic floating rate based upon an index of yields of high-grade, tax-exempt bond issues published by Kenny Information Systems. The counterparty was obligated to make payments to the Company calculated at an average of 70% of LIBOR. In April 1997, the Company closed-out its position in these agreements. Included in the "Interest rate protection agreements" component of "Other (income)/expense, net" (see Note 9) is income of approximately $682,000 related to the net cash received as part of these agreements in 1997. Also included in "Interest rate protection agreements" is the change in the valuation which resulted in income of approximately $46,000 in 1997.

At December 31, 1999, the Company had no forward exchange contracts maturing during 2000. Periodically, the Company also enters into futures contracts primarily to hedge in the short-term against interest rate fluctuations. At December 31, 1999, 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 $1,125,000, ($1,018,000) and ($32,000) in 1999, 1998 and 1997, 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.

At December 31, 1999 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.

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.

7. LEASES

Total rental expense amounted to $23,298,000, $22,296,000, and $22,990,000 for 1999, 1998, and 1997, respectively. 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.

Future rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 1999 are: 2000, $21,725,000; 2001, $18,032,000; 2002, $14,222,000; 2003, $9,845,000; 2004, $5,874,000; and thereafter, $12,586,000.

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, 1999, 10,273,857 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 1999.

For 1998 and 1997, the Board authorized the payment of cash dividends totalling $.105 and $.42, per common share per year respectively.

As discussed in Note 6, the Company cannot purchase its Common Stock or pay cash dividends until the leverage ratio, as defined in the credit agreement, does not exceed 2.75.

During 1999, the Company declared a 2.0% stock dividend which resulted in a subsequent distribution of 483,621 shares of Class A Common Stock and 115,081 shares of Class B Common Stock. As a result of the stock dividend, additional paid-in capital increased $9,215,000, treasury stock decreased $39,000 and retained earnings decreased $9,254,000. All references in the accompanying financial statements to the weighted average number of common shares and per-share amounts have been restated to reflect the stock dividend.

Changes in shareholders' equity for 1999, 1998, and 1997 are as follows:

(IN THOUSANDS)	Class A Common Stock Shares	Class A Common Stock Amount	Class B Common Stock Shares	Class B Common Stock Amount	Additional Paid in Capital	Treasury Stock (Class A) Shares	Treasury Stock (Class A) Amount
Balance: January 1, 1997	24,866	$25	5,616	$6	$177,412	17	$ 165
Shares contributed to ESOP	89	--	--	--	2,299	(93)	(1,977)
Purchases of treasury shares	--	--	--	--	--	361	8,257
Options exercised	420	--	--	--	8,089	--	--
Shares issued to Directors	--	--	--	--	31	(4)	(29)
Balance: December 31, 1997	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

9. OTHER (INCOME)/EXPENSE, NET

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

(IN THOUSANDS)	1999	1998	1997
Currency Transactions	$(5,807)	$(3,785)	$(2,010)
Interest rate protection agreements	1,125	(1,018)	(760)
Amortization of debt issuance costs and loan origination fees	1,624	721	937
Strategic planning costs	--	--	1,333
Other	2,577	3,676	5,021
	$ (481)	$ (406)	$ 4,521

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)	1999	1998	1997
Current:			
U.S. Federal	$ 2,959	$14,858	$12,799
U.S. State	1,303	1,699	1,463
Non-U.S.	23,068	7,352	12,336
	27,330	23,909	26,598
Deferred:			
U.S. Federal	1,407	(11,960)	(3,511)
U.S. State	143	(1,367)	(401)
Non-U.S.	(6,555)	9,581	8,369
	(5,005)	(3,746)	4,457
	$22,325	$20,163	$31,055

U.S. income before income taxes was $8,625,000 in 1999, $8,317,000 in 1998, and $29,973,000 in 1997.

Taxes paid, net of refunds, were $23,711,000 in 1999, $23,627,000 in 1998, and $22,210,000 in 1997.

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

	1999	1998	1997
U.S. statutory rate	35.0%	35.0%	35.0%
State taxes	1.6	2.2	1.9
Non-U.S. tax rates, repatriation of earnings, and other net charges associated with prior years	5.4	1.5	5.6
Other	1.0	.3	(3.5)
Effective tax rate	43.0%	39.0%	39.0%

The significant components of deferred income tax (benefit)/expense attributed to income from operations for the years ended December 31, 1999, 1998, and 1997 are as follows:

(IN THOUSANDS)	1999	1998	1997
Deferred tax benefit	$(3,138)	$(10,453)	$(1,448)
Adjustments to deferred tax assets and liabilities for enacted changes in tax laws and rates	112	113	136
(Benefit)/utilization of operating loss carryforwards	(1,979)	6,594	5,769
	$(5,005)	$ (3,746)	$ 4,457

Investment tax credits and other credits utilized for financial reporting purposes were not material.

