

**U.S. SECURITIES AND EXCHANGE  
COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

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

Date of Report: February 10, 2010  
(Date of earliest event reported)

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

Delaware  
State or other jurisdiction  
of incorporation)

1-10026  
(Commission  
File Number)

14-0462060  
(I.R.S. Employer  
Identification No.)

1373 Broadway, Albany, New York 12204  
(518) 445-2200  
(Address and telephone number of the registrant's principal executive offices)

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13a-4(c))
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**Item 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT****Item 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION**

On February 10, 2010, Albany International Corp. ("the Registrant"), and certain subsidiaries, executed the Fifth Amendment to Note Agreement and Amendment to Notes (the "Fifth Amendment") with The Prudential Insurance Company of America, and other affiliated purchasers, amending the Note Agreement and Guaranty, dated as of October 25, 2005 (the "Note Agreement"), and the outstanding Notes under the Note Agreement. The Fifth Amendment increases the permitted Leverage Ratio (as defined in the Note Agreement) for the period beginning January 1, 2011, and fixes the interest rate on the Notes at 6.84%. Prior the effectiveness of the Fifth Amendment, the Notes paid interest at 5.34%, but also required the payment of additional interest in the event that the Company's Unadjusted Leverage Ratio (as defined in the outstanding Notes) exceeded certain specified levels.

A copy of the Fifth Amendment is furnished as an Exhibit to this report. A copy of the Note Agreement was previously filed as an exhibit to the Company's Current Report on Form 8-K filed October 26, 2005. A copy of the First Amendment to the Note Agreement was previously filed as an exhibit to the Company's Current Report on Form 8-K filed November 17, 2006, a copy of the Second Amendment to the Note Agreement was previously filed as an exhibit to the Company's Current Report on Form 8-K filed May 3, 2007, and a copy of the Third Amendment to the Note Agreement was previously filed as an exhibit to the Company's Current Report on Form 8-K filed December 19, 2008. A copy of the Fourth Amendment to the Note Agreement, which was entered into in October 2009, and the sole effect of which was to align additional interest payment dates with regular interest payment dates, is also filed herewith.

**Item 9.01. Financial Statements and Exhibits.**

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

10(k)[(viii)] Fourth Amendment, dated as of October 22, 2009, to Note Agreement and Amendment to Notes.

10(k)[(ix)] Fifth Amendment, dated as of February 10, 2010, to Note Agreement and Amendment to Notes.

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**Signature**

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

**ALBANY INTERNATIONAL CORP.**

By: /s/ Michael K. Burke

Name: Michael K. Burke  
Title: Senior Vice President and  
Chief Financial Officer

Date: February 12, 2010

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**Index to Exhibits**

<u>Exhibit No.</u>	<u>Description</u>
[10(k)(viii)]	Fourth Amendment, dated as of October 22, 2009, to Note Agreement and Amendment to Notes
[10(k)(ix)]	Fifth Amendment, dated as of February 10, 2010, to Note Agreement and Amendment to Notes

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**FOURTH AMENDMENT TO NOTE AGREEMENT AND AMENDMENT TO NOTES**

FOURTH AMENDMENT TO NOTE AGREEMENT AND AMENDMENT TO NOTES, dated as of October 22, 2009 (this "**Amendment**"), among ALBANY INTERNATIONAL CORP., a Delaware corporation (the "**Company**"), the Guarantors (as defined in the Note Agreement referred to below), and The Prudential Insurance Company of America ("**Prudential**") and the several Purchasers (as defined in the Note Agreement referred to below) (together with Prudential, individually, a "**Purchaser**", and collectively, "**Purchasers**").

## W I T N E S S E T H:

WHEREAS, the Company and Guarantors party thereto and the Purchasers are parties to that certain Note Agreement and Guaranty, dated as of October 25, 2005 (as the same may be further amended, supplemented, waived or otherwise modified from time to time, the "**Note Agreement**"); and

WHEREAS, the Company has requested the amendment of certain provisions of the Note Agreement and the Notes (as defined in the Note Agreement), and the Purchasers have indicated willingness to agree to such amendments subject to certain limitations and conditions, as provided for herein;

NOW THEREFORE, in consideration of the premises, the mutual covenants and the agreements hereinafter set forth and other good and valuable consideration, the parties hereto hereby agree that on the Amendment Effective Date, as defined herein, the Note Agreement and the Notes will be amended as follows:

1. **Definitions.** Unless otherwise defined herein, terms defined in the Note Agreement are used herein as therein defined.

