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, 1996

OR

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

For the transition period from __________ to __________

Commission file number: 0-16214

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

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

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

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

The registrant had 24,717,839 shares of Class A Common Stock and 5,615,563 shares of Class B Common Stock outstanding as of March 31, 1996.

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, 1996	Three Months Ended March 31, 1995
Net sales	$ 168,067	$ 154,131
Cost of goods sold	98,307	91,237
Gross profit	69,760	62,894
Selling, technical and general expenses	48,832	44,672
Operating income	20,928	18,222
Interest expense, net	4,515	4,720
Other expense, net	1,107	831
Income before income taxes	15,306	12,671
Income taxes	5,970	5,068
Income before associated companies	9,336	7,603
Equity in (losses)/earnings of associated companies	(184)	86
Income before extraordinary item	9,152	7,689
Extraordinary loss on early extinguishment of debt, net of tax of $828	1,296	--
Net income	7,856	7,689
Retained earnings, beginning of period	171,082	139,740
Less dividends	3,037	2,633
Retained earnings, end of period	$ 175,901	$ 144,796
Income/(loss) per common share:		
Income before extraordinary item	$ 0.30	$ 0.26
Extraordinary loss on early extinguishment of debt	(0.04)	--
Net income	$ 0.26	$ 0.26
Dividends per common share	$ 0.10	$ 0.0875
Weighted average number of shares	30,284,588	30,046,144

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

ALBANY INTERNATIONAL CORP.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	(unaudited) March 31, 1996	December 31, 1995
ASSETS		
Cash and cash equivalents	$ 8,076	$ 7,609
Accounts receivable, net	170,004	170,415
Inventories:		
Finished goods	92,137	88,378
Work in process	44,273	42,480
Raw material and supplies	33,066	30,523
	169,476	161,381
Deferred taxes and prepaid expenses	19,057	19,095
Total current assets	366,613	358,500
Property, plant and equipment, net	340,852	342,150
Investments in associated companies	1,985	2,366
Intangibles	31,401	31,682
Deferred taxes	32,537	28,537
Other assets	31,412	33,290
Total assets	$804,800	$796,525
LIABILITIES AND SHAREHOLDERS' EQUITY		
Notes and loans payable	$ 46,717	$ 16,268
Accounts payable	30,157	35,262
Accrued liabilities	46,969	59,301
Current maturities of long-term debt	3,866	985
Income taxes payable and deferred	19,835	12,067
Total current liabilities	147,544	123,883
Long-term debt	224,308	245,265
Other noncurrent liabilities	103,462	100,268
Deferred taxes and other credits	24,531	24,812
Total liabilities	499,845	494,228
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 24,841,173 in 1996 and 1995	25	25
Class B Common Stock, par value .001 per share; authorized 25,000,000 shares; issued and outstanding 5,615,563 in 1996 and 1995	6	6
Additional paid in capital	176,294	176,345
Retained earnings	175,901	171,082
Translation adjustments	(33,137)	(30,580)
Pension liability adjustment	(12,382)	(12,382)
	306,707	304,496
Less treasury stock (Class A), at cost (123,334 shares in 1996; 143,589 shares in 1995)	1,752	2,199
Total shareholders' equity	304,955	302,297
Total liabilities and shareholders' equity	$804,800	$796,525