Undistributed earnings of subsidiaries outside the United States for which no provision for U.S. taxes has been made amounted to approximately $144,115,000 at December 31, 1999. In the event earnings of foreign subsidiaries are remitted, foreign tax credits may be available to offset U.S. taxes.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 1999 and 1998 are presented below:

	U.S.		Non-U.S.	
(IN THOUSANDS)	1999	1998	1999	1998
Accounts receivable, principally due to allowance for doubtful accounts	$ 785	$ 121	$ 995	$ (363)
Inventories, principally due to additional costs inventoried for tax purposes, pursuant to the Tax Reform Act of 1986	3,979	7,014	271	92
Tax loss carryforwards	--	--	287	1,187
Other	14,226	7,642	1,988	1,286
Total current deferred tax assets	18,990	14,777	3,541	2,202
Sale lease back transaction	642	575	--	--
Deferred compensation	10,232	9,094	--	--
Tax loss carryforwards	--	--	3,723	7,275
Plant, equipment and depreciation	(23,482)	(11,671)	(160)	(172)
Postretirement benefits	15,842	14,936	--	--
Other	3,890	6,151	184	1,005
Total noncurrent deferred tax assets	7,124	19,085	3,747	8,108
Total deferred tax assets	$26,114	$33,862	$ 7,288	$10,310
Total current deferred tax liabilities	--	--	$ 5,558	$ 7,287
Plant, equipment and				

depreciation	--	--	49,209	24,394
Other	--	--	(3,027)	(446)
Total noncurrent deferred tax liabilities	--	--	46,182	23,948
Total deferred tax liabilities	--	--	$51,740	$31,235

In the U.S., the Company has had a substantial tax liability for each of the past three years and expects to pay taxes in the future at this or greater levels. 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 2000 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. "All other segments" 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)	1999	1998	1997
NET SALES			
Engineered Fabrics	$ 633,373	$ 583,857	$ 593,395
High Performance Doors	104,354	101,768	83,283
All other	40,639	37,028	33,401
Consolidated total	$ 778,366	$ 722,653	$ 710,079
DEPRECIATION AND AMORTIZATION			
Engineered Fabrics	$ 46,890	$ 41,202	$ 38,084
High Performance Doors	2,304	1,561	1,329
All other	3,402	3,129	2,887
Corporate	3,278	2,935	2,691
Consolidated total	$ 55,874	$ 48,827	$ 44,991
OPERATING INCOME			
Engineered Fabrics	$ 138,658	$ 131,047	$ 134,057
Restructuring of operations:			
Termination benefits and other costs	(14,496)	(20,191)	--
Losses on disposal of fixed assets	(2,376)	--	--
	121,786	110,856	134,057
High Performance Doors	6,520	11,138	9,845
All other	4,802	4,759	4,311
Research expense	(23,567)	(23,732)	(23,070)
Unallocated expenses	(32,554)	(32,413)	(25,524)
Operating income before reconciling items	76,987	70,608	99,619
Reconciling items:			
Interest income	1,248	598	646
Interest expense	(26,800)	(19,908)	(16,113)
Other income/ (expense), net	481	406	(4,521)
Consolidated income before income taxes	$ 51,916	$ 51,704	$ 79,631
OPERATING ASSETS			
Engineered Fabrics	$1,368,167	$1,006,458	$ 945,296
High Performance Doors	64,040	67,075	52,459
All other	89,945	81,461	68,777
Reconciling items:			
Accumulated depreciation	(348,148)	(336,019)	(303,428)
Deferred tax assets	33,402	44,171	35,442
Investments in associated companies	4,389	4,054	2,444
Other	(4,953)	(834)	(4,093)
Consolidated total assets	$1,206,842	$ 866,366	$ 796,897
CAPITAL EXPENDITURES			
Engineered Fabrics	$ 28,757	$ 33,158	$ 45,738
High Performance			

Doors	1,638	881	983
All other	4,302	4,027	3,447
Corporate	256	759	636
Consolidated total	$ 34,953	$ 38,825	$ 50,804

