

ALBANY
INTERNATIONAL

2014

Albany International Corp. Q2 Financial Performance



August 4, 2014

'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.

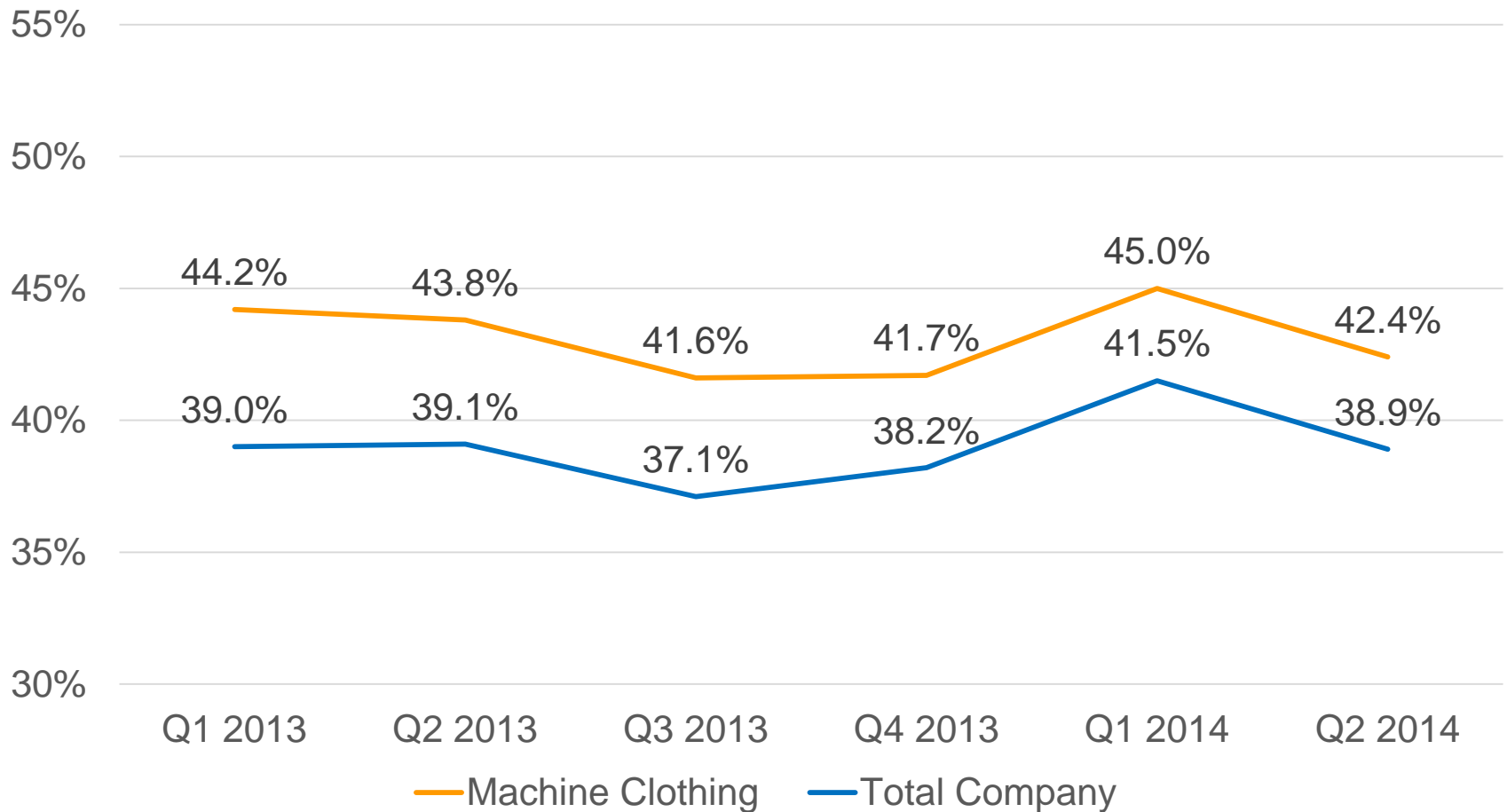
This presentation also may contain statements, estimates, or projections that constitute "forward-looking statements" as defined under U.S. federal securities laws. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the 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 second-quarter earnings press release dated August 4, 2014, and in our SEC filings, including our most recent quarterly reports and our annual reports for the years ended December 31, 2011, 2012, and 2013. 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 June 30,		Percent Change	Impact of Changes in Currency Translation Rates	Percent Change excluding Currency Rate Effect
	2014	2013			
Machine Clothing (MC)	\$172,809	\$177,536	-2.7%	\$1,572	-3.5%
Albany Engineered Composites (AEC)	20,709	20,438	1.3%	-	1.3%
Total	\$193,518	\$197,974	-2.3%	\$1,572	-3.0%

Gross Profit Margin by Quarter Percentage of Net Sales



Earnings Per Share

Per share amounts (Basic)	Three Months ended June 30,		Six Months ended June 30,	
	2014	2013	2014	2013
Net income/(loss) attributable to the Company, as reported	\$0.35	(\$0.23)	\$0.69	\$0.13
Adjustments:				
Loss from discontinued operations	-	0.01	-	0.01
Restructuring charges	0.04	0.47	0.06	0.48
Income tax adjustments	0.03	0.05	0.05	0.03
Foreign currency revaluation (gains)/losses	(0.02)	0.03	(0.03)	0.01
Gain on insurance recovery/building sale gain	(0.03)	-	(0.03)	(0.08)
Net income attributable to the Company, excluding adjustments	\$0.37	\$0.33	\$0.74	\$0.58

Adjusted EBITDA

Three Months ended June 30, 2014	Machine Clothing	Albany Engineered Composites	Corporate expenses and other	Total Company	Three Months ended June 30, 2013	Machine Clothing	Albany Engineered Composites	Corporate expenses and other	Total Company
(in thousands)					(in thousands)				
Net income	\$33,879	(\$3,545)	(\$19,157)	\$11,177	Net income/(loss)	\$14,821	(\$4,678)	(\$17,522)	(\$7,379)
Interest expense, net	-	-	2,717	2,717	Loss from discontinued operations	-	-	351	351
Income tax expense	-	-	7,216	7,216	Interest expense, net	-	-	3,547	3,547
Depreciation and amortization	11,554	2,453	2,090	16,097	Income tax expense/(benefit)	-	-	(2,243)	(2,243)
EBITDA	45,433	(1,092)	(7,134)	37,207	Depreciation and amortization	11,809	2,064	2,208	16,081
Restructuring and other, net	1,297	660	-	1,957	EBITDA	26,630	(2,614)	(13,659)	10,357
Foreign currency revaluation losses/(gains)	350	61	(1,395)	(984)	Restructuring and other, net	24,230	91	-	24,321
Insurance recovery gain	-	-	(961)	(961)	Foreign currency revaluation (gains)/losses	(452)	-	1,896	1,444
Pretax loss attributable to noncontrolling interest in ASC	-	45	-	45	Adjusted EBITDA	\$50,408	(\$2,523)	(\$11,763)	\$36,122
Adjusted EBITDA	\$47,080	(\$326)	(\$9,490)	\$37,264					

Net Debt

\$ thousands

