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UNITED STATES
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 (Date of earliest event reported) January 27, 2005

ALBANY INTERNATIONAL CORP.

(Exact name of registrant as specified in its charter)

DELAWARE	0-16214	14-0462060
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(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1373 Broadway, Albany, New York	12204
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(Address of principal executive offices)	(Zip Code)

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

None

(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 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On January 27, 2005, Albany International issued a news release announcing 2004 fourth quarter and full year financial results. A copy of the news release is furnished as Exhibit 99.1 to this report.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

- (a) Not applicable
- (b) Not applicable
- (c) Exhibits. The following exhibit is being furnished herewith:
99.1 News release dated January 27, 2005 announcing 2004 fourth quarter and full year financial results.

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 C. Nahl

Name: Michael C. Nahl
Title: Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

Date: January 27, 2005

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
99.1	Registrant's news release dated January 27, 2005 announcing 2004 fourth quarter and full year financial results.

Albany International Reports Fourth-Quarter and Full-Year Financial Results

Highlights

- * Net income per share was \$0.38, compared to \$0.32 for the fourth quarter of 2003. Restructuring charges reduced net income per share by \$0.20 during the quarter and by \$0.12 during the same period in 2003. Additionally, net income for the fourth quarter of 2004 was favorably affected by income tax adjustments that had the effect of increasing net income by \$0.08 per share. No comparable adjustments were recorded in the fourth quarter of 2003.
- * Net income per share for the full year was \$0.32, compared to \$1.64 in 2003. Restructuring charges reduced net income per share by \$1.16 in 2004 and \$0.46 in 2003.
- * Net sales were \$238.4 million, an increase of 3.1 percent compared to the fourth quarter of 2003. Net sales decreased 1.8 percent excluding the effect of changes in currency translation rates.
- * Operating income was \$15.5 million in the quarter, compared to \$18.1 million during the same period in 2003. Restructuring charges reduced operating income by \$8.8 million during the quarter and \$5.8 million during the same period in 2003.
- * Net cash provided by operating activities during the quarter was \$25.6 million, after \$15.6 million of payments for restructuring expenses.
- * The Company purchased 500,000 shares of its Class A Common Stock during the quarter.

ALBANY, N.Y., Jan. 27 /PRNewswire-FirstCall/ -- Albany International Corp. (NYSE/PCX/FWB:AIN) reported fourth-quarter net income of \$0.38 per share, compared to net income of \$0.32 per share for the same period last year. Restructuring charges reduced net income by \$0.20 per share during the quarter and by \$0.12 per share during the same period in 2003.

Net sales increased \$7.1 million, or 3.1 percent, compared to the same period of 2003. Excluding the effect of changes in currency translation rates, net sales decreased 1.8 percent.

Following is a table of net sales by segment and the effect of changes in currency translation rates:

(in thousands)	Net sales as reported Three months ended December 31,		Increase in fourth-quarter 2004 net sales due to changes in currency translation rates	Percent Change	
	2004	2003		As Reported	Excluding Currency Rate Effect
Engineered Fabrics	\$ 189,598	\$ 185,529	\$ 8,542	2.2 %	-2.4 %
Albany Door Systems	33,202	30,645	2,400	8.3 %	0.5 %
Applied Technologies	15,639	15,160	362	3.2 %	0.8 %
Total	\$ 238,439	\$ 231,334	\$ 11,304	3.1 %	-1.8 %

Gross profit was 39.8 percent of net sales in the fourth quarter of 2004, compared to 39.3 percent in the fourth quarter of 2003. The improvement is due principally to benefits resulting from cost reduction initiatives.

Selling, technical, general, and research expenses increased 5.2 percent compared to the fourth quarter of 2003. These expenses increased 0.5 percent excluding the effect of changes in currency translation rates.

Fourth-quarter operating income was \$15.5 million in 2004, compared to \$18.1 million in 2003. Fourth-quarter operating income was reduced by restructuring charges of \$8.8 million in 2004, and \$5.8 million in 2003.