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)	1999	1998	1997
NET SALES			
United States	$310,070	$289,434	$286,528
Canada	58,060	62,329	67,794
Sweden	83,714	88,612	94,102
Germany	69,375	50,467	42,264
Other countries	257,147	231,811	219,391
Consolidated total	$778,366	$722,653	$710,079
PROPERTY, PLANT AND EQUIPMENT, AT COST, NET			
United States	$133,127	$ 95,487	$ 97,455
Canada	22,916	22,935	26,558
Sweden	51,778	58,476	60,278
Germany	64,004	6,347	6,212
Other countries	163,347	141,864	131,108
Consolidated total	$435,172	$325,109	$321,611

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)	1999	1998
Projected benefit obligation in excess of plan assets	$(48,116)	$(54,983)
Unrecognized net loss	22,040	44,556
Prior service cost not yet recognized in net periodic pension cost	8,292	5,293
Remaining unrecognized net obligation/(asset)	99	(1,080)
Contributions made in the 4th quarter	626	18
Accrued pension liability	$(17,059)	$ (6,196)

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 $158,755,000, $138,107,000, and $111,480,000, respectively, for 1999 and $155,168,000, $128,355,000, and $102,258,000, respectively for 1998.

The weighted average expected long-term rate of return for these plans was 9.1% for 1999 and 1998. The weighted average discount rate was 7.1% for 1999 and 6.9% for 1998. In 1999 and 1998, the weighted average rate of increase in future compensation levels was 4.7% and 4.8%, respectively.

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)	1999	1998
Change in benefit obligation:		
Benefit obligation at beginning of year	$199,160	$170,123
Service cost	6,927	6,841
Interest cost	13,775	14,375
Participant contributions	1,447	838
Plan amendments	3,766	48
Effect of curtailment	--	2,365
Benefits paid	(11,769)	(8,604)
Acquisitions/divestitures	9,795	--
Special termination		

benefits	--	7,148
Actuarial (gain)/loss	(16,195)	6,877
Exchange rate loss	(2,780)	(851)
Benefit obligation at end of year	$204,126	$199,160
Change in plan assets:		
Fair value of plan assets at beginning of year	$144,177	$143,980
Actual return on plan assets	18,918	3,558
Employer contributions	5,435	5,343
Participant contributions	1,447	1,038
Benefits paid	(11,610)	(8,604)
Acquisitions/divestitures	210	--
Administrative expenses	(1,229)	(741)
Exchange rate loss	(1,338)	(397)
Fair value of plan assets at end of year	$156,010	$144,177

Amounts recognized in the balance sheet are as follows:

(IN THOUSANDS)	1999	1998
Accrued pension liability	$(29,077)	$(27,876)
Intangible asset	8,115	4,812
Accumulated other comprehensive income	3,903	16,868
Net amount recognized at year-end	$(17,059)	$ (6,196)

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, 1999 and 1998 respectively, of $12,018,000 and $21,680,000 was offset by an asset amounting to

$8,115,000 and $4,812,000 (included in intangibles) and a direct charge to equity of $3,903,000 and $16,868,000.

Net pension cost included the following components:

(IN THOUSANDS)	1999	1998
Service cost	$ 6,927	$ 6,423
Interest cost on projected benefit obligation	13,775	12,319
Actual return on assets	(12,557)	(12,431)
Net amortization and deferral	1,287	981
Net periodic pension cost	$ 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 $13,518,000 for 1999, $25,455,000 for 1998, and $11,221,000 for 1997.

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)	1999	1998
Change in benefit obligation:		
Benefit obligation at beginning of year	$51,220	$46,386
Service cost	1,357	1,112
Interest cost	4,389	3,446
Plan participants' contribution	455	485
Actuarial loss	10,874	3,419
Benefits paid	(5,906)	(3,628)
Benefit obligation at end of year	$62,389	$51,220
Change in plan assets:		
Fair value of plan assets at beginning of year	--	--
Employer contributions	5,451	3,143
Plan participants' contributions	455	485
Benefits paid	(5,906)	(3,628)
Fair value of plan assets at end of year	--	--
Funded status	62,389	51,220
Unrecognized net (loss)/gain	(6,364)	4,449
Accrued postretirement cost	$56,025	$55,669

Net periodic postretirement benefit cost included the following:

(IN THOUSANDS)	1999	1998
Service cost of benefits earned	$ 1,357	$ 1,112
Interest cost on accumulated postretirement benefit obligation	4,389	3,446
Amortization of unrecognized net loss/(gain)	60	(219)

Net periodic postretirement benefit cost	$ 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 1999. This rate is assumed to remain at 5.5%.

