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: July 22, 2004
(Date of earliest event reported)

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

Delaware	0-16214	14-0462060
(State or other jurisdiction of incorporation)	(Commission file number)	(IRS employer identification no.)

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

Item 12. Results of Operations and Financial Condition

On July 22, 2004, Albany International issued a news release announcing its financial results for the fiscal quarter ended June 30, 2004. A copy of the news release is furnished as Exhibit 99.1 to this report.

The information in this report shall not deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

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

Date: July 22, 2004

Index to Exhibits

Exhibit Number	Description of Document
99.1	News release, dated July 22, 2004 issued by Albany International Corp.

Exhibit 99.1

Albany International Reports Second-Quarter Financial Results

Second-Quarter Highlights

* Net loss per share was $0.47, compared to net income per share of $0.49 for the same period last year. Restructuring-related expenses reduced net income per share by $0.80 during the quarter and $0.02 during the same period in 2003.

* Net sales were $227.2 million, a decrease of 0.6 percent compared to the same period last year and a decrease of 3.3 percent excluding the effect of changes in currency translation rates.

* Operating income/loss decreased from income of $28.5 million in 2003 to a loss of $9.6 million in 2004. Restructuring charges reduced operating income $31.1 million during the quarter and $0.9 million during the same period in 2003.

* Net cash provided by operating activities was $26.9 million during the quarter, compared to $32.0 million for the same period in 2003. The decrease reflects cash payments of approximately $5.0 million related to restructuring activities.

* Savings from the $30 million restructuring program are expected to be greater than previously announced.

ALBANY, N.Y., July 22 /PRNewswire-FirstCall/ -- Albany International Corp. (NYSE/PCX/FWB: AIN) reported a second-quarter loss of $0.47 per share, compared to net income of $0.49 per share for the same period last year. Restructuring-related expenses reduced net income by $0.80 per share during the quarter and $0.02 during the same period in 2003.

The following table summarizes effects on net income per share:

	Second Quarter 2004	Second Quarter 2003
Earnings per share before special items:	$0.33	$0.51
Restructuring-related expenses:		
Restructuring charges	(0.66)	(0.02)
Income tax charge related to restructuring activities	(0.14)	
Net income/loss per share	$(0.47)	$0.49

Net sales decreased $1.3 million, or 0.6 percent compared to the same period last year. Excluding the effect of changes in currency translation rates, net sales were down 3.3 percent. The decrease in net sales is due principally to weak paper machine clothing (PMC) demand and share-of-market loss in certain regions.

In response to a comment letter received from the U.S. Securities and Exchange Commission (SEC), as part of their periodic review of public company annual reports mandated under the Sarbanes-Oxley Act, the Company changed its policy of recording outbound freight cost. In past financial reports, the Company reported these costs as a deduction in the computation of net sales. The Company has revised its policy to include such freight costs in "cost of goods sold." The amounts reported in this release, including prior period data, reflect that change. The effect of other SEC comments, relating primarily to enhancements to certain accounting presentations and management's discussion and analysis, will be reflected in future annual and periodic reports.

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 June 30, 2004	2003	Increase in second-quarter 2004 net sales due to changes in currency translation rates	Percent Change As Reported	Excluding Currency Rate Effect
Engineered Fabrics	$182,680	$190,500	$4,391	-4.1%	-6.4%
Albany Door Systems	25,662	24,307	1,034	5.6%	1.3%
Applied					

Technologies	18,867	13,671	770	38.0%	32.4%
Total	$227,209	$228,478	$6,195	-0.6%	-3.3%

Gross profit was 38.8 percent of net sales in the second quarter of 2004, compared to 41.0 percent in the second quarter of 2003. The reclassification of freight costs had no effect on the amount of gross profit, but reduced second-quarter gross profit as a percentage of net sales by 0.9 percent in both 2004 and 2003. The decrease in gross profit as a percentage of net sales is due principally to lower Engineered Fabrics net sales and $2.3 million ($0.05 per share) of costs related to equipment relocations and production inefficiencies. These costs result from moving production from locations being shut down to other company operations and cannot be categorized as restructuring costs for accounting purposes.