Other expense, net, was expense of \$3.4 million for the fourth quarter of 2004, compared to income of \$0.6 million for the same period of 2003. In comparison to the fourth quarter of 2003, the difference had the effect of reducing net income by \$0.09 per share. The difference is due principally to currency hedging activities and the remeasurement of short-term intercompany balances at operations that held amounts denominated in currencies other than their local currency.

During the fourth quarter, the Company successfully resolved tax contingencies in several countries, resulting in an income tax benefit of \$0.12 per share. The Company also recorded a tax valuation allowance of \$0.04 per share related to net operating losses generated by restructuring activities. The net effect of these discrete tax events reduced the Company's tax expense by \$0.08 per share.

Full-year net sales were 3.6 percent higher than 2003. Excluding the effect of changes in currency translation rates, net sales were down 1.4 percent. Following is a table of full-year net sales by segment and the effect of changes in currency translation rates:

(in thousands)	Net sales as reported Years ended December 31,		Increase in 2004 net sales due to changes in currency translation rates	Percent Change	
	2004	2003		As reported	Excluding Currency rate effect
Engineered Fabrics	\$ 740,824	\$ 733,316	\$ 33,149	1.0%	-3.5%
Albany Door Systems	112,773	101,331	8,498	11.3%	2.9%
Applied Technologies	66,205	53,296	3,022	24.2%	18.6%
Total	\$ 919,802	\$ 887,943	\$ 44,669	3.6%	-1.4%

For the full year, gross profit as a percentage of net sales was 39.4 percent in 2004, compared to 40.7 percent in 2003. The decrease is due principally to lower Engineered Fabrics net sales excluding the effect of changes in currency translation rates.

Other expense, net, was expense of \$13.5 million for the full year, compared to \$0.7 million for 2003. In comparison to 2003, the difference had the effect of reducing net income by \$0.28 per share. The difference is due principally to an impairment loss of \$4.0 million recorded in the first quarter of 2004, currency hedging activities, and the remeasurement of short-term intercompany balances at operations that held amounts denominated in currencies other than their local currency.

For the full year, net income per share was \$0.32 in 2004, after restructuring charges of \$1.16. In 2003, net income was \$1.64 per share, after restructuring charges of \$0.46. Income tax adjustments in 2004 included a charge of \$0.21 per share for valuation allowances related to restructuring activities, which was partially offset by reductions to income tax expense of \$0.14 per share relating to the favorable resolution of income tax contingencies. The net effect of these discrete tax events reduced the Company's full-year earnings per share \$0.07 in 2004. In 2003, discrete tax events increased net income per share \$0.16. The fourth-quarter 2004 tax rate includes an adjustment reducing the full-year tax rate to 19.9 percent. The tax rate for the full year 2003 was 22.5 percent. We anticipate that the tax rate for 2005 before discrete items will not exceed 30 percent.

Liquidity and Capital Resources

Net cash provided by operating activities was \$25.6 million for the fourth quarter of 2004, compared to \$39.5 million for the same period of 2003. Cash payments related to restructuring expenses were \$15.6 million in the fourth quarter of 2004, compared to \$3.0 million in the fourth quarter of 2003. Cash required in 2005 for restructuring liabilities and equipment relocations is expected to be approximately \$13 million, which includes approximately \$4 million that will be recorded as operating expense in 2005.

During the fourth quarter of 2004, inventories decreased \$3.4 million and accounts receivable decreased \$6.1 million, excluding the effect of changes in currency translation rates.

Capital spending during the quarter was \$15.8 million and \$57.1 million for the full year. Capital spending in 2005 is expected to be approximately \$45 million, compared to estimated full-year depreciation of \$52 million and amortization of \$4 million.

During the quarter, the Company purchased 500,000 shares of its Class A Common Stock at a cost of \$15.0 million. For the full year, the Company purchased 2,819,943 of its shares-which equates to 8.4 percent of the shares outstanding at December 31, 2003-at a cost of \$81.1 million. During the year, the Company issued 633,763 of its shares for the exercise of stock options and contributions to the Company's United States 401(k) savings plan. Shares outstanding at December 31, 2004 were 31,409,196. The Company remains authorized to purchase an additional 1,053,100 shares without further notice.

Comments on Operations

Chairman and Chief Executive Officer Frank Schmeler commented, "2004 was a significant year for our Company. We concluded the restructuring program announced in January 2003, which reduced costs by more than \$40 million. In addition to the closure of manufacturing facilities in Europe and North America during the year, we made substantial investments in plant and equipment for efficiency and future growth. Matching our capacity to the changing demand of the global paper and board industries, while a difficult challenge, has made the Company stronger and well-positioned to meet the needs of our customers.

"In 2004, global paper and paperboard manufacturers continued to produce more tons of product with fewer units of paper machine clothing (PMC), a trend we reported earlier in the year. Several factors contributed to this trend including enhanced PMC product performance that creates additional value for our customers, more efficient paper machine operation as a result of industry consolidation and rationalization, and the practice by some paper manufacturers to run PMC products longer. Since the rate of paper industry consolidation and rationalization appears to have slowed, the Company expects the negative impact of this effect on PMC demand in future periods to decrease."

Engineered Fabrics

(This segment includes paper machine clothing and process belts (PMC) used in the manufacture of paper and paperboard products, and engineered products for the nonwovens and pulp industries.)

Fourth-quarter net sales for the Engineered Fabrics segment increased 2.2 percent compared to the same period of 2003. Excluding the effect of changes in currency translation rates, net sales decreased 2.4 percent compared to the fourth quarter of 2003. Full-year net sales increased 1.0 percent and decreased 3.5 percent excluding the effect of changes in currency translation rates. Net sales in 2004 were affected by weak PMC demand due to extended fabric life, customer efforts to reduce overall PMC inventory, and the loss of some business due to price. The impact of completed restructuring initiatives, as well as the efficiency gains from the substantial investments in plant and equipment, contributed to improving gross margins in the third and fourth quarters of 2004.

Albany Door Systems

(This segment includes sales and service of High Performance Doors and aftermarket sales to a wide variety of industrial customers.)

Fourth-quarter net sales increased 8.3 percent compared to the fourth quarter of 2003 and 0.5 percent excluding the effect of changes in currency translation rates. Full-year net sales increased 11.3 percent and 2.9 percent excluding the effect of changes in currency translation rates. Results for the full year were positively affected by efficiency improvements, new product development, and increases in aftermarket and service revenues, even though customers' capital spending for high-performance door products did not improve in major markets.

Applied Technologies

(This segment includes materials and structural-component businesses including insulation for personal outerwear and home furnishings (PrimaLoft); specialty materials and composite structures for aircraft and other applications (Techniweave); specialty filtration products for wet and dry applications (Industrial Process Technologies); and industrial insulation products (High Performance Materials).)

Fourth-quarter net sales in this segment increased 3.2 percent compared to the same period in 2003 and 0.8 percent excluding the effect of changes in currency translation rates. Full-year net sales increased 24.2 percent and 18.6 percent excluding the effect of changes in currency translation rates. Filtration products for power generation plants, principally in Australia, and gains in tannery and textile markets in Asia and Latin America provided a large portion of the 2004 improvement in this segment. In addition, results at Techniweave were positively affected by new business in structured components.

Looking Ahead

Mr. Schmeler continued, "We are optimistic about expectations for global paper and paperboard markets in 2005 and their effect on our financial results for the year. Current operating rates remain high, especially in paperboard, and demand for most paperboard grades and selected paper grades is expected to hold through the first half of 2005. The Albany Door Systems segment should continue to grow in 2005 due to new products and the expansion of aftermarket sales and service. The Applied Technologies segment should benefit from new power generation plants, which will come onstream in 2005, improvements in tannery and textile markets in Asia and Latin America, and the growth of wet filtration products.

"Increased operating expenses resulting from higher energy prices will have an impact on our operations in 2005. Our primary raw material for PMC is petroleum-based, and we anticipate that higher petroleum prices will increase raw material costs by approximately \$12 million in 2005.