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

A one percentage point increase in the health care cost trend rate would result in a $7,841,000 increase in the accumulated postretirement benefit obligation as of December 31, 1999 and an increase of $836,000 in the aggregate service and interest cost components of the net periodic postretirement benefit cost for 1999.

14. TRANSLATION ADJUSTMENTS

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

(IN THOUSANDS)	1999	1998	1997
Change in cumulative translation adjustments	$ 37,141	$ (615)	$42,011
Other noncurrent liabilities	1,756	431	2,742
Deferred taxes	3,816	1,075	3,419
Long-term debt	549	674	1,014
Investments in associated companies	(167)	(452)	(100)
Net fixed assets	(16,900)	3,417	(22,959)
Other assets	(8,126)	796	(4,602)
Effect of exchange rate changes	$ 18,069	$ 5,326	$21,525

Shareholders' equity was affected by translation as follows: decrease/(increase) from translation of non-U.S. financial statements of $34,982,000, $(2,736,000), and $30,979,000 and from remeasurement of loans of $2,159,000, $2,121,000 and $11,032,000 in 1999, 1998, and 1997 respectively.

In 1998 and 1997 net translation losses included in operations in Brazil and Mexico were $2,217,000 and $499,000 respectively, 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 5,500,000 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. 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 cash dividend yield was 1.8% for 1997. The expected volatility was 25.5% in 1999, 24.6% in 1998, and 24.1% in 1997. The expected life of the options varies based on employee group and ranges from 6 to 20 years. The risk-free interest rate ranges from 6.6% to 6.9% in 1999, 4.7% to 5.6% in 1998, and 5.8% to 6.1% in 1997. 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 1999, 1998 or 1997. Had compensation cost and fair value been determined pursuant to FAS 123, net income would decrease from $30,222,000 to $28,567,000 in 1999, $31,772,000 to $30,119,000 in 1998, and from $49,059,000 to $47,727,000 in 1997. Earnings per share would decrease from $1.00 to $0.94 in 1999, $1.02 to $0.97 in 1998, and from $1.52 to $1.48 in 1997. Diluted earnings per share would decrease from $0.99 to $0.94 in 1999, $1.01 to $0.96 in 1998, and $1.50 to $1.46 in 1997. The weighted average fair value of options granted during 1999, 1998 and 1997, for the purposes of FAS 123, is $10.98, $7.52, and $10.37 per share, respectively.

Activity with respect to these plans is as follows:

	1999	1998	1997
Shares under option at January 1	3,550,750	3,309,000	3,057,400
Options granted	411,750	423,000	695,500
Options cancelled	26,300	63,300	23,900
Options exercised	8,550	117,950	420,000
Shares under option at December 31	3,927,650	3,550,750	3,309,000
Options exercisable at December 31	2,518,950	2,191,900	1,930,900
Shares available for options	476,750	370,200	229,900

The weighted average exercise price is as follows:

	1999	1998	1997
Shares under option at January 1	$19.00	$18.95	$18.00
Options granted	15.69	19.38	21.84
Options cancelled	19.76	20.90	20.49
Options exercised	19.26	17.85	16.72
Shares under option at December 31	18.65	19.00	18.95
Options exercisable at December 31	17.97	17.58	17.08

The following is a summary of the status of options outstanding at December 31, 1999:

	Outstanding Options			Exercisable Options	
Exercise Price Range	Number	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
$15.00	125,000	13.11	$15.00	125,000	$15.00
15.50	700,000	8.34	15.50	700,000	15.50
15.69	410,750	19.86	15.69	--	--
16.25	163,700	13.41	16.25	163,700	16.25
16.75	461,500	10.33	16.75	461,500	16.75
17.63-18.75	257,100	13.67	18.62	257,100	18.62
19.38	410,500	18.84	19.38	86,900	19.38
19.75	406,600	17.29	19.75	181,000	19.75
22.25	742,500	15.89	22.25	543,750	22.25
25.56	250,000	17.85	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 $2,037,000 in 1999, $1,957,000 in 1998, and $1,795,000 in 1997. The increase in cash value, net of premiums, was $1,110,000 in 1999, $1,017,000 in 1998, and $851,000 in 1997.

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 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 $3,774,000 in 1999, $3,597,000 in 1998, and $3,288,000 in 1997.

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 $581,000 in 1999, $1,281,000 in 1998, and $206,000 in 1997.

16. ACQUISITIONS AND RESTRUCTURING

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 completed in December 1999. 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 $4,399,000 for plant rationalization costs.

The components of accrued restructuring costs, excluding amounts added to pension liabilities (see Note 12), consist of:

(IN THOUSANDS)	1999	1998	1997
Lease obligations	$ --	$ 296	$ 628
Termination costs	17,394	4,243	--
Plant rationalization costs	1,070	4,399	--
	$18,464	$8,938	$ 628

The change in accrued balances is the result of further costs associated with the global restructuring plan, reversals of prior year accruals and actual payments for lease obligations.

FINANCIAL REVIEW

REVIEW OF OPERATIONS

- --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, as discussed below, 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. Net sales in Canada decreased 6.8% while European 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, technical, general 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%.

In 1998, the Company announced the first steps of a global restructuring plan. In 1999 and 1998, the Company recorded a pre-tax charge for restructuring of operations of $16.9 million and $20.2 million, respectively. The 1999 charge includes $13.0 million for termination benefits, $1.5 million for plant rationalization costs and $2.4 million for losses on disposal of fixed assets. The 1998 charge includes $15.8 million for an enhanced retirement program and $4.4 million for plant rationalization costs. Excluding the effect of restructuring charges, net income per share and diluted net income per share were both $1.31 in 1999 and $1.42 and $1.40, respectively, in 1998. As part of this plan, additional nonrecurring operating expenses of approximately $8 million, related to losses on disposal of fixed assets and equipment relocation costs, are expected to be incurred during 2000. The Company has closed plants and sales offices in the United States, Germany and Asia, is in the process of closing plants in the United States and Mexico, is planning to close additional plants outside of North and South America and announced a 3.5% reduction of payroll-related costs. During 1999, cost savings were approximately $11 million and management expects that when these actions are complete by the end of 2000, the combined cumulative annual cost savings will approximate $50 million.

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

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 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.

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

The tax rate for 1999 was 43%, compared to 39% in 1998, due principally to the nondeductibility of certain expenses related to acquisitions and restructuring. Management expects the tax rate for 2000 to be 43%.

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.

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 completed in December 1999.

All of the above 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 for the pro forma effects of the Geschmay acquisition).

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.

- --1998 VS. 1997

Net sales increased $12.6 million or 1.8% as compared with 1997. Net sales were decreased by $20.8 million from the effect of a stronger U.S. dollar as compared to 1997. Acquisitions completed in 1998, as discussed below, added $20.2 million to net sales. Excluding these two factors, net sales increased 1.9% as compared to 1997.

Net sales in the United States increased 1.0% in 1998 as compared to 1997, while sales in Canada decreased 8.1% over the same period. Net sales in Canada were lower principally due to the effect of the stronger U.S. dollar.

European sales increased 1.9% in 1998 as compared to 1997. Excluding the effect of the stronger U.S. dollar, net sales in Europe increased 4.5%.

Gross profit was 42.2% of net sales in 1998 as compared to 43.0% in 1997. Excluding the effect of the 1998 acquisitions, gross profit margin would have been 42.6%.

Selling, technical, general and research expenses, excluding the 1998 acquisitions, increased 2.0% in 1998 as compared to 1997. Excluding the additional effect of the stronger U.S. dollar, these costs increased 4.4%. This increase was principally due to higher wages and benefit costs, the unfavorable change in the remeasurement of foreign currency transactions incurred principally in Europe and costs related to the installation of a new information system.

The change in other (income)expense, net as compared to 1997, was due principally to $2.0 million higher income from currency transactions and interest rate protection agreements and a $1.3 million decrease in strategic planning costs.

Interest expense increased $3.8 million or 23.6% as compared with 1997. This increase was due to higher total debt during 1998 as a result of acquisitions and the Company's purchase of 2,560,800 shares of its own stock since November 1997.

In late 1997, the Company finished the construction of a new paper machine clothing plant located in Chungju, South Korea for a total cost of approximately $22 million. The first shipments to customers were made in February 1998.

In January 1998, the Company acquired substantially all of the assets of Burwell Door Systems located in Sydney, Australia for approximately $3.5 million.

In March 1998, 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 $8.9 million with $3.3 million paid at closing and $5.6 million deferred for up to ten years.

In March 1998, 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 $10.8 million.

In April 1998, the Company purchased all of the outstanding capital stock of M&I Door Systems located in Barrie, Ontario, Canada for approximately $8.1 million.

