SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

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

For the quarter ended: March 31, 1997

OR

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

For the transition period from _________ to _________

Commission file number: 0-16214

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

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

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

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

The registrant had 25,023,463 shares of Class A Common Stock and 5,615,563 shares of Class B Common Stock outstanding as of March 31, 1997.

ALBANY INTERNATIONAL CORP.

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Item 1. Financial Statements

ALBANY INTERNATIONAL CORP.
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
(unaudited)

(in thousands except per share data)

	Three Months Ended March 31, 1997	Three Months Ended March 31, 1996
Net sales	$171,820	$168,067
Cost of goods sold	100,005	98,307
Gross profit	71,815	69,760
Selling, technical and general expenses	49,493	48,832
Operating income	22,322	20,928
Interest expense, net	3,888	4,515
Other expense, net	583	1,107
Income before income taxes	17,851	15,306
Income taxes	6,961	5,970
Income before associated companies	10,890	9,336
Equity in losses of associated companies	(7)	(184)
Income before extraordinary item	10,883	9,152
Extraordinary loss on early extinguishment of debt, net of tax of $828	-	1,296
Net income	10,883	7,856
Retained earnings, beginning of period	206,308	171,082
Less dividends	3,209	3,037
Retained earnings, end of period	$213,982	$175,901
Income/(loss) per common share:		
Income before extraordinary item	$0.36	$0.30
Extraordinary loss on early extinguishment of debt	-	(0.04)
Net income	$0.36	$0.26
Dividends per common share	$0.105	$0.10
Weighted average number of shares	30,546,690	30,284,588

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

ALBANY INTERNATIONAL CORP.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	(unaudited) March 31, 1997	December 31, 1996
ASSETS		
Cash and cash equivalents	$7,028	$8,034
Accounts receivable, net	172,024	179,516
Inventories:		
Finished goods	99,084	98,605
Work in process	42,635	40,568
Raw material and supplies	33,536	33,808
	175,255	172,981
Deferred taxes and prepaid expenses	17,155	16,879
Total current assets	371,462	377,410
Property, plant and equipment, net	327,321	339,461
Investments in associated companies	2,153	2,060
Intangibles	43,909	44,954
Deferred taxes	28,637	27,756
Other assets	34,015	33,059
Total assets	$807,497	$824,700
LIABILITIES AND SHAREHOLDERS' EQUITY		
Notes and loans payable	$36,760	$65,165
Accounts payable	32,483	32,813
Accrued liabilities	53,104	59,755
Current maturities of long-term debt	2,374	2,295
Income taxes payable and deferred	11,289	13,068
Total current liabilities	136,010	173,096
Long-term debt	211,959	187,100
Other noncurrent liabilities	98,371	97,579
Deferred taxes and other credits	37,788	38,162
Total liabilities	484,128	495,937
SHAREHOLDERS' EQUITY		
Preferred stock, par value $5.00 per share; authorized 2,000,000 shares; none issued	-	-
Class A Common Stock, par value $.001 per share; authorized 100,000,000 shares; issued 25,026,699 in 1997 and 24,865,573 in 1996	25	25
Class B Common Stock, par value $.001 per share; authorized 25,000,000 shares; issued and outstanding 5,615,563 in 1997 and 1996	6	6
Additional paid in capital	180,670	177,412
Retained earnings	213,982	206,308
Translation adjustments	(58,799)	(42,340)
Pension liability adjustment	(12,483)	(12,483)
	323,401	328,928
Less treasury stock (Class A), at cost (3,236 shares in 1997; 16,511 shares in 1996)	32	165
Total shareholders' equity	323,369	328,763
Total liabilities and shareholders' equity	$807,497	$824,700

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

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

	Three Months Ended March 31, 1997	1996
OPERATING ACTIVITIES		
Net income	$10,883	$7,856
Adjustments to reconcile net cash provided by operating activities:		
Equity in losses of associated companies	7	184
Depreciation and amortization	11,253	11,573
Accretion of convertible subordinated debentures	-	353
Provision for deferred income taxes, other credits and long-term liabilities	3,337	(851)
Increase in cash surrender value of life insurance, net of premiums paid	(516)	(485)
Unrealized currency transaction losses	500	6
(Gain)/loss on disposition of assets	(17)	19
Shares contributed to ESOP	1,896	2,948
Loss on early extinguishment of debt	-	1,296
Changes in operating assets and liabilities:		
Accounts receivable	6,812	405
Inventories	(2,577)	(8,095)
Prepaid expenses	84	38
Accounts payable	(330)	(5,105)
Accrued liabilities	(6,905)	(7,734)
Income taxes payable	(1,904)	8,585
Other, net	(941)	(594)
Net cash provided by operating activities	21,582	10,399
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(11,170)	(11,650)
Purchased software	(291)	(849)
Proceeds from sale of assets	72	1,799
Net cash used in investing activities	(11,389)	(10,700)
FINANCING ACTIVITIES		
Proceeds from borrowings	26,923	151,426
Principal payments on debt	(29,607)	(144,113)
Proceeds from options exercised	2,382	-
Tax benefit of options exercised	444	-
Purchases of treasury shares	(1,332)	(2,552)
Dividends paid	(3,045)	(3,030)
Net cash (used)/provided by financing activities	(4,235)	1,731
Effect of exchange rate changes on cash	(6,964)	(963)
(Decrease)/increase in cash and cash equivalents	(1,006)	467
Cash and cash equivalents at beginning of year	8,034	7,609
Cash and cash equivalents at end of period	$7,028	$8,076