"Our restructuring activities are complete, and in 2005 we will focus on growth. We believe that customers will place their business with suppliers that offer them the greatest value, and the Albany Value Concept supports this belief. It directs our efforts in the marketplace in the form of new and improved products and superior process support for our customers. At the same time, it focuses our employees on product quality and consistency and the pursuit of process and efficiency improvements in all areas of our businesses. The Albany Value Concept should continue to provide substantial benefits for our customers and improved returns for our shareholders."

The Company plans a live webcast to discuss fourth-quarter and full-year 2004 earnings tomorrow at 9:00 a.m. Eastern Time. For access, go to <http://www.albint.com> .

Albany International is the world's largest producer of paper machine clothing and high-performance doors with manufacturing plants strategically located to serve its global customers and sales worldwide. Additional information about the Company and its businesses and products is available at <http://www.albint.com> .

This release contains certain items that may be considered to be non-GAAP financial measures. Such items are provided because management believes that, when presented together with the GAAP items to which they relate, they can provide additional useful information to investors regarding the registrant's financial condition, results of operations, and cash flows.

The effect of changes in currency translation rates is calculated by converting amounts reported in local currencies into U.S. dollars at the exchange rate of a prior period. That amount is then compared to the U.S. dollar amount reported in the current period.

Forward-looking statements in this release or in the webcast, including statements about future sales and sales growth, market share, earnings, profitability, cash flows, pricing, markets, cost reductions, raw material costs, new products and process improvements, paper industry consolidation and outlook, capital expenditures, tax rates, and depreciation and amortization, are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements are based on current expectations and are subject to various risks and uncertainties including, but not limited to, economic conditions affecting the paper industry and other risks and uncertainties set forth in the Company's 2003 Annual Report to Shareholders and subsequent filings with the Securities and Exchange Commission.

ALBANY INTERNATIONAL CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

(in thousands except per share data)

Three Months Ended December 31,			Years Ended December 31,	
(unaudited) 2004	(unaudited) 2003		(unaudited) 2004	2003
\$ 238,439	\$ 231,334	Net sales	\$ 919,802	\$ 887,943
143,542	140,422	Cost of goods sold	557,742	526,757
94,897	90,912	Gross profit	362,060	361,186
70,552	67,047	Selling, technical, general and research expenses	267,498	253,821
8,814	5,752	Restructuring, net	54,058	21,751
15,531	18,113	Operating income	40,504	85,614
3,563	3,758	Interest expense, net	14,636	15,074
3,359	(570)	Other expense/(income), net	13,539	662
8,609	14,925	Income before income taxes	12,329	69,878
(3,303)	4,477	Income tax (benefit)/expense	2,450	15,720
11,912	10,448	Income before associated companies	9,879	54,158
131	88	Equity in earnings/(losses) of associated companies	506	(103)
12,043	10,536	Net income	10,385	54,055
424,525	425,217	Retained earnings, beginning of period	433,407	387,609
(2,511)	(2,346)	Dividends declared	(9,735)	(8,257)
\$ 434,057	\$ 433,407	Retained earnings, end of period	\$ 434,057	\$ 433,407
		Earnings per share - basic:		
\$ 0.38	\$ 0.32	Net income	\$ 0.32	\$ 1.64
		Earnings per share - diluted:		
\$ 0.38	\$ 0.31	Net income	\$ 0.31	\$ 1.61
31,467	33,437	Average number of shares used in basic earnings per share computations	32,575	32,889

	32,066		34,168	Average number of shares used in diluted earnings per share computations		33,174		33,511
\$	0.08	\$	0.07	Dividends per share	\$	0.30	\$	0.25

