
**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 19, 2016**

ADTRAN, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

0-24612
(Commission file number)

63-0918200
*(I.R.S. Employer
Identification Number)*

901 Explorer Boulevard, Huntsville, Alabama 35806-2807
(Address of principal executive offices, including zip code)

(256) 963-8000
(Registrant's telephone number, including area code)

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 (*see* General Instruction A.2. below):

- 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 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On January 19, 2016, ADTRAN, Inc. announced its financial results for the fiscal quarter ended December 31, 2015 and certain other information.

ADTRAN also announced that its Board of Directors declared a quarterly cash dividend of \$0.09 per common share to be paid to holders of record at the close of business on February 4, 2016. The ex-dividend date is February 2, 2016 and the payment date is February 18, 2016.

A copy of ADTRAN's press release announcing such financial results and other information is attached as Exhibit 99.1 hereto and incorporated by reference herein.

In addition, ADTRAN has posted supplemental information regarding revenues by product category, subcategory and segment for the fiscal quarter ended December 31, 2015 on the Investor Relations page of its website, www.adtran.com. A copy of the supplemental information is attached as Exhibit 99.2 hereto and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are furnished as part of this Current Report on Form 8-K.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated January 19, 2016
99.2	Revenues by product and segment classification

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on January 20, 2016.

ADTRAN, Inc.
(Registrant)

By: /s/ Roger D. Shannon

Roger D. Shannon
Senior Vice President of Finance,
Chief Financial Officer,
Corporate Secretary and Treasurer
(Principal Accounting Officer)

EXHIBIT INDEX

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ADTRAN, INC.
REPORTS RESULTS for the FOURTH QUARTER 2015 and DECLARES QUARTERLY CASH DIVIDEND

HUNTSVILLE, Ala.—(BUSINESS WIRE)—January 19, 2016—ADTRAN, Inc. (NASDAQ:ADTN) reported results for the fourth quarter 2015. For the quarter, sales were \$139,013,000 compared to \$143,982,000 for the fourth quarter of 2014. Net income was \$5,718,000 compared to \$9,292,000 for the fourth quarter of 2014. Earnings per share, assuming dilution, were \$0.12 compared to \$0.17 for the fourth quarter of 2014. Non-GAAP earnings per share were \$0.16 compared to \$0.19 for the fourth quarter of 2014. The reconciliation between GAAP earnings per share, diluted, and non-GAAP earnings per share, diluted, is in the table provided.

ADTRAN Chief Executive Officer Tom Stanton stated, “Revenue in the quarter came in better than expected, driven by growth in our U.S. Tier 1 and Tier 2 carrier business. Compared to the same period last year, Q4 domestic revenue was up over 20% due to a significant increase in our broadband sales. Additionally, improved gross margins and lower operating expenses helped us achieve better than expected operating income. We expect further improvement in the carrier environment as customers accelerate investments in upgrading their network infrastructure.”

The Company also announced that its Board of Directors declared a cash dividend for the fourth quarter of 2015. The quarterly cash dividