

## Albany International Corp.

Albany International Corp. (NYSE: AIN)  
 1373 Broadway  
 Albany, NY 12204  
 Phone: 518-445-2200  
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<http://www.albint.com>

Employees:	6,769
Revenues:	\$ 836,700,000
Net Income:	\$ 32,200,000
Assets:	\$ 931,900,000
Liabilities:	\$ 615,300,000
No. of Asbestos Claims:	* 9,405
Booked Asbestos Assets:	\$ 130,000,000
	(As of December 31, 2001)
	(*As of August 2, 2002)

Description: Albany International Corp. is the world's #1 maker of paper machine clothing (PMC, custom-made fabric belts that move paper stock through each phase of production). It has manufacturing facilities in Asia, Australia, Europe, and North and South America. Albany produces about 35% of the monofilament yarn used in its products and relies on independent suppliers for the remainder. It markets to paper mills in 25 countries through a direct sales staff. Albany also makes high-performance industrial doors (Rapid Roll Doors) such as aircraft hangar doors and dock doors. Former chairman Spencer Standish and his family own about 30% of the company.

### Asbestos Discussion from SEC filings:

From the Company's Form 10-Q for the quarter ended March 31, 2003 at

[http://www.sec.gov/Archives/edgar/data/819793/000110465903009091/j0247\\_10q.htm](http://www.sec.gov/Archives/edgar/data/819793/000110465903009091/j0247_10q.htm)

Filed On: May 12, 2003

Albany International Corp. ("Albany") is a defendant in suits brought in various courts in the United States by plaintiffs who allege that they have suffered personal injury as a result of exposure to asbestos-containing products previously manufactured by Albany. Albany's production of asbestos-containing paper machine clothing products was limited to certain synthetic dryer fabrics marketed during the period from 1967 to 1976 and used in certain paper mills. Such fabrics generally had a useful life of three to twelve months. Albany was defending against 28,112 such claims as of May 2, 2003. This compares with 22,593 such claims as of December 31, 2002, 7,347 claims as of December 31, 2001, 1,997 claims as of December 31, 2000, and 2,276 claims as of

December 31, 1999. These suits allege a variety of lung and other diseases based on alleged exposure to products previously manufactured by Albany. Albany anticipates that additional claims will be filed against it and the related companies in the future but is unable to predict the number and timing of such future claims. These suits typically involve claims against from twenty to over two hundred defendants, and the complaints usually fail to identify the plaintiffs' work history or the nature of the plaintiffs' alleged exposure to Albany's products. In the vast majority of these suits, claimant work histories have not been provided. In cases in which work histories have been provided, approximately one-third of the

claimants have alleged time spent in a paper mill, and only a portion of those claimants have alleged time spent in a paper mill to which Albany is believed to have supplied asbestos-containing products. Approximately 24,630 of the claims pending against Albany are filed in various counties in Mississippi. The Company expects that only a portion of these claimants will be able to demonstrate time spent in a paper mill to which Albany supplied asbestos-containing products during a period in which Albany's asbestos-containing products were in use. Based on past experience, communications from certain plaintiffs' counsel and the advice of the Company's Mississippi counsel, the Company expects the percentage of claimants with paper mill exposure in the Mississippi proceedings to be considerably lower than the total number of claims asserted. It is the position of Albany and the other paper machine clothing defendants that there was insufficient exposure to asbestos from any paper machine clothing products to cause asbestos-related injury to any plaintiff. Furthermore, asbestos contained in Albany's synthetic products was encapsulated in a resin-coated yarn woven into the interior of the fabric, further reducing the likelihood of fiber release. While the Company believes it has meritorious defenses to these claims, it has settled certain of these cases for amounts it considers reasonable given the facts and circumstances of each case. The Company's insurer, Liberty Mutual, has defended each case under a standard reservation of rights. As of May 2, 2003, the Company had resolved, by means of settlement or dismissal, 4,639 claims, and had reached tentative agreement to resolve an additional 4,563 claims reported above as pending. The total cost of resolving all 9,202 such claims was \$4,941,000. Of this amount, \$4,906,000, or 99%, was paid by the Company's insurance carrier. The Company has more than \$130 million in confirmed insurance coverage that should be available with respect to current and future asbestos claims, as well as additional insurance coverage that it should be able to access.

**Asbestos Discussion from SEC filings:**

From the Company's Form 10-K for the period ending December 31, 2002 at

<http://www.sec.gov/Archives/edgar/data/819793/000104746903009653/a2106011z10-k.htm>

Filed On: March 21, 2003

Albany International Corp. ("Albany") and many other companies are defendants in suits brought in various courts in the United States by plaintiffs who allege that they have suffered personal injury as a result of exposure to asbestos-containing products. Albany was defending against 21,688 such claims as of February 28, 2003. This compares with 22,593 such claims as of December 31, 2002, 17,922 claims as of October 31, 2002, 7,347 claims as of December 31, 2001, 1,997 claims as of December 31, 2000, and 2,276 claims as of December 31, 1999. These suits allege a variety of lung and other diseases based on alleged exposure to products previously manufactured by Albany and related

companies. Albany anticipates that additional claims will be filed against it and the related companies in the future but is unable to predict the number and timing of such future claims. These suits typically involve claims against from 20 to more than 200 defendants, and the complaints usually fail to identify the plaintiffs' work history or the nature of the plaintiffs' alleged exposure to Albany's products. (Production of asbestos-containing paper machine clothing products was limited to certain synthetic dryer fabrics marketed during the period 1967 to 1976 and used in certain paper mills. Such fabrics generally had a useful life of three to twelve

months.) In the vast majority of these suits, claimant work histories have not been provided. In cases in which work histories have been provided, approximately one-third of the claimants have alleged time spent in a paper mill.

Approximately 18,700 of the claims pending against Albany are filed in various counties in Mississippi. The Registrant expects that only a portion of these claimants will be able to demonstrate time spent in a paper mill during a period in which Albany's asbestos-containing products were in use. Based on past experience, communications from certain plaintiffs' counsel and the advice of the Registrant's Mississippi counsel, the Registrant expects the percentage of claimants with paper mill exposure in the Mississippi proceedings to be considerably lower than the total number of claims asserted.

It is the position of Albany and the other paper machine clothing defendants that there was insufficient exposure to asbestos from any paper machine clothing products to cause asbestos-related injury to any

plaintiff. Furthermore, asbestos contained in Albany's synthetic products was encapsulated in a resin-coated yarn woven into the interior of the fabric, further reducing the likelihood of fiber release.

While the Registrant believes it has meritorious defenses to these claims, it has settled certain of these cases for amounts it considers reasonable given the facts and circumstances of each case. The Registrant's insurer, Liberty Mutual, has defended each case under a standard reservation of rights. As of February 28, 2003, the Registrant had resolved, by means of settlement or dismissal, 4,348 claims, and had reached tentative agreement to resolve an additional 4,563 claims reported above as pending. The total cost of resolving all 8,911 such claims was \$4,846,000. Of this amount, \$4,811,000, or 99%, was paid by the Registrant's insurance carrier. The Registrant has more than \$130 million in confirmed insurance coverage that should be available with respect to current and future asbestos claims, as well as additional insurance coverage that it should be able to access.

**Asbestos-Related News:**

[Albany Lists 21,688 Asbestos Suits In February \(Published March 28, 2003\)](#)

[Faces Over Nine Thousand Asbestos Related Claims \(Published October 25, 2002\)](#)