



# Q1 Financial Performance

May 2, 2016

**ALBANY**  
*INTERNATIONAL*

# 'Non-GAAP' Items and Forward-Looking Statements

This presentation contains certain items, such as net income attributable to the Company, excluding adjustments (absolute as well as per-share), earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA and net debt, that could be considered 'non-GAAP' financial measures under SEC rules. We think such items provide useful information to investors regarding the Company's operational performance.

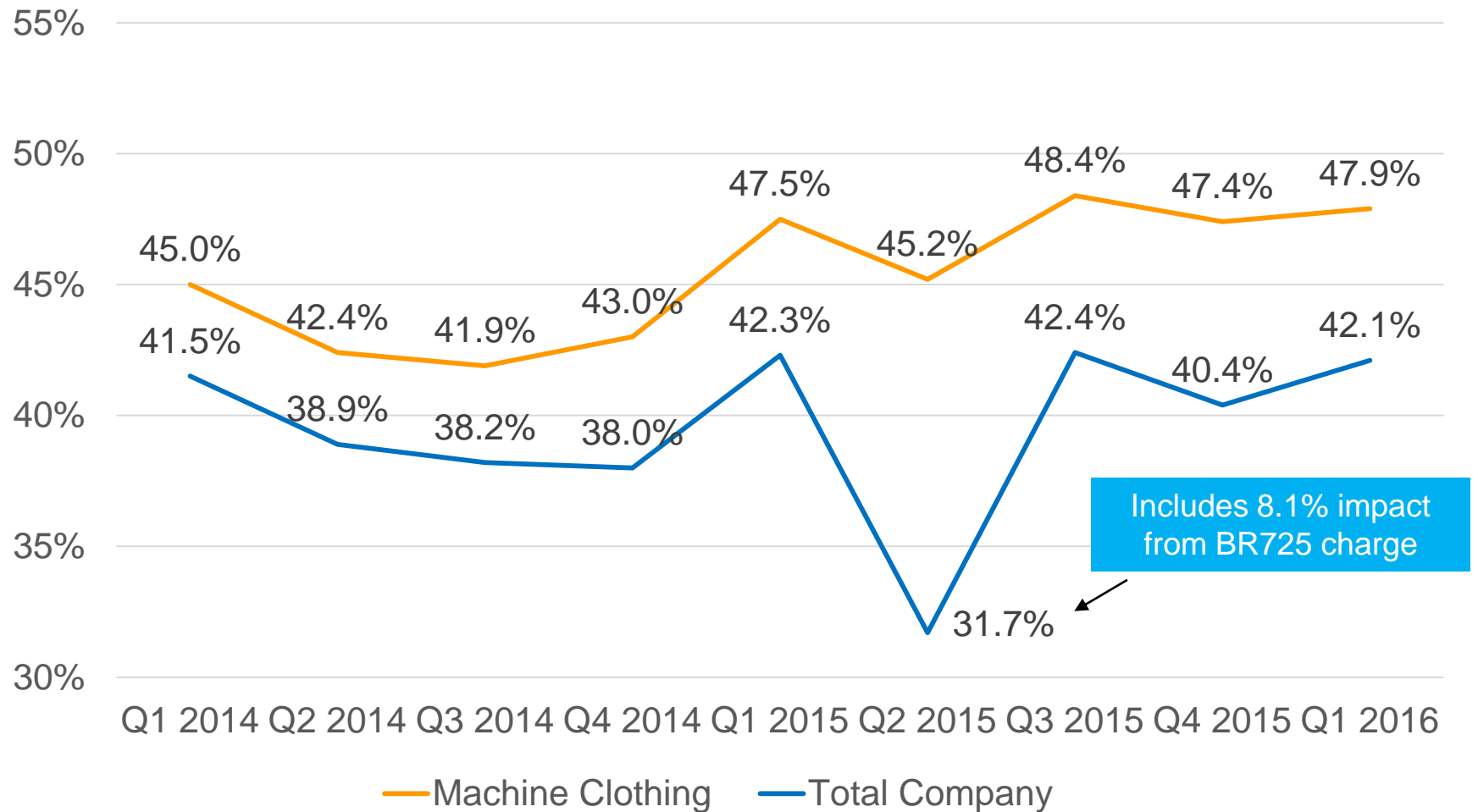
This presentation also may contain statements, estimates, or projections that constitute "forward-looking statements" as defined under U.S. federal securities laws. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the Company's historical experience and our present expectations or projections. We disclaim any obligation to update any information in this presentation to reflect any changes or developments after the date on the cover page.

Certain additional disclosures regarding our use of these 'non-GAAP' items and forward-looking statements are set forth in our fourth-quarter earnings press release dated May 2, 2016, and in our SEC filings, including our most recent quarterly reports and our annual reports for the years ended December 31, 2013, 2014, and 2015. Our use of such items in this presentation is subject to those additional disclosures, which we urge you to read.

# Net Sales by Segment

(in thousands)	Net Sales Three Months ended March 31,		Percent Change	Impact of Changes in Currency Translation Rates	Percent Change excluding Currency Rate Effect
	2016	2015			
Machine Clothing (MC)	\$145,264	\$158,494	-8.3%	(\$1,838)	-7.2%
Albany Engineered Composites (AEC)	27,067	22,830	18.6%	(57)	18.8%
Total	\$172,331	\$181,324	-5.0%	(\$1,895)	-3.9%

# Gross Profit Margin by Quarter Percentage of Net Sales



# Earnings Per Share

Per share amounts (Basic)	Three Months ended March 31,	
	2016	2015
Net income attributable to the Company, as reported	\$0.42	\$0.38
Adjustments:		
Restructuring charges	0.01	0.18
Discrete tax charges/(benefit)	(0.03)	0.01
Foreign currency revaluation (gains)/losses	0.03	(0.10)
Acquisition expenses	0.03	-
Gain on sale of investment	-	(0.02)
Net income attributable to the Company, excluding adjustments	\$0.46	\$0.45

# Adjusted EBITDA

(in thousands)	Three Months ended March 31, 2016				Three Months ended March 31, 2015			
	Machine Clothing	Albany Engineered Composites	Corporate expenses and other	Total Company	Machine Clothing	Albany Engineered Composites	Corporate expenses and other	Total Company
Net income	\$37,139	(\$3,706)	(\$20,117)	\$13,316	\$35,689	(\$3,811)	(\$19,639)	\$12,239
Interest expense, net	-	-	2,238	2,238	-	-	2,676	2,676
Income tax expense	-	-	7,043	7,043	-	-	8,519	8,519
Depreciation and amortization	9,318	3,395	2,107	14,820	10,205	2,995	2,154	15,354
<b>EBITDA</b>	46,457	(311)	(8,729)	37,417	45,894	(816)	(6,290)	38,788
Restructuring expenses, net	698	-	(19)	679	9,001	-	-	9,001
Foreign currency revaluation (gains)/losses	1,890	5	(477)	1,418	(2,923)	(17)	(2,431)	(5,371)
Acquisition expenses	-	1,596	-	1,596	-	-	-	-
Gain on sale of investment	-	-	-	-	-	-	(872)	(872)
Pretax (income)/loss attributable to non-controlling interest in ASC	-	187	-	187	-	(26)	-	(26)
<b>Adjusted EBITDA</b>	<b>\$49,045</b>	<b>\$1,477</b>	<b>(\$9,225)</b>	<b>\$41,297</b>	<b>\$51,972</b>	<b>(\$859)</b>	<b>(\$9,593)</b>	<b>\$41,520</b>

# Debt

\$ thousands