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

ALBANY INTERNATIONAL CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Management Opinion

In the opinion of management the accompanying unaudited consolidated financial statements contain all adjustments, consisting of only normal, recurring adjustments, necessary for a fair presentation of results for such periods. The results for any interim period are not necessarily indicative of results for the full year. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted. These consolidated financial statements should be read in conjunction with financial statements and notes thereto for the year ended December 31, 1996.

2. Other Expense, Net

Included in other expense, net are: currency transactions, $.4 million income in 1997 and $.1 million expense in 1996, amortization of debt issuance costs and loan origination fees, $.2 million in 1997 and $.3 million in 1996, interest rate protection agreements, $.2 million income in 1997 and $.3 million expense in 1996 and other miscellaneous expenses, none of which are significant, in 1997 and 1996.

3. Earnings Per Share

Earnings per share on common stock are computed using the weighted average number of shares of Class A and Class B Common Stock outstanding during each year. Options granted under the Company's stock option plans were not dilutive to earnings per share at March 31, 1997 and 1996. As discussed in Note 5, the convertible subordinated debentures were redeemed in March 1996 and therefore excluded from the 1996 earnings per share calculation.

Effective December 15, 1997, the Company is required to adopt Financial Accounting Standard No. 128, "Earnings per Share". This Standard requires both basic and diluted earnings per share to be reported for all periods presented. When income/(loss) per common share is calculated in accordance with this Standard, for the three months ended March 31, 1997 and 1996, basic and diluted income/(loss) per common share do not significantly differ from reported amounts.

4. Income Taxes

The Company's effective tax rate for the three months ended March 31, 1997 and 1996 was 39% and approximates the anticipated effective tax rate for the full year 1997.

5. Supplementary Cash Flow Information

Interest paid for the three months ended March 31, 1997 and 1996 was $3.6 million and $6.8 million, respectively.

Taxes paid for the three months ended March 31, 1997 and 1996 was $3.3 million and $.6 million, respectively.

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

For the Three Months Ended March 31, 1997

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

RESULTS OF OPERATIONS:

Net sales increased to $171.8 million for the three months ended March 31, 1997 as compared to $168.1 million for the three months ended March 31, 1996. The effect of the stronger U.S. dollar as compared to the first quarter of 1996 was to decrease net sales by $4.9 million. Excluding this effect and the 1996 acquisition of Schieffer Door Systems ("Schieffer"), 1997 net sales were flat as compared to 1996.

Geographically, net sales for the three months ended March 31, 1997, as compared to the same period in 1996, increased slightly in the U.S. and decreased in Canada. The decrease in Canada is due to poor economic conditions in the Canadian paper industry and lower exports to Asia due to high inventories in that region. Net sales in Europe decreased primarily due to the effect of the stronger U.S. dollar.

Gross profit was 41.8% of net sales for the three months ended March 31, 1997 as compared to 41.5% for the three months ended March 31, 1996. Excluding the effect of Schieffer, gross profit was 42.3% of net sales in 1997. Year to date variable costs as a percent of net sales increased from 31.8% in 1996 to 33.6% for the same period in 1997. Excluding the effect of Schieffer, variable costs as a percent of net sales were 32.2% in 1997.

Selling, technical, general and research expenses decreased 2.4%, excluding Schieffer, for the three months ended March 31, 1997 as compared to the three months ended March 31, 1996. Excluding the additional effect of translation of non-U.S. currencies into fewer U.S. dollars, these expenses approximated costs in the 1996 period.

Operating income as a percentage of net sales increased to 13.0% for the three months ended March 31,1997 from 12.5% for the comparable period in 1996 due to items discussed above. Excluding Schieffer, operating income as a percentage of net sales was 13.2% in 1997.

The tax rate for the three months ended March 31, 1997 and 1996 was 39.0% and approximates the anticipated effective rate for the full year 1997.

LIQUIDITY AND CAPITAL RESOURCES:

Accounts receivable decreased $7.5 million, principally due to the effect of the stronger U.S. dollar. Excluding this effect, accounts receivable decreased $1.9 million. Inventories increased $2.3 million during the three months ended March 31, 1997. Excluding the effect of the stronger U.S. dollar, inventories increased $6.4 million.

On March 15, 1996, the Company redeemed the $150 million, 5.25% convertible subordinated debentures at a redemption price of 91.545%. This redemption resulted in an extraordinary loss of approximately $1.3 million, net of tax. The debentures were redeemed by utilizing the revolving credit agreement and short-term debt. The Company's current debt structure has resulted in lower interest expense and currently provides approximately $230 million in committed and available unused long-term debt capacity with financial institutions. Management believes that this debt capacity, in combination with expected free cash flows, should be sufficient to meet operating requirements and for business opportunities and most acquisitions which support corporate strategies.