2. **Amendment to Notes.** As of the Amendment Effective Date, each of the Notes outstanding on the Effective Date (herein the "**Existing Notes**"), and the form of Note attached to the Note Agreement as Exhibit A, is hereby, without any further action required on the part of any other Person, deemed to be automatically amended to conform to and have the terms provided in Exhibit A attached hereto (except that, with respect to such Existing Notes, the date, registration number, principal amount and the payee thereof shall remain unchanged). Any Note issued on or after the Amendment Effective Date shall be in the form of Exhibit A attached hereto. The Company agrees, upon the request of any Purchaser to promptly deliver a new Note in the form of Exhibit A attached hereto in exchange for each Existing Note held by such Purchaser.

3. **Representations and Warranties.** The Company and each other Guarantor hereby represent and warrant as of the Amendment Effective Date that:

(i) **Power of Authority.** Each such Person has the corporate or equivalent power to execute and deliver this Amendment, and to perform the provisions hereof, and this Amendment has been duly authorized by all necessary corporate or equivalent action on the part of each such Person; and

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(ii) *Due Execution*. This Amendment has been duly executed and delivered by such Person and constitutes such Person's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be limited (x) by general principals of equity and conflicts of laws or (y) by bankruptcy, reorganization, insolvency, moratorium or other laws of general application relating to or affecting the enforcement of creditors' rights.

4. Acknowledgements and Consent of Guarantors. Each Guarantor hereby acknowledges that it has reviewed the terms and provisions of the Note Agreement, the Notes, the AI Guaranty Agreement and this Amendment and consents to the amendment to Note Agreement and the Notes effected pursuant to this Amendment. Each Guarantor confirms that they will continue to guarantee the obligations to the fullest extent in accordance with the AI Guaranty Agreement and acknowledges and agrees that: (a) the AI Guaranty Agreement shall continue in full force and effect and that its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment and (b)(i) notwithstanding, the conditions to effectiveness hereof, such Guarantor is not required by the terms of the Note Agreement, the Notes (as amended hereby) or the AI Guaranty Agreement to consent to the amendments to the Note Agreement and the Notes effected pursuant to this Amendment; and (ii) nothing in Note Agreement, the Notes or AI Guaranty Agreement shall be deemed to require the consent of any such Guarantor to any future amendments to the Note Agreement.

5. Conditions Precedent. This Amendment shall become effective as of the first date (the "***Amendment Effective Date***") on which the Purchasers shall have received counterparts of this Amendment, executed and delivered by a duly authorized officer of the Company and each of the Guarantors.

6. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

7. No Other Amendments: Confirmation. Except as expressly amended, modified and supplemented hereby, the terms, provisions and conditions of the Note Agreement, the Notes, the AI Guaranty Agreement and the agreements and instruments relating thereto are and shall remain unchanged and in full force and effect and are hereby ratified and confirmed in all respects.

8. Headings. The headings of sections of this Amendment are inserted for convenience only and shall not be deemed to constitute a part of this Agreement.

9. Counterparts. This Amendment may be executed in any number of counterparts by the parties hereto, each of which counterparts when so executed shall be an original, but all counterparts taken together shall constitute one and the same instrument.

*[Remainder of page intentionally left blank. Signature pages follow.]*

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

ALBANY INTERNATIONAL CORP.

By: /s/ John B. Cozzolino

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Name: John B. Cozzolino  
Title: VP – Corporate Treasurer &  
Strategic Planning

ALBANY INTERNATIONAL HOLDINGS TWO,  
INC., as a Guarantor

By: /s/ Charles J. Silva, Jr.

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Name: Charles J. Silva, Jr.  
Title: VP & Secretary

ALBANY ENGINEERED COMPOSITES, INC.  
(f/k/a ALBANY INTERNATIONAL  
TECHNIWEAVE, INC.), as a Guarantor

By: /s/ Charles J. Silva, Jr.