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, 1996	1995
OPERATING ACTIVITIES		
Net income	$ 7,856	$7,689
Adjustments to reconcile net cash provided by operating activities:		
Equity in losses/(earnings) of associated companies	184	(86)
Depreciation and amortization	11,573	10,698
Accretion of convertible subordinated debentures	353	407
Provision for deferred income taxes, other credits and long-term liabilities	(851)	3,392
Increase in cash surrender value of life insurance, net of premiums paid	(485)	(463)
Unrealized currency transaction losses	6	121
Loss on disposition of assets	19	--
Treasury shares contributed to ESOP	2,948	1,373
Loss on early extinguishment of debt	1,296	--
Changes in operating assets and liabilities:		
Accounts receivable	405	(1,404)
Inventories	(8,095)	(5,538)
Prepaid expenses	38	150
Accounts payable	(5,105)	(4,340)
Accrued liabilities	(7,734)	(4,766)
Income taxes payable	8,585	1,202
Other, net	(594)	(2,347)
Net cash provided by operating activities	10,399	6,088
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(11,650)	(8,871)
Purchased software	(849)	(303)
Proceeds from sale of assets	1,799	--
Net cash used in investing activities	(10,700)	(9,174)
FINANCING ACTIVITIES		
Proceeds from borrowings	151,426	9,692
Principal payments on debt	(144,113)	(1,607)
Purchases of treasury shares	(2,552)	(874)
Investment in associated company	--	(915)
Dividends paid	(3,030)	(2,627)
Net cash provided by financing activities	1,731	3,669
Effect of exchange rate changes on cash	(963)	591
Increase in cash and cash equivalents	467	1,174
Cash and cash equivalents at beginning of year	7,609	228
Cash and cash equivalents at end of period	$8,076	$1,402

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, 1995.

2. Other Expense, Net

Included in other expense, net are: currency transactions, $.1 million expense in 1996 and $.1 million income in 1995, amortization of debt issuance costs and loan origination fees, $.1 million in 1996 and $.4 million in 1995, interest rate protection agreements, $.3 million expense in 1996 and $.3 million income in 1995 and other miscellaneous expenses, none of which are significant, in 1996 and 1995.

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, 1996 and 1995. As discussed in Note 5, the convertible subordinated debentures were redeemed in March 1996 and therefore excluded from the 1996 earnings per share calculation. The convertible subordinated debentures are not common stock equivalents and did not affect 1995 primary earnings per share. Further, the convertible subordinated debentures were not dilutive at March 31, 1995.

4. Income Taxes

The Company's effective tax rate for the three months ended March 31, 1996 was 39% as compared to 40% for the same period last year and approximates the anticipated effective tax rate for the full year 1996.

5. Debt

In February 1996, the Company amended its existing $150 million revolving credit agreement, with its principal banks in the United States, to increase the banks' commitment to $300 million with more favorable terms. The banks' commitment will decline to $150 million in 2001 with the final maturity in 2002. The terms of the revolving credit agreement include a facility fee and allow the Company to select from various loan pricing options.

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.

6. Supplementary Cash Flow Information

Interest of $6.8 million was paid during the three months ended March 31, 1996 and the three months ended March 31, 1995.

Taxes of $.6 million were paid during the three months ended March 31, 1996 and the three months ended March 31, 1995.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 1996

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

RESULTS OF OPERATIONS:

Net sales increased to $168.1 million for the three months ended March 31, 1996 as compared to $154.1 million for the three months ended March 31, 1995. The effect of the weaker U.S. dollar as compared to the first quarter of 1995 was to increase net sales by $1.1 million. Excluding this effect, 1996 net sales increased 8.4%. Sales increases were reported in all geographic regions.

The Company continues to gain market share in all product areas. During the three months ended March 31, 1996, a 5% price increase became effective in the United States, and other price increases took effect in Canada and selective European markets. It is expected that the average effect of price increases for the full year will be between 2% and 3%.

Gross profit was 41.5% of net sales for the three months ended March 31, 1996 as compared to 40.8% for the three months ended March 31, 1995. Year to date variable costs as a percent of net sales decreased from 31.9% in 1995 to 31.8% for the same period in 1996.

Selling, technical, general and research expenses increased 9.3% for the three months ended March 31, 1996 as compared to the three months ended March 31, 1995. The translation of non-U.S. currencies into more U.S. dollars increased those expenses by $.5 million. Excluding this effect, expenses would have increased 8.2%. Increased wages and benefit costs, higher sales commissions and additional costs generated by acquisitions made after the first quarter of 1995 accounted for a significant portion of the increase.

Operating income as a percentage of net sales increased to 12.5% for the three months ended March 31,1996 from 11.8% for the comparable period in 1995 due to items discussed above. Management anticipates that operating income as a percentage of net sales should continue to improve in 1996.

Interest expense decreased compared to the three months ended March 31, 1995, despite higher total debt. This was possible due to lower interest rates during the three months ended March 31, 1996 as compared to the same period in 1995.

The tax rate for the three months ended March 31, 1996 is 39.0% as compared to 40.0% for the comparable period in 1995 and approximates the anticipated effective rate for the full year 1996.

LIQUIDITY AND CAPITAL RESOURCES:

Inventories increased $8.1 million during the three months ended March 31, 1996 due to the weakening U.S. dollar and high orders which resulted in some building of inventory in anticipation of future sales.

In February 1996, the Company amended its existing $150 million revolving credit agreement, with its principal banks in the United States, to increase the banks' commitment to $300 million with more favorable terms. The banks' commitment will decline to $150 million in 2001 with the final maturity in 2002. The terms of the revolving credit agreement include a facility fee and allow the Company to select from various loan pricing options. Management believes that the unused line, in combination with expected free cash flows, should be sufficient to meet operating requirements and for business opportunities and acquisitions which support corporate strategies.

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 $200 million in committed and available unused long-term debt capacity with financial institutions.

Capital expenditures for the three months ended March 31, 1996 were $11.7 million as compared to $8.9 million for the same period last year. The Company anticipates that capital expenditures, excluding South Korea and China, will be approximately $45 million for the full year. An additional $10 million will be spent for construction of the recently announced facility in South Korea and for equipment for our 1995 acquisition in China. The Company will 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 1995, was paid in the first quarter of 1996. The Company also declared a cash dividend of $.10 per share for the first quarter of 1996, which will be paid in the second quarter of this year.

Part II - Other Information

Item 6. Exhibits and Reports on Form 8-K

A report on Form 8-K was filed on March 15, 1996 containing exhibits only (no items were reported).

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: May 1, 1996

by /s/Michael C. Nahl

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

EXHIBIT INDEX

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

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, 1996 (1)	1995 (1)
Common stock outstanding at end of period	30,333,402	30,059,992
Adjustments to ending shares to arrive at weighted average for the period:		
Shares contributed to E.S.O.P. (2)	(104,374)	(49,514)
Treasury shares purchased (2)	55,560	35,666
Weighted average number of shares	30,284,588	30,046,144
Net income	$7,856	$7,689
Net income per share (3)	$0.26	$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, 1995	12,346 * (30/90)	4,115
February 23, 1995	656 * (53/90)	386
February 28, 1995	13,324 * (58/90)	8,587
February 28, 1995	37,040 * (58/90)	23,870
March 31, 1995	12,697 * (89/90)	12,556
		49,514

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

TREASURY SHARES PURCHASED:

February 16, 1995	15,000 * (46/90)	7,666
March 14, 1995	35,000 * (72/90)	28,000
		35,666

January 17, 1996	91,000 * (16/91)	16,000
March 13, 1996	50,000 * (72/91)	39,560
		55,560

(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, 1996	1995
Weighted average number of shares	30,284,588	30,046,144
Incremental shares of unexercised options (4)	253,364	259,133
Convertible shares of subordinated debentures (5)	--	5,712,450
Adjusted weighted average number of shares	30,537,952	36,017,727
Net income (including after-tax income adjustment) (5)	$7,856	$9,114
Fully diluted net income per share	$0.26	$0.25

(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.

(5) The convertible subordinated debentures were redeemed in March 1996 and therefore removed from the fully diluted calculation. In 1995, the subordinated debentures were convertible into 5,712,450 shares of the Company's Class A Common Stock. There were no conversions as of March 31, 1995. Upon any conversion, the Company would realize an after-tax income adjustment based on the effective interest expense on the bonds less the corresponding income tax deduction. The full amount of the shares and the income adjustment are included in the calculation only when they cause dilution to net income per share.

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This Schedule contains summary financial information extracted from Albany International Corp.'s Consolidated Financial Statements as of and for the three months ended March 31, 1996 and is qualified in the entirety by reference to such financial statements.

1,000

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DEC-31-1996
JAN-01-1996
MAR-31-1996
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174,855
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