

ALBANY INTERNATIONAL CORP /DE/
Form 10-Q
November 10, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended: September 30, 2008

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: 1-10026

ALBANY INTERNATIONAL CORP.

(Exact name of registrant as specified in its charter)

Delaware

14-0462060

(State or other jurisdiction of

(IRS Employer Identification No.)

incorporation or organization)

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 [] No []

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer []

Accelerated filer

[]

Non-accelerated filer [] Smaller reporting company []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [] No []

The registrant had 26,646,292 shares of Class A Common Stock and 3,236,098 shares of Class B Common Stock outstanding as of September 30, 2008.

ALBANY INTERNATIONAL CORP.

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ALBANY INTERNATIONAL CORP.
CONSOLIDATED STATEMENTS OF
OPERATIONS
(in thousands except per share data)
(unaudited)

Three Months Ended			Nine Months Ended	
September 30,			September 30,	
2008	2007		2008	2007
\$266,922	\$264,960	Net sales	\$837,331	\$772,253
177,772	173,583	Cost of goods sold	550,053	489,700
89,150	91,377	Gross profit	287,278	282,553
78,297	76,823	Selling, technical, general and research expenses	247,625	231,850
6,731	13,512	Restructuring and other, net	13,825	28,233
4,122	1,042	Operating income	25,828	22,470
4,520	3,782	Interest expense, net	13,602	10,666
(706)	1,409	Other (income)/expense, net	1,175	1,622
308	(4,149)	Income/(loss) from continuing operations before income taxes	11,051	10,182
5,805	81	Income tax expense	12,082	971

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(5,497)	(4,230)	(Loss)/income before associated companies	(1,031)	9,211
159	(195)	Equity in income/(losses) of associated companies	(86)	(430)
(5,338)	(4,425)	(Loss)/income from continuing operations	(1,117)	8,781
		Discontinued operations:		
(404)	658	(Loss)/income from operations of discontinued business	(91)	1,255
6,134	-	Gain on sale of discontinued business	6,134	-
(368)	104	Income tax (benefit)/expense	(238)	197
6,098	554	Income from discontinued operations	6,281	1,058
\$760	(\$3,871)	Net income/(loss)	\$5,164	\$9,839
		(Loss)/income from continuing operations:		
(\$0.17)	(\$0.15)	Basic	(\$0.04)	\$0.30
(\$0.17)	(\$0.15)	Diluted	(\$0.04)	\$0.30
		Income from discontinued operations:		
\$0.20	\$0.02	Basic	\$0.21	\$0.03
\$0.20	\$0.02	Diluted	\$0.21	\$0.03
		Net income/(loss) per share:		
\$0.03	(\$0.13)	Basic	\$0.17	\$0.33
\$0.03	(\$0.13)	Diluted	\$0.17	\$0.33
		Shares used in computing (losses)/earnings per share:		
29,857	29,492	Basic	29,743	29,380
29,857	29,492	Diluted	29,743	29,790
\$0.12	\$0.11	Dividends per share	\$0.35	\$0.32

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

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

	(unaudited) September 30, 2008	December 31, 2007
ASSETS		
Cash and cash equivalents	\$93,962	\$73,305
Accounts receivable, net	232,842	232,440
Inventories	226,224	247,043
Income taxes receivable and deferred	25,070	26,734
Prepaid expenses and other current assets	22,712	22,832
Total current assets	600,810	602,354
Property, plant and equipment, net	576,642	525,853
Investments in associated companies	4,204	5,373
Intangibles	9,448	11,217
Goodwill	194,184	194,660
Deferred taxes	87,393	100,604
Cash surrender value of life insurance policies	46,494	43,701
Other assets	41,958	43,215
Total assets	\$1,561,133	\$1,526,977
LIABILITIES AND SHAREHOLDERS' EQUITY		
Notes and loans payable	\$19,551	\$32,030
Accounts payable	53,828	82,157
Accrued liabilities	137,149	120,267
Current maturities of long-term debt	10	1,146
Income taxes payable and deferred	5,988	2,970
Total current liabilities	216,526	238,570
Long-term debt	526,276	446,433
Other noncurrent liabilities	146,016	188,621
Deferred taxes and other credits	58,895	53,682
Total liabilities	947,713	927,306
Commitments and Contingencies	-	-

SHAREHOLDERS' EQUITY