Capital expenditures for the three months ended March 31, 1997 were $11.2 million as compared to $11.7 million for the same period last year. The Company anticipates that capital expenditures, excluding the capital equivalent of leases, will be approximately $60 million for the full year. The largest single capital expenditure will be approximately $15 million to complete the construction of a new manufacturing facility in South Korea. The Company will continue to finance these expenditures with cash from operations and existing credit facilities.

A cash dividend of $.10 per share, which was declared for the fourth quarter of 1996, was paid in the first quarter of 1997. The Company also declared a cash dividend of $.105 per share for the first quarter of 1997, which will be paid in the second quarter of this year.

Effective December 15, 1997, the Company is required to adopt Financial Accounting Standard No. 128, "Earnings per Share". This Standard requires both basic and diluted earnings per share to be reported for all periods presented. When income/(loss) per common share is calculated in accordance with this Standard, for the three months ended March 31, 1997 and 1996, basic and diluted income/(loss) per common share do not significantly differ from reported amounts.

Part II - Other Information

Item 6. Exhibits and Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended March 31, 1997.

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

SIGNATURES

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

ALBANY INTERNATIONAL CORP.

(Registrant)

Date: April 25, 1997

by /s/Michael C. Nahl

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

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

(in thousands, except per share data)

PRIMARY EARNINGS PER SHARE:

	For the three months ended March 31, 1997 (1)	For the three months ended March 31, 1996 (1)
Common stock outstanding at end of period	30,639,026	30,333,402
Adjustments to ending shares to arrive at weighted average for the period:		
Shares contributed to E.S.O.P. (2)	(53,868)	(104,374)
Shares issued under option (2)	(55,079)	-
Treasury shares purchased (2)	16,611	55,560
Weighted average number of shares	30,546,690	30,284,588
Income before extraordinary item	$10,883	$9,152
Extraordinary loss on early extinguishment of debt, net of tax of $828	-	$1,296
Net income	$10,883	$7,856
Income per share before extraordinary item (3)	$0.36	$0.30
Extraordinary loss on early extinguishment of debt (3)	-	($0.04)
Net income per share (3)	$0.36	$0.26

(1) Includes Class A and Class B Common Stock

(2) Calculated as follows:
number of shares multiplied by the reciprocal of the number of days outstanding (or the reciprocal of the number of days held in treasury for treasury stock purchases) divided by the number of days in the period

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

January 31, 1996	12,969 * (30/91)	4,276
February 29, 1996	136,670 * (59/91)	88,610
March 31, 1996	11,616 * (90/91)	11,488
		104,374
January 31, 1997	12,002 * (30/90)	4,001
February 28, 1997	58,773 * (58/90)	37,876
March 31, 1997	12,126 * (89/90)	11,991
		53,868

SHARES ISSUED UNDER OPTION:

January 2, 1997	200 * (1/90)	2
January 3, 1997	3,600 * (2/90)	80
January 6, 1997	10,000 * (5/90)	556
January 7, 1997	900 * (6/90)	60
January 8, 1997	5,000 * (7/90)	389
January 30, 1997	37,300 * (29/90)	12,019
February 3, 1997	20,000 * (33/90)	7,333

February 7, 1997	5,000 * (37/90)	2,056
February 12, 1997	27,000 * (42/90)	12,600
February 13, 1997	1,400 * (43/90)	669
February 14, 1997	28,600 * (44/90)	13,982
February 18, 1997	10,000 * (48/90)	5,333
		55,079
TREASURY SHARES PURCHASED:		
January 17, 1996	91,000 * (16/91)	16,000
March 13, 1996	50,000 * (72/91)	39,560
		55,560
January 27, 1997	57,500 * (26/90)	16,611

(3) Dilutive common stock equivalents are not material and therefore are not included in the calculation of primary earnings per common share.

FULLY DILUTED EARNINGS PER SHARE:

	For the three months ended March 31, 1997	1996
Weighted average number of shares	30,546,690	30,284,588
Incremental shares of unexercised options (4)	356,510	253,364
Adjusted weighted average number of shares	30,903,200	30,537,952
Income before extraordinary item	$10,883	$9,152
Extraordinary loss on early extinguishment of debt, net of tax of $828	-	$1,296
Net income (including after-tax income adjustment)	$10,883	$7,856
Income per share before extraordinary item	$0.35	$0.30
Extraordinary loss on early extinguishment of debt	-	($0.04)
Fully diluted net income per share	$0.35	$0.26

(4) Incremental shares of unexercised options are calculated based on the higher of the average price of the Company's stock or the ending price for the respective period. The calculation includes all options whose exercise price is below the higher of the average or ending stock price.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM ALBANY INTERNATIONAL CORP'S CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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DEC-31-1997
MAR-31-1997
$7,028
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176,295
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