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Name: Charles J. Silva, Jr.  
Title: Secretary & Asst. Treasurer

ALBANY INTERNATIONAL RESEARCH CO.,  
as a Guarantor

By: /s/ Charles J. Silva, Jr.

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Name: Charles J. Silva, Jr.  
Title: VP, Asst. Treasurer, Asst. Secretary

GESCHMAY CORP. as a Guarantor

By: /s/ Charles J. Silva, Jr.

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Name: Charles J. Silva, Jr.  
Title: V.P. & Secretary

*[Signature Page to Fourth Amendment to Note Agreement and Amendment to Notes]*

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BRANDON DRYING FABRICS, INC., as a  
Guarantor

By: /s/ Charles J. Silva, Jr.

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Name: Charles J. Silva, Jr.  
Title: V.P. & Asst. Secretary

GESCHMAY WET FELTS, INC., as a Guarantor

By: /s/ Charles J. Silva, Jr.

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Name: Charles J. Silva, Jr.  
Title: V.P. & Asst. Secretary

GESCHMAY FORMING FABRICS CORP., as a  
Guarantor

By: /s/ Charles J. Silva, Jr.

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Name: Charles J. Silva, Jr.  
Title: V.P. & Asst. Secretary

*[Signature Page to Fourth Amendment to Note Agreement and Amendment to Notes]*

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The foregoing Amendment is hereby  
accepted as of the date first above written.

THE PRUDENTIAL INSURANCE COMPANY  
OF AMERICA

By: /s/ Eric R. Seward

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Name: Eric R. Seward  
Title: Vice President

GIBRALTAR LIFE INSURANCE CO., LTD.

By: Prudential Investment Management (Japan),  
Inc., as Investment Manager

By: Prudential Investment Management, Inc.,  
as Sub-Adviser

By: /s/ Eric R. Seward

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Name: Eric R. Seward  
Title: Vice President

THE PRUDENTIAL LIFE INSURANCE COMPANY, LTD.

By: Prudential Investment Management (Japan),  
Inc., as Investment Manager

By: Prudential Investment Management, Inc.,  
as Sub-Adviser

By: /s/ Eric R. Seward

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Name: Eric R. Seward  
Title: Vice President

SECURITY BENEFIT LIFE INSURANCE COMPANY, INC.

By: Prudential Private Placement Investors, L.P.  
(as Investment Advisor)

By: Prudential Private Placement Investors, Inc.  
(as its General Partner)

By: /s/ Eric R. Seward

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Name: Eric R. Seward  
Title: Vice President

*[Signature Page to Fourth Amendment to Note Agreement and Amendment to Notes]*

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THIS NOTE WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM FROM APPLICABLE STATE SECURITIES LAWS.

[FORM OF NOTE]

ALBANY INTERNATIONAL CORP.

SENIOR NOTE DUE OCTOBER 25, 2017

No. R-\_\_\_\_  
\$ \_\_\_\_\_

[Date]

FOR VALUE RECEIVED, the undersigned, ALBANY INTERNATIONAL CORP., a corporation organized and existing under the laws of the State of Delaware (herein the "Company"), hereby promises to pay to \_\_\_\_\_, or registered assigns, the principal sum of \_\_\_\_\_ DOLLARS on October 25, 2017, with (a) interest (computed on the basis of a 360-day year--30-day month) on the unpaid balance thereof at the rate of 5.34% per (the "Base Rate") from the date hereof, payable quarterly on the 25<sup>th</sup> day of January, April, July and October in each year, commencing with the January 25<sup>th</sup>, next succeeding the date hereof, until the principal hereof shall have become due and payable, (b) in addition to interest at the Base Rate, when applicable, (i) additional interest ("Additional Interest") (computed on the basis of a 360-day year--30-day month) on the unpaid balance thereof at the applicable Additional Interest Rate (as defined below) for each Additional Interest Period (as defined below), payable on the Additional Interest Payment Date (as defined below) for such Additional Interest Period and (ii) the amount of additional interest payable to the holder of this Note pursuant to Section 10 of that certain Third Amendment to Note Agreement and Amendment to Notes dated December 16, 2008 among the Company, the Guarantors and Purchasers (as defined therein) and (c) interest (computed on the basis of a 360-day year--30-day month) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest (including Additional Interest) and any overdue payment of any Yield-Maintenance Amount, payable quarterly as aforesaid the option of the registered holder hereof, on demand), at a rate per from time to time equal to 7.34% plus the Additional Interest Rate then in effect.

Unless otherwise defined herein capitalized terms have the meaning ascribed to them in the Note Agreement and Guaranty referred to below. For purposes of this Note,

"Additional Interest Payment Date" shall mean with respect to an Additional Interest Period, (i) if such Additional Interest Period ended on any March 31<sup>st</sup>, the immediately succeeding April 25<sup>th</sup>, (ii) if such Additional Interest Period ended on any June 30<sup>th</sup>, the immediately succeeding July 25<sup>th</sup>, (iii) if such Additional Interest Period ended on any

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September 30<sup>th</sup>, the immediately succeeding October 25<sup>th</sup> and (iv) if such Additional Interest Period ended on any December 31<sup>st</sup>, the immediately succeeding January 25<sup>th</sup>.

“Additional Interest Period” shall mean each fiscal quarter of the Company commencing with the fiscal quarter ending March 31, 2009.

“Additional Interest Rate” shall mean, with respect to an Additional Interest Period, the rate per annum equal to, (i) if the Unadjusted Leverage Ratio for such Additional Interest Period was equal to or greater than 4.00 to 1.00, 1.50%, (ii) if the Unadjusted Leverage Ratio for such Additional Interest Period was equal to or greater than 3.00 to 1.00 but less than 4.00 to 1.00, 0.75%, (iii) if the Unadjusted Leverage Ratio for such Additional Interest Period was equal to or greater than 2.00 to 1.00 but less than 3.00 to 1.00, 0.50% and (iv) if the Unadjusted Leverage Ratio for such Additional Interest Period was less than 2.00 to 1.00, 0.00%.

“Unadjusted Consolidated EBITDA” shall mean, for any period, Consolidated Net Income for such period, plus, without duplication and to the extent deducted from revenues in determining Consolidated Net Income, the sum of (a) Consolidated Interest Expense for such period, (b) income tax expense for such period, (c) depreciation and amortization for such period and (d) all non-cash charges (including any non-cash expenses relating to stock option exercises) during such period (provided that any cash payment made with respect to any such non-cash charge shall be subtracted in computing Unadjusted Consolidated EBITDA for the period in which such cash payment is made), and minus, without duplication, all non-cash gains and income for such period, all determined on a consolidated basis for the Company and its Subsidiaries in accordance with GAAP.

“Unadjusted Leverage Ratio” shall mean on the last day of any Additional Interest Period, the ratio of (i) Unadjusted Total Debt at such time to Unadjusted Consolidated EBITDA for the period of four consecutive fiscal quarters of the Company ended at such time (and solely for purposes of this definition, if any Person shall have been acquired or divested by the Company or its Consolidated Subsidiaries (as defined in the Note Agreement) or if the Company shall have merged with any Person during such period, Unadjusted Consolidated EBITDA shall be determined on a pro basis as if such acquisition, divestiture or merger had occurred at the beginning of such period).

“Unadjusted Total Debt” shall mean, at any time, the sum of (a) all Indebtedness that is or should be reflected as a liability on a consolidated balance sheet of the Company and the Subsidiaries in accordance with GAAP and (b) the consideration (other than any note of a Subsidiary that serves as a conduit in a sale or financing transaction with respect to Receivables) received by the Company or any Consolidated Subsidiary from any Person (other than the Company or a Consolidated Subsidiary) for Receivables sold, which Receivables remain uncollected at such time; provided, however, that with respect to any Non-Wholly Owned Subsidiary, the Indebtedness (other than any Indebtedness that is Guaranteed by the Company or a Wholly-Owned Subsidiary) and assets thereof referred to in the foregoing clauses shall be disregarded in the calculation of “Unadjusted Total Debt” to the extent of any economic interest in such Non-Wholly Owned Subsidiary that is owned by any Person other than the Company or a Owned Subsidiary.