All of the above 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. These acquisitions did not have a significant impact on 1998 operating results.

In March 1998, the Company purchased a 50% interest in SARA (Loading Bay Specialists, Ltd.), a distributor of high performance industrial doors located in England for approximately $2.0 million. This investment is being accounted for on an equity basis and is included in "Investments in Associated Companies".

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 1999 as compared to 1998 increased in Canada and decreased in the United States and Europe. Total operating income, after the restructuring charges, increased 9.0% as compared to 1998. Excluding the effect of the stronger U.S. dollar and acquisitions, operating income would have increased 8.3% as compared to 1998. Excluding the combined effect of the U.S. dollar, acquisitions and the restructuring charges, operating income increased 2.8% as compared to 1998. Operating income, before the restructuring charges, as a percent of net sales for the United States was 16.9% in 1999, 17.6% in 1998 and 19.2% in 1997; for Canada was 17.6% in 1999, 13.5% in 1998 and 13.0% in 1997; for Europe was 7.1% in 1999, 9.0% in 1998 and 10.7% in 1997; and combined for the rest of the countries where the Company has operations the percentages were 8.8% in 1999, 7.3% in 1998 and 8.2% in 1997.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 1999 the Company's order backlog was $503.4 million, an increase of $29.4 million from the prior year-end.

Accounts receivable increased $50.6 million from December 31, 1998. Excluding the effect of the stronger U.S. dollar and the Geschmay acquisition, accounts receivable increased $7.3 million. Inventories increased $38.8 million from December 31, 1998. Excluding the factors noted above, inventories decreased $1.7 million.

Cash flow provided from operating activities was $98.1 million in 1999 compared with $86.9 million in 1998 and $86.6 million in 1997. Capital expenditures were $35.0 million in 1999, $38.8 million in 1998 and $50.8 million in 1997. Capital expenditures in 2000, including leases, are expected to be about $35 million as capacity acquired in the Geschmay acquisition should allow the Company to reduce capital expenditures. The Company will continue to finance these expenditures with cash from operations and existing credit facilities.

In August 1999, the Company entered into a new $750 million credit agreement with its banks. This facility includes a $250 million term loan with $40 million due in 2001, $60 million in 2002, $70 million in 2003 and $80 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, the Company's ability to purchase its Common Stock, and interest coverage and also contains a maximum leverage ratio, as well as mandatory prepayments out of excess cash flow and proceeds from asset sales and debt offerings. Borrowings are collateralized by a pledge of shares of, and intercompany loans to, certain subsidiaries of the Company.

During 1999, the Company declared a 2.0% stock dividend which resulted in a subsequent distribution of 483,621 shares of Class A Common Stock and 115,081 shares of Class B Common Stock. As a result of the stock dividend, additional paid-in capital increased $9.2 million, treasury stock decreased $0.1 million and retained earnings decreased $9.3 million.

A cash dividend of $.105 per share was declared in the first quarter of 1998. During the remainder of 1998, the Company declared two 0.5% stock dividends and one 2.0% stock dividend which resulted in a subsequent distribution of 706,900 shares of Class A Common Stock and 169,719 shares of Class B Common Stock. As a result of the stock dividends, additional paid-in capital increased $16.4 million, treasury stock decreased $2.6 million and retained earnings decreased $19.0 million.

All references in the accompanying financial statements to the weighted average number of common shares and per-share amounts have been restated to reflect the stock dividends.

YEAR 2000

In 1997, the Company began a program to assess, test and remedy its computer and manufacturing systems to assure that these systems will properly recognize the year 2000 and therefore substantially eliminate the risk of date-related computer shutdowns. Total external expenditures related to the year 2000 program were approximately $1.0 million with $0.3 million paid for consultants, $0.5 million for hardware and $0.2 million for software. Subsequent to December 31, 1999, the Company has not experienced any significant disruptions attributed to the year 2000 issue.

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 (see Note 6 for further information regarding these contracts). The total net assets of foreign operations and foreign currency, long-term intercompany loans subject to potential loss amount to $555.9 million. The potential loss in fair value resulting from a hypothetical 10% adverse change in quoted foreign currency exchange rates amounts to $55.6 million. Furthermore, related to foreign currency transactions, the same 10% change would cause an additional loss of $4.9 million. Actual results may differ.

As discussed above, the Company's current debt structure is mostly floating-rate. The Company also periodically enters into futures contracts to hedge in the short-term against interest rate fluctuations (see Note 6 for further information regarding these contracts). At December 31, 1999, the fair value of the Company's long-term debt is estimated to be the carrying value as the significant components are variable rate debt. Therefore, a hypothetical 50 basis point decrease in interest rates should not change the fair value of debt.