Selling, technical, general, and research expenses increased 3.7 percent compared to the same period last year and 1.0 percent excluding the effect of changes in currency translation rates. The increase is due principally to higher wages and travel costs.

Operating income/loss was a loss of $9.6 million in the second quarter of 2004, compared to income of $28.5 million in 2003. Operating income was reduced by restructuring charges of $31.1 million in 2004, which include $4.7 million of non-cash items related to scrapping equipment in facilities that are being closed. Restructuring charges in the second quarter of 2003 were $0.9 million.

During the second quarter, the Company initiated the final phase of its previously announced $30 million restructuring program. The Company will continue to incur expenses related to this program during the balance of 2004. Additional charges for terminations and related equipment relocations will approximate $5 million during the second half of the year. Annual savings from this program are expected to be approximately $39 million.

For the second quarter of 2004, income tax expense was a benefit of $0.1 million on a loss before income taxes of $15.8 million. The second-quarter income tax benefit was reduced by the effect of a $4.6 million ($0.14 per share) tax valuation allowance related to the tax-loss-carry forward generated by the restructuring activities. The Company expects its income tax rate for the second half, before special items, to be approximately 30 percent.

Total year-to-date net sales were 3.5 percent higher than last year. Excluding the effect of changes in currency translation rates, net sales were down 2.2 percent. Following is a table of year-to-date net sales by segment and the effect of changes in currency translation rates:

(in thousands)	Net sales as reported Six months ended June 30, 2004	2003	Increase in 2004 net sales due to changes in currency translation rates	Percent Change As Reported	Excluding Currency Rate Effect
Engineered Fabrics	$371,159	$370,878	$18,555	0.1%	-4.9%
Albany Door Systems	53,494	47,200	4,360	13.3%	4.1%
Applied Technologies	33,862	25,139	2,241	34.7%	25.8%
Total	$458,515	$443,217	$25,156	3.5%	-2.2%

For the first six months of 2004, gross profit as a percentage of net sales was 39.2 percent, compared to 41.5 percent for the first six months of last year. The decrease is principally due to costs associated with plant-shutdown activities and lower Engineered Fabrics sales excluding the effect of changes in currency translation rates. The reclassification of freight costs reduced gross profit as a percentage of sales by 0.9 percent in each of 2004 and 2003.

Liquidity and Capital Resources

Net cash provided by operating activities was $26.9 million during the second quarter of 2004, compared to $32.0 million for the same period of 2003. The decrease includes approximately $5.0 million related to severance payments and machine relocations. It is anticipated that additional payments for these purposes of about $13.5 million in the third quarter and $10.0 million in the fourth quarter will be funded by cash from operations. Additionally, the Company anticipates that it will make a contribution of $20 million to its United States pension plan during the third quarter.

Inventories increased $1.1 million, and accounts receivable increased $0.7 million during the second quarter of 2004 excluding the effect of changes in currency translation rates. Inventory levels during the relocation of production in connection with restructuring will likely remain slightly higher than normal to ensure customer coverage.

Capital spending during the quarter was $11.2 million. Capital spending is expected to be approximately $12 million in the third quarter and approximately $14 million in the fourth quarter. Full-year capital spending is expected to be approximately $52 million, as compared to full-year depreciation and amortization of $54 million.

During the quarter, the Company purchased an additional 65,700 of its shares at an average price of $29.88 per share and remains authorized to purchase an additional 553,100 shares without further notice.

Comments on Operations:

Chairman and Chief Executive Officer Frank Schmeler commented, "Paper and paperboard manufacturers increased production in many regions during the second quarter. However, reductions in global PMC demand, and the Company's previously disclosed decision to decline certain sales opportunities that did not meet profit objectives, resulted in a decline in sales for the quarter. A number of factors appear to be adversely impacting PMC demand. In North America and Europe, some customers are running PMC longer and modifying PMC inventory practices to reduce overall PMC inventories. In addition, the overall global PMC market appears to have shifted and contracted over the last several quarters.

"As previously reported, the Company's net sales of Engineered Fabrics, excluding the effects of changes in currency translation rates, declined in each of the last two years. Such declines continued during the first half of 2004, even though paper and paperboard operating rates improved. Industry consolidation by paper and paperboard manufacturers, especially in North America, has resulted in the closure of older mills and the shutdown of less efficient machines, shifting more paper production to newer, more efficient paper machines that require fewer PMC fabrics per ton of paper produced. This trend has been most evident in the dryer section, as the consumption of dryer fabrics on these more efficient machines in North America appears to have declined by 10 percent. As a result of these factors, North American PMC shipments declined 4 percent during the quarter, while North American paper and paperboard production increased 3 percent.

"In Europe, PMC industry shipments remained flat during the first half of 2004, in spite of reported increases in paper and paperboard production during this period. Although European PMC industry shipments declined slightly in dryer fabrics, the total PMC market for all forms of PMC remained essentially unchanged over the last several quarters. In contrast, the PMC market in Asia appears to be growing at a pace equal to the growth of paper and paperboard production in the region.

"Since major consolidation and capacity rationalization in the paper industry appears to be largely completed, the Company expects the negative impact of these changes on PMC demand in future periods will be minimized.

"As previously reported, the Company continues to decline business that fails to meet its profit objectives. Our strategy to grow our business focuses on documenting to our customers the economic value of our products and services. We remain convinced that our customers will pay for value where it can be demonstrated.

"Our restructuring efforts further contributed to the shortfall in earnings in the second quarter. As we closed plants, reduced our work force, and transferred equipment and processes to other Albany facilities, we focused on providing our customers timely delivery of products. During this process, we incurred additional operating costs. As the disruption associated with the restructuring activities lessens, we expect these costs will be largely eliminated by the fourth quarter."

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.)

Second-quarter net sales for the Engineered Fabrics segment decreased 4.1 percent compared to the same period last year. Excluding the effect of changes in currency translation rates, net sales decreased 6.4 percent compared to the second quarter of 2003. The sales decrease resulted from weak PMC demand due to customer PMC inventory adjustments, longer fabric life due to product enhancements, the impact of the more efficient installed paper machine base, and loss of some unprofitable business due to price. Despite having "walked away" from some unattractive business during the period, the Company's share of the global PMC market remained relatively constant.

North America

In the United States, Canada, and Mexico, paper and paperboard operating rates improved over the second quarter of last year, although shipments of PMC declined. For the quarter, net sales in North America were 3.9 percent behind last year. Excluding the effect of changes in currency translation rates, net sales decreased 3.8 percent compared to 2003. Year-to-date net sales decreased 2.6 percent and decreased 3.6 percent excluding the effect of changes in currency translation rates. Changes in customer inventory practices by some customers had a negative impact on sales for the quarter.

Europe

In Europe, industry shipments of PMC remained flat while paper and paperboard production increased based on the most recent industry report. Second-quarter net sales increased 1.1 percent over the same quarter in 2003 and decreased 5.1 percent excluding the effect of changes in currency translation rates. Year-to-date net sales increased 5.9 percent and decreased 4.4 percent excluding the effect of changes in currency translation rates. Many customers in Europe are running fabrics longer and are reducing their PMC inventories. While the reduction of inventory has the effect of disrupting PMC shipments in the short term, it provides mutual benefit in inventory management.

Pacific

Second-quarter net sales in the Pacific region decreased 10.2 percent compared to the same period last year and decreased 12.6 percent excluding the effect of changes in currency translation rates. Year-to-date net sales decreased 3.3 percent and decreased 7.1 percent excluding the effect of changes in currency translation rates. During the second quarter of 2004, net sales were adversely affected by customer PMC inventory practices and the absence of new machine start-ups. Sales in this region commonly fluctuate based on the timing of new machine start-ups. The Company expects the impact of inventory practices will be minimized in future quarters. Net sales in China, the largest potential market in Asia, were flat compared to the second quarter of last year, but remain well ahead of 2003 six-months results.

Albany Door Systems

(This segment includes sales and service of high-performance doors and aftermarket sales to a wide variety of industrial customers.)

Net sales increased 5.6 percent compared to the second quarter of 2003 and increased 1.3 percent excluding the effect of changes in currency translation rates. Year-to-date net sales increased 13.3 percent and increased 4.1 percent excluding the effect of changes in currency translation rates. New product introductions and improvement in aftermarket sales provided sales gains in spite of continued softness in key markets. Improvements in segment earnings resulted from efficiency gains.

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).)

Second-quarter net sales in this segment increased 38.0 percent compared to the same period in 2003 and increased 32.4 percent excluding the effect of changes in currency translation rates. Year-to-date net sales increased 34.7 percent and increased 25.8 percent excluding the effect of changes in currency translation rates. Increased sales of filtration products and sales growth for both PrimaLoft and Techniweave operations contributed to the stronger quarter. Sales and earnings for the segment benefited from increased customer spending levels, new products, and improved efficiency.

Looking Ahead

Mr. Schmeler continued, "In spite of the market impact of our customers' consolidation and continued pricing pressure in some PMC markets, we remain optimistic about our potential for revenue and earnings growth. In each of our industries served, we look for growth due to our ability to create value with products and services. Using the Albany Value Concept, we are making a difference for our customers and providing new opportunities every day. At the same time, our employees are using the Albany Value Concept internally to create best-practice opportunities and a common business culture focused on delivering value to customers and, ultimately, shareholders. The Albany Value Concept, combined with our new product development efforts, has resulted in a very strong new product portfolio. For our customers, these new products improve their operations and the profitability of their businesses. We believe this value and technology focus provides our best opportunity for growth and improvements for our customers.

"On the cost side, our restructuring activities resulted in removing more costs than previously announced. The apparent adjustment of the PMC market size makes these additional gains especially important. We will complete our product transitions in the third quarter and expect to eliminate the disruptions resulting from the restructuring activities by the end of the fourth quarter.

"Recent sales and earnings growth in the Applied Technologies segment is encouraging and reflects both efficiency and market improvements. New product opportunities in this segment will assist in sustaining market momentum.

"The Albany Door System segment, while improving, has yet to return to expected business levels, principally due to continuing market softness in Germany. With efficiency improvements in place and underway, new product introductions in full rollout, and expansion of aftermarket efforts, we expect further improvements in this segment in the second half.

"Through the first half, our employees continued to focus on the tasks of supporting our customers, completing the restructuring initiatives, and ensuring our success."

The Company plans a live webcast to discuss second-quarter 2004 financial results on Friday, July 23, 2004, at 9:00a.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 customers throughout the world. 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 Company's financial condition, results of operations, and cash flows. Earnings per share before special items is calculated by adding back to net income per share certain individually significant items that affect the comparability of reporting periods.

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, earnings, cash flows, possible uses for cash, pricing, markets, cost reductions, 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
(unaudited)

(in thousands except per share data)

Three Months Ended June 30, 2004	Three Months Ended June 30, 2003		Six Months Ended June 30, 2004	Six Months Ended June 30, 2003
$227,209	$228,478	Net sales	$458,515	$443,217
139,069	134,812	Cost of goods sold	278,597	259,226
88,140	93,666	Gross profit	179,918	183,991
66,660	64,270	Selling, technical, general and research expenses	133,812	126,058
31,075	851	Restructuring, net	42,668	1,682
(9,595)	28,545	Operating (loss)/income	3,438	56,251
3,886	3,535	Interest expense, net	7,540	7,406
2,340	2,138	Other expense, net	8,127	3,347
(15,821)	22,872	(Loss)/income before income taxes	(12,229)	45,498
(104)	6,890	Income tax (benefit)/expense	113	8,434
(15,717)	15,982	(Loss)/income before associated companies	(12,342)	37,064
299	(7)	Equity in earnings/ (losses) of associated companies	217	(95)
(15,418)	15,975	Net (loss)/income	(12,125)	36,969
434,330	406,819	Retained earnings, beginning of period	433,407	387,609
(2,318)	(1,799)	Dividends declared	(4,688)	(3,583)
$416,594	$420,995	Retained earnings, end of period	$416,594	$420,995
		Earnings per share - basic:		
($0.47)	$0.49	Net (loss)/income	($0.36)	$1.14

		Earnings per share - diluted:		
($0.47)	$0.48	Net (loss)/income	($0.36)	$1.12
33,094	32,605	Average number of shares used in basic earnings per share computations	33,345	32,522
33,094	33,163	Average number of shares used in diluted earnings per share computations	33,345	33,009
$0.07	0.055	Dividends per share	$0.07	$0.11

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

	(unaudited) June 30 2004	December 31, 2003
ASSETS		
Cash and cash equivalents	$82,206	$78,822
Accounts receivable, net	144,270	151,157
Note receivable	19,418	21,814
Inventories:		
Finished goods	93,024	93,787
Work in process	57,151	53,936
Raw material and supplies	31,063	29,805
	181,238	177,528
Deferred taxes	35,818	33,314
Prepaid expenses	6,374	8,067
Total current assets	469,324	470,702
Property, plant and equipment, net	351,609	370,280
Investments in associated companies	5,938	5,278
Intangibles	15,147	15,790
Goodwill	156,239	159,543
Deferred taxes	64,229	70,450
Cash surrender value of life insurance policies	33,546	32,399
Other assets	16,346	21,274
Total assets	$1,112,378	$1,145,716
LIABILITIES AND SHAREHOLDERS' EQUITY		
Notes and loans payable	$8,125	$5,250
Accounts payable	32,764	35,080
Accrued liabilities	142,547	122,550
Current maturities of long-term debt	1,916	1,949
Income taxes payable and deferred	10,006	20,475
Total current liabilities	195,358	185,304
Long-term debt	213,952	214,894
Other noncurrent liabilities	152,674	153,811
Deferred taxes and other credits	34,465	37,052
Total liabilities	596,449	591,061
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 32,908,400 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	289,877	280,734
Retained earnings	416,594	433,407
Accumulated items of other comprehensive income:		
Translation adjustments	(75,858)	(65,613)
Derivative valuation adjustment	(6,652)	(8,840)

Pension liability adjustment	(39,579)	(39,579)
	584,418	600,145
Less treasury stock (Class A), at cost (3,014,537 shares in 2004 and 2,190,038 shares in 2003)	68,489	45,490
Total shareholders' equity	515,929	554,655
Total liabilities and shareholders' equity	$1,112,378	$1,145,716

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

	Six Months Ended June 30,	
	2004	2003
OPERATING ACTIVITIES		
Net (loss)/income	($12,125)	$36,969
Adjustments to reconcile net cash provided by operating activities:		
Equity in (earnings)/losses of associated companies	(217)	95
Depreciation	26,907	25,567
Amortization	1,831	2,550
Provision for deferred income taxes, other credits and long-term liabilities	3,697	3,410
Provision for write-off of equipment	11,620	-
Provision for impairment of investment	4,000	-
Increase in cash surrender value of life insurance	(1,525)	(1,470)
Change in unrealized currency transaction gains and losses	7,367	(1,199)
Loss/(gain) on disposition of assets	736	(529)
Shares contributed to ESOP	3,560	3,528
Tax benefit of options exercised	1,110	322
Changes in operating assets and liabilities:		
Accounts receivable	1,659	6,885
Sale of accounts receivable	(5,326)	(2,603)
Note receivable	2,396	(1,290)
Inventories	(6,402)	(2,742)
Prepaid expenses	1,590	(1,535)
Accounts payable	(1,598)	(9,331)
Accrued liabilities	21,240	6,826
Income taxes payable	(10,643)	(558)
Other, net	1,495	(615)
Net cash provided by operating activities	51,372	64,280
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(26,426)	(18,702)
Purchased software	(383)	(423)
Proceeds from sale of assets	1,246	3,824
Net cash used in investing activities	(25,563)	(15,301)
FINANCING ACTIVITIES		
Proceeds from borrowings	14,489	34,532
Principal payments on debt	(12,476)	(36,161)
Purchase of treasury shares	(23,120)	-
Proceeds from options exercised	4,426	2,248
Debt issuance costs	(1,555)	-
Dividends paid	(4,716)	(3,568)
Net cash used in financing activities	(22,952)	(2,949)
Effect of exchange rate changes on cash flows	527	(5,664)
Increase in cash and cash equivalents	3,384	40,366
Cash and cash equivalents at beginning of year	78,822	18,799
Cash and cash equivalents at end of		

period	$82,206	$59,165

SOURCE Albany International Corporation
-0- 07/22/2004

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/Web site: http://www.albint.com /
(AIN)

CO: Albany International Corporation
ST: New York
IN: PAP REA TEX MAC
SU: ERN CCA