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Payments of principal of, interest on and any Yield-Maintenance Amount payable with respect to this Note are to be made at the main office of the Bank of New York in New York City or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

This Note is one of a series of Senior Notes (herein called the "Notes") issued pursuant to a Note Agreement and Guaranty, dated as of October 25, 2005 (as amended, supplemented, waiver or modified from time to time, herein called the "Agreement"), among the Company, the Guarantors party thereto and the original purchasers of the Notes named in the Purchaser Schedule attached thereto and is entitled to the benefits thereof.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

The Company agrees to make required prepayments of principal on the dates and in the amounts specified in the Agreement. This Note is also subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

In case an Event of Default, as defined in the Agreement, shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

**This Note is intended to be performed in the State of New York and shall be construed and enforced in accordance with the internal law of such State.**

**ALBANY INTERNATIONAL CORP.**

By: \_\_\_\_\_

Name: John B. Cozzolino  
Title: VP – Corporate Treasurer &  
Strategic Planning

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**FIFTH AMENDMENT TO NOTE AGREEMENT AND AMENDMENT TO NOTES**

FIFTH AMENDMENT TO NOTE AGREEMENT AND AMENDMENT TO NOTES, dated as of February 10, 2010 (this "**Amendment**"), among ALBANY INTERNATIONAL CORP., a Delaware corporation (the "**Company**"), the Guarantors (as defined in the Note Agreement referred to below), and The Prudential Insurance Company of America ("**Prudential**") and the several Purchasers (as defined in the Note Agreement referred to below) (together with Prudential, individually, a "**Purchaser**", and collectively, "**Purchasers**").

## W I T N E S S E T H:

WHEREAS, the Company and Guarantors party thereto and the Purchasers are parties to that certain Note Agreement and Guaranty, dated as of October 25, 2005 (as the same may be further amended, supplemented, waived or otherwise modified from time to time, the "**Note Agreement**"); and

WHEREAS, the Company has requested the amendment of certain provisions of the Note Agreement and the Notes (as defined in the Note Agreement), and the Purchasers have indicated willingness to agree to such amendments subject to certain limitations and conditions, as provided for herein;

NOW THEREFORE, in consideration of the premises, the mutual covenants and the agreements hereinafter set forth and other good and valuable consideration, the parties hereto hereby agree that on the Amendment Effective Date, as defined herein, the Note Agreement and the Notes will be amended as follows:

1. Definitions. Unless otherwise defined herein, terms defined in the Note Agreement are used herein as therein defined.

2. Amendment to Notes. As of the Amendment Effective Date, each of the Notes outstanding on the Effective Date (herein the "**Existing Notes**"), and the form of Note attached to the Note Agreement as Exhibit A, is hereby, without any further action required on the part of any other Person, deemed to be automatically amended to conform to and have the terms provided in Exhibit A attached hereto (except that, with respect to such Existing Notes, the date, registration number, principal amount and the payee thereof shall remain unchanged). Any Note issued on or after the Amendment Effective Date shall be in the form of Exhibit A attached hereto. The Company agrees, upon the request of any Purchaser to promptly deliver a new Note in the form of Exhibit A attached hereto in exchange for each Existing Note held by such Purchaser.

3. Amendment to Paragraph 5A of the Note Agreement (Financial Statements). Paragraph 5A of the Note Agreement is hereby amended, as of the Amendment Effective Date, by deleting the text in clause (iv) therein in its entirety and inserting in lieu thereof the following text:

“(iv) concurrently with any delivery of financial statements under clause (i) or (ii) above, a certificate of a Financial Officer of the Company (a) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and

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any action taken or proposed to be taken with respect thereto, (b) setting forth reasonably detailed calculations demonstrating compliance with Paragraphs 6A, 6E, 6H and 6I hereof and (c) stating whether any change in GAAP or in the application thereof has occurred since the date of the Company's audited financial statements referred to in Paragraph 8B and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;"

4. Amendment to Paragraph 6E of the Note Agreement (Restricted Payments). Paragraph 6E of the Note Agreement is hereby amended, as of the Amendment Effective Date, by deleting clause (a) thereof and inserting in lieu thereof the following:

"(a) the Leverage Ratio does not exceed (i) if on or before November 17, 2008, 3.00 to 1.00, (ii) if on or after November 18, 2008 but prior to January 1, 2011, 3.50 to 1.00, and (iii) from January 1, 2011 and at all times thereafter, 3.00 to 1.00"