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 global restructuring, estimated impact of actions upon future earnings, annual cost savings, industry trends, capital expenditures, income tax rate, 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.

	1999	1998	1997	1996
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)				
SUMMARY OF OPERATIONS				
Net sales	$ 778,366	$722,653	$710,079	$692,760
Cost of goods sold	458,930	417,375	404,982	399,311
Operating income (1),(2),(6)	76,987	70,608	99,619	96,785
Interest expense, net	25,552	19,310	15,467	15,833
Income before income taxes	51,916	51,704	79,631	80,940
Income taxes	22,325	20,163	31,055	31,570
Income before associated companies	29,591	31,541	48,576	49,370
Net income/(loss) (3),(5),(7)	30,222	31,772	49,059	48,306
Net income/(loss) per share	1.00	1.02	1.52	1.51
Diluted net income/(loss) per share	0.99	1.01	1.50	1.50
Average number of shares outstanding	30,340	31,073	32,312	31,907
Capital expenditures	34,953	38,825	50,804	53,473
Cash dividends declared	--	3,140	12,921	12,159
Per Class A common share	--	0.105	0.42	0.40
Per Class B common share	--	0.105	0.42	0.40
FINANCIAL POSITION				
Current assets	$ 508,073	$409,713	$373,323	$384,627
Current liabilities	176,964	220,038	170,440	176,746
Current ratio	2.9	1.9	2.2	2.2
Property, plant and equipment, net	435,172	325,109	321,611	339,461
Total assets	1,206,842	866,366	796,897	831,917
Long-term debt	521,257	181,137	173,654	187,100
Shareholders' equity	325,407	314,850	343,108	332,330
Per share	10.68	10.42	10.63	10.38
Total capital (4)	889,677	613,993	594,560	586,890
Total debt to total capital	63.4%	48.7%	42.3%	43.4%
Return on shareholders' equity	9.3%	10.1%	14.3%	14.5%
NUMBER OF EMPLOYEES	7,164	6,011	5,881	5,854

(1) The Company adopted Financial Accounting Standard (FAS) No. 87 "Employers' Accounting for Pensions", with respect to its non-U.S. retirement plans in 1989, which reduced pension cost by $1,077,000.

(2) 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.

(3) In January 1989, the Company sold its property and facilities in Halmstad, Sweden for approximately $51,000,000 in cash and notes with a resulting net gain of approximately $23,000,000.

(4) 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.

1995	1994	1993	1992	1991	1990	1989
$652,645	$567,583	$546,120	$561,084	$557,218	$556,104	$505,474
379,696	338,991	345,468	366,756	359,184	358,697	299,287
88,827	62,821	40,051	18,893	44,488	31,661	67,627
20,009	16,820	16,115	18,829	20,090	18,450	19,857
69,842	41,677	24,566	3,282	19,752	14,421	76,272
27,208	17,921	9,679	1,247	10,803	7,538	33,487
42,634	23,756	14,887	2,035	8,949	6,883	42,785
43,011	23,882	15,003	(3,114)	10,794	8,269	44,896
1.36	0.76	0.54	(0.12)	0.40	0.31	1.68
1.29	0.76	0.53	(0.12)	0.40	0.31	1.68
31,737	31,476	28,035	26,858	26,707	26,599	26,699
41,921	36,322	30,940	20,219	40,067	110,729	82,252
11,708	10,488	9,361	8,950	8,903	7,518	5,775
0.3875	0.35	0.35	0.35	0.35	0.3500	0.3125
0.3875	0.35	0.35	0.35	0.35	0.1313	--
$364,207	$319,947	$270,034	$256,422	$259,917	$277,622	$246,144
126,945	115,863	101,069	112,955	106,220	106,904	100,810
2.9	2.8	2.7	2.3	2.4	2.6	2.4
342,150	320,719	302,829	308,618	362,456	365,558	260,907
802,232	727,157	661,314	652,745	680,706	708,212	569,968
245,265	232,767	208,620	239,732	250,423	262,042	145,493
304,942	274,632	247,223	193,975	247,231	245,004	240,285
9.57	8.70	7.87	7.20	9.23	9.20	8.87
567,460	525,119	467,320	456,773	551,240	574,977	452,567
46.3%	47.7%	47.1%	57.5%	48.2%	49.3%	38.8%
14.1%	8.7%	6.1%	(1.6%)	4.4%	3.4%	18.7%
5,658	5,404	5,286	5,678	5,726	6,144	6,090

(5) 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.