ALBANY INTERNATIONAL CORP.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	(unaudited) December 31, 2004	December 31, 2003
	-----	-----
ASSETS		
Cash and cash equivalents	\$ 58,982	\$ 78,822
Accounts receivable, net	144,950	151,157
Note receivable	18,955	21,814
Inventories:		
Finished goods	96,061	93,787
Work in process	57,470	53,936
Raw material and supplies	31,999	29,805
	185,530	177,528
Deferred taxes	26,526	33,314
Prepaid expenses	8,867	8,067
Total current assets	443,810	470,702
Property, plant and equipment, net	378,170	370,280
Investments in associated companies	6,456	5,278
Intangibles	14,207	15,790
Goodwill	171,622	159,543
Deferred taxes	87,848	63,657
Cash surrender value of life insurance policies	34,583	32,399
Other assets	19,064	21,274
Total assets	\$ 1,155,760	\$ 1,138,923
LIABILITIES AND SHAREHOLDERS' EQUITY		
Notes and loans payable	\$ 14,617	\$ 5,250
Accounts payable	43,378	35,080
Accrued liabilities	120,263	122,550
Current maturities of long-term debt	1,340	1,949
Income taxes payable and deferred	29,620	13,682
Total current liabilities	209,218	178,511
Long-term debt	213,615	214,894
Other noncurrent liabilities	147,268	153,811
Deferred taxes and other credits	34,882	37,052
Total liabilities	604,983	584,268
Commitments and Contingencies	-	-
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 33,176,872 in 2004 and 32,548,938 in 2003	33	33
Class B Common Stock, par value \$.001 per share; authorized 25,000,000 shares; issued and outstanding 3,236,476 in 2004 and 3,236,476 in 2003	3	3
Additional paid in capital	296,045	280,734
Retained earnings	434,057	433,407
Accumulated items of other comprehensive income:		
Translation adjustments	(11,711)	(65,613)
Derivative valuation adjustment	(2,785)	(8,840)
Pension liability adjustment	(38,369)	(39,579)
	677,273	600,145
Less treasury stock (Class A), at cost (5,004,152 shares in 2004 and 2,190,038 shares in 2003)	126,496	45,490
Total shareholders' equity	550,777	554,655

Total liabilities and
shareholders' equity

\$ 1,155,760 \$ 1,138,923

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

	Years Ended December 31,	
	2004	2003
	----- (unaudited)	-----
OPERATING ACTIVITIES		
Net income	\$ 10,385	\$ 54,055
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in (earnings)/losses of associated companies	(506)	103
Depreciation	51,843	51,003
Amortization	3,372	5,091
Provision for deferred income taxes, other credits and long-term liabilities	(16,652)	(6,908)
Provision for write-off of equipment	17,099	14,671
Provision for impairment of investment	4,000	-
Increase in cash surrender value of life insurance	(1,958)	(1,998)
Change in unrealized currency transaction gains and losses	8,004	(8,286)
Gain on disposition of assets	(285)	(513)
Shares contributed to ESOP	5,505	5,398
Tax benefit of options exercised	1,473	2,289
Changes in operating assets and liabilities:		
Accounts receivable	9,747	15,685
Note receivable	2,859	(1,739)
Inventories	642	3,171
Prepaid expenses	(300)	(894)
Accounts payable	3,029	(4,544)
Accrued liabilities	(5,518)	12,457
Income taxes payable	9,638	(9,294)
Other, net	(552)	1,777
Net cash provided by operating activities	101,825	131,524
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(57,129)	(51,849)
Purchased software	(879)	(1,072)
Proceeds from sale of assets	5,416	2,653
Cash received from life insurance policy terminations	863	-
Premiums paid for life insurance policies	(1,089)	(1,118)
Net cash used in investing activities	(52,818)	(51,386)
FINANCING ACTIVITIES		
Proceeds from borrowings	68,005	45,833
Principal payments on debt	(60,724)	(59,709)
Purchase of treasury shares	(81,135)	-
Proceeds from options exercised	8,284	17,559
Debt issuance costs	(1,555)	-
Dividends paid	(9,570)	(7,692)
Net cash used in financing activities	(76,695)	(4,009)
Effect of exchange rate changes on cash flows	7,848	(16,106)
(Decrease)/increase in cash and cash equivalents	(19,840)	60,023
Cash and cash equivalents at beginning of year	78,822	18,799
Cash and cash equivalents at end of period	\$ 58,982	\$ 78,822

SOURCE Albany International Corp.

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