5. Amendment to Paragraph 6H of the Note Agreement (Leverage Ratio). Paragraph 6H of the Note Agreement is hereby amended, as of the Amendment Effective Date, by deleting the text therein in its entirety and inserting in lieu thereof the following text:

"**6H Leverage Ratio.** The Company will not permit the Leverage Ratio on any date to exceed (i) if on or before November 17, 2008, 3.00 to 1.00, (ii) if on or after November 18, 2008 but prior to January 1, 2011, 3.50 to 1.00, and (iii) from January 1, 2011 and at all times thereafter, 3.00 to 1.00. In the event that the corresponding covenant in the Revolving Credit Agreement to this Paragraph 6H (currently Section 6.08) is amended or modified to be more restrictive (including any amendment or modification to any defined term directly or indirectly used in such definition) then, without any further action on the part of the Company or any of the holders of the Notes, this Paragraph 6H (and any related defined terms) shall be deemed to be amended automatically to match the corresponding amendments or modifications to the Revolving Credit Agreement."

6. Amendment to Paragraph 11A of the Note Agreement (Yield Maintenance Terms). Paragraph 11A of the Note Agreement is hereby amended, as of the Amendment Effective Date, by

(a) deleting the definition of "Remaining Scheduled Payments" therein in its entirety and inserting in lieu thereof the following definition:

"**Remaining Scheduled Payments**" shall mean, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon (determined assuming that the per annum interest rate on such Note would be 5.34% at all times) that would be due on or after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date.

and

(b) deleting the definition of “Yield-Maintenance Amount” therein in its entirety and inserting in lieu thereof the following definition:

“**Yield-Maintenance Amount**” shall mean, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Called Principal of such Note over the sum of (i) such Called Principal plus (ii) interest accrued thereon (determined assuming that the per annum interest rate on such Note would be 5.34% at all times) as of (including interest due on) the Settlement Date with respect to such Called Principal. The Yield-Maintenance Amount shall in no event be less than zero.

7. Representations and Warranties. The Company and each other Guarantor hereby.

(a) Other than such representations expressly given as of a specific date, repeats (and confirms as true and correct) as of the Amendment Effective Date to the Purchasers that each of the representations and warranties made by the Company and each other Guarantor pursuant to the Note Agreement and are hereby incorporated herein (as though set forth herein) in their entirety; and

(b) Further represent and warrant as of the Amendment Effective Date that:

(i) *No Default.* No Default or Event of Default shall have occurred and be continuing on such date after giving effect to this Amendment;

(ii) *Power of Authority.* Each such Person has the corporate or equivalent power to execute and deliver this Amendment, and to perform the provisions hereof, and this Amendment has been duly authorized by all necessary corporate or equivalent action on the part of each such Person;

(iii) *Due Execution.* This Amendment has been duly executed and delivered by such Person and constitutes such Person’s legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be limited (x) by general principals of equity and conflicts of laws or (y) by bankruptcy, reorganization, insolvency, moratorium or other laws of general application relating to or affecting the enforcement of creditors’ rights.

(iv) *No Consent’s Required.* No consent, approval, authorization or order of, or filing, registration or qualification with, any court or Governmental Authority or third party is required in connection with the execution, delivery or performance by such Person of this Amendment;

(v) *Acknowledgment of Obligation: Waiver of Claims.* It has no defenses, offsets or counterclaims against any of its obligations under and in respect to the Notes or the AI Guaranty Agreement and that all amounts outstanding under and in respect of the Notes and the Note Agreement are owing to holders of the Notes without defense, offset or counterclaim; and

(vi) *Revolving Credit Agreement*. Other than (A) that certain restatement dated as of April 14, 2006, (B) the First Amendment dated as of August 28, 2006 and (C) the Second Amendment dated as of April 27, 2007, there have been no amendments to the Revolving Credit Agreement.