(6) 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.

(7) 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
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	25.0	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	23.0	17.875	16.063
1997				
Net sales	$ 171.8	$ 181.9	$ 171.8	$ 184.6
Gross profit	71.8	78.7	73.9	80.7
Net income	10.9	13.5	11.4	13.3
Net income per share	.34	.42	.35	.41
Diluted net income per share	.34	.41	.35	.40
Cash dividends per share	.105	.105	.105	.105
Class A Common Stock prices: (1)				
High	24.5	24.0	27.4375	26.5625
Low	20.625	19.75	22.5	22.25

(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, 1999 there were approximately 6,500 shareholders.

Exhibit 21

SUBSIDIARIES OF REGISTRANT

SUBSIDIARIES OF REGISTRANT

	Percent Direct Ownership	Percent Indirect Ownership	Jurisdiction
Albany International Pty.,Ltd.		100	Australia
Nomafa Austria		100	Austria
Albany International Feltros e Telas Industriais Ltda.		100	Brazil
Albany International Canada Inc.		100	Canada
M&I Door Systems		100	Canada
Geschmay Canada, Inc.		100	Canada
AI Finance Canada, Inc.		100	Canada
Albany International (China) Co., Ltd.	100		China
Albany Fennofelt Oy AB		100	Finland
Metco Form Oy		100	Finland
Albany International Holding S.A.		100	France
Albany International S.A.		100	France
Martel Catala S.A.		100	France
Nomafa S.A.R.L.		100	France
T.I.S. S.A.		100	France
Cofpa, S.A.		100	
Schieffer Tor-und Schutzsysteme GmbH		100	Germany
Albany International GmbH, Eschenbach		100	Germany
Nomafa GmbH		100	Germany
Albany International Germany One GmbH		100	Germany
Albany International Germany Two GmbH		100	Germany
Albany International Germany Three GmbH		100	Germany
Albany Germany Gmbh & Co. KG		100	Germany
Geschmay Research GmbH		100	Germany
Wurttembergische Filztuchfabrik D. Geschmay GmbH		100	Germany
AI Financial Services Company		100	Ireland
Feltrificio Veneto		100	Italy
Albany International Italia S.p.A.		100	Italy
Albany Nordiskafilt Kabushiki Kaisha		100	Japan
Albany International 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 Industrial Fabrics & Filters, S.A.de C.V.		100	Mexico
Nomafa B.V.		100	Netherlands
Albany International B.V.		100	Netherlands
Albany Nordiskafilt AS		100	Norway
Geschmay Asia Private Limited		100	Singapore
Albany International Korea, Inc.	100		South Korea
Albany Nordiska S.A.		100	Spain
Albany Nordiskafilt Aktiebolag		100	Sweden
Nomafa Aktiebolag		100	Sweden
Albany Wallbergs AB	100		Sweden
Nordiska Industrie Produkte AG	100		Switzerland
Nomafa AG		100	Switzerland
Albany International Ltd.	100		United Kingdom
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

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 27, 2000 relating to the financial statements, which appear 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 27, 2000 relating to the financial statement schedule, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Albany, New York
March 22, 2000

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, 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 23rd day of February, 1999.

/s/ FRANCIS L. MCKONE - ------------------------------------ Francis L. McKone Chairman of the Board and Director (Chief Executive Officer)	/s/ FRANK R. SCHMELER -------------------------------- Frank R. Schmeler President and Director (Chief Operating 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, PH.D. - ------------------------------------ Joseph G. Morone, Ph.D. Director	/s/ CHRISTINE L. STANDISH -------------------------------- Christine L. Standish Director
/s/ ERLAND E. KAILBOURNE - ------------------------------------ Erland E. Kailbourne Director	

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM ALBANY INTERNATIONAL CORP'S CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

12-MOS
DEC-31-1999
DEC-31-1999
7,025
0
244,071
8,768
235,682
508,073
783,320
348,148
1,206,842
176,964
521,257
0
0
33
325,374
1,206,842
778,366
778,366
458,930
699,308
(481)
2,071
25,552
51,916
22,325
30,222
0
0
0
30,222
1.00
0.99

Earnings per share reflect the impact of a 2.0% stock dividend that was distributed on January 12, 2000. Prior Financial Data Schedules have not been restated to reflect this dividend.