8. Acknowledgements and Consent of Guarantors. Each Guarantor hereby acknowledges that it has reviewed the terms and provisions of the Note Agreement, the Notes, the AI Guaranty Agreement and this Amendment and consents to the amendment to Note Agreement and the Notes effected pursuant to this Amendment. Each Guarantor confirms that they will continue to guarantee the obligations to the fullest extent in accordance with the AI Guaranty Agreement and acknowledges and agrees that: (a) the AI Guaranty Agreement shall continue in full force and effect and that its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment and (b)(i) notwithstanding, the conditions to effectiveness hereof, such Guarantor is not required by the terms of the Note Agreement, the Notes (as amended hereby) or the AI Guaranty Agreement to consent to the amendments to the Note Agreement and the Notes effected pursuant to this Amendment; and (ii) nothing in Note Agreement, the Notes or AI Guaranty Agreement shall be deemed to require the consent of any such Guarantor to any future amendments to the Note Agreement.

9. Conditions Precedent. This Amendment shall become effective as of the first date on which the conditions precedent set forth below shall have been fulfilled (the “**Amendment Effective Date**”):

(a) the Purchasers shall have received counterparts of this Amendment, executed and delivered by a duly authorized officer of the Company and each of the Guarantors;

(b) the representations and warranties contained in Section 7 above shall be true and correct in all material respects on and as of the Amendment Effective Date, as if made on and as of the Amendment Effective Date and there shall exist on the Amendment Effective Date no Event of Default or Default;

(c) the Company shall have paid all outstanding costs, expenses and fees of the Purchasers (including reasonable attorneys fees and expenses of Bingham McCutchen LLP) incurred in connection with the documentation of this Amendment (including a reasonable estimate of post-closing fees and expenses) to the extent invoiced (this provision shall not be construed to limit the obligations of the Company under Paragraph 12B of the Note Agreement);

(d) each Purchaser shall have received an opinion, dated the Amendment Effective Date, from Charles J. Silva, Jr., Vice President- General Counsel of the Company addressing, among other things, the enforceability of this Amendment, and the Note Agreements and the Notes, in each case as amended, and otherwise in form and substance satisfactory to the Purchasers;



(e) the Company and each other Guarantor shall have made all requests, filings, and registrations with, and obtained all consents and approvals from, the relevant national, state, local or foreign jurisdiction(s), or any administrative, legal or regulatory body or agency thereof, that are necessary for the Company and each Guarantor in connection with this Amendment and any and all other documents relating thereto; and

(f) the Purchasers shall have received such additional documents or certificates with respect to legal matters or corporate or other proceeding related to the transactions contemplated hereby as may be reasonable requested by the Purchasers.

10. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

11. No Other Amendments: Confirmation. Except as expressly amended, modified and supplemented hereby, the terms, provisions and conditions of the Note Agreement, the Notes, the AI Guaranty Agreement and the agreements and instruments relating thereto are and shall remain unchanged and in full force and effect and are hereby ratified and confirmed in all respects.

12. Headings. The headings of sections of this Amendment are inserted for convenience only and shall not be deemed to constitute a part of this Agreement.

13. Counterparts. This Amendment may be executed in any number of counterparts by the parties hereto, each of which counterparts when so executed shall be an original, but all counterparts taken together shall constitute one and the same instrument.

*[Remainder of page intentionally left blank. Signature pages follow.]*

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

ALBANY INTERNATIONAL CORP.

By: /s/ John Cozzolino

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Name: John Cozzolino  
Title: Vice President - Corporate Treasurer

ALBANY INTERNATIONAL HOLDINGS TWO,  
INC., as a Guarantor

By: /s/ Charles J. Silva, Jr.

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Name: Charles J. Silva, Jr.  
Title: Vice President

ALBANY ENGINEERED COMPOSITES, INC.  
(formerly known as ALBANY INTERNATIONAL  
TECHNIWEAVE, INC.), as a Guarantor

By: /s/ Charles J. Silva, Jr.

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Name: Charles J. Silva, Jr.  
Title: Secretary and Assistant Treasurer

ALBANY INTERNATIONAL RESEARCH CO.,  
as a Guarantor

By: /s/ Charles J. Silva, Jr.

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Name: Charles J. Silva, Jr.  
Title: Vice President

GESCHMAY CORP. as a Guarantor

By: /s/ Charles J. Silva, Jr.

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Name: Charles J. Silva, Jr.  
Title: Vice President

---

BRANDON DRYING FABRICS, INC., as a  
Guarantor

By: /s/ Charles J. Silva, Jr.

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Name: Charles J. Silva, Jr.  
Title: Vice President

GESCHMAY WET FELTS, INC., as a Guarantor

By: /s/ Charles J. Silva, Jr.

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Name: Charles J. Silva, Jr.  
Title: Vice President

GESCHMAY FORMING FABRICS CORP., as a  
Guarantor

By: /s/ Charles J. Silva, Jr.

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Name: Charles J. Silva, Jr.  
Title: Vice President

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The foregoing Amendment is hereby  
accepted as of the date first above written.

THE PRUDENTIAL INSURANCE COMPANY  
OF AMERICA

By: /s/ Eric R. Seward

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Name: Eric R. Seward  
Title: Vice President

GIBRALTAR LIFE INSURANCE CO., LTD.

By: Prudential Investment Management (Japan),  
Inc., as Investment Manager

By: Prudential Investment Management, Inc.,  
as Sub-Adviser

By: /s/ Eric R. Seward

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Name: Eric R. Seward  
Title: Vice President

THE PRUDENTIAL LIFE INSURANCE COMPANY, LTD.

By: Prudential Investment Management (Japan),  
Inc., as Investment Manager

By: Prudential Investment Management, Inc.,  
as Sub-Adviser

By: /s/ Eric R. Seward

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Name: Eric R. Seward  
Title: Vice President

SECURITY BENEFIT LIFE INSURANCE COMPANY, INC.

By: Prudential Private Placement Investors, L.P.  
(as Investment Advisor)

By: Prudential Private Placement Investors, Inc.  
(as its General Partner)

By: /s/ Eric R. Seward

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Name: Eric R. Seward  
Title: Vice President

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THIS NOTE WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM AND FROM ANY APPLICABLE STATE SECURITIES LAWS.

[FORM OF NOTE]

ALBANY INTERNATIONAL CORP.

SENIOR NOTE DUE OCTOBER 25, 2017

No. R-\_\_  
\$\_\_\_\_\_

[Date]  
PPN: 012348 A@7

FOR VALUE RECEIVED, the undersigned, ALBANY INTERNATIONAL CORP., a corporation organized and existing under the laws of the State of Delaware (herein the "Company"), hereby promises to pay to \_\_\_\_\_, or registered assigns, the principal sum of \_\_\_\_\_ DOLLARS on October 25, 2017, with (a) interest (computed on the basis of a 360-day year--30-day month) on the unpaid balance thereof at the rate (the "Base Rate") of (i) 5.34% per annum from the date hereof through and including February 9, 2010 and (ii) 6.84% per annum from and including February 10, 2010, payable quarterly on the 25<sup>th</sup> day of January, April, July and October in each year, commencing with the January 25<sup>th</sup>, next succeeding the date hereof, until the principal hereof shall have become due and payable, (b) in addition to interest at the Base Rate, when applicable, the amount of additional interest payable to the holder of this Note pursuant to Section 10 of that certain Third Amendment to Note Agreement and Amendment to Notes dated December 16, 2008 among the Company, the Guarantors and Purchasers (as defined therein) and (c) interest (computed on the basis of a 360-day year--30-day month) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest (including additional interest payable pursuant to clause (b)) and any overdue payment of any Yield-Maintenance Amount, payable quarterly as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to 8.84%.

Unless otherwise defined herein capitalized terms have the meaning ascribed to them in the Note Agreement and Guaranty referred to below.

Payments of principal of, interest on and any Yield-Maintenance Amount payable with respect to this Note are to be made at the main office of the Bank of New York in New York City or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

Exhibit A-1

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This Note is one of a series of Senior Notes (herein called the “Notes”) issued pursuant to a Note Agreement and Guaranty, dated as of October 25, 2005 (as amended, supplemented, waiver or otherwise modified from time to time, herein called the “Agreement”), among the Company, the Guarantors party thereto and the original purchasers of the Notes named in the Purchaser Schedule attached thereto and is entitled to the benefits thereof.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

The Company agrees to make required prepayments of principal on the dates and in the amounts specified in the Agreement. This Note is also subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

In case an Event of Default, as defined in the Agreement, shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

**This Note is intended to be performed in the State of New York and shall be construed and enforced in accordance with the internal law of such State.**

**ALBANY INTERNATIONAL CORP.**

By: \_\_\_\_\_

Name:

Title:

Exhibit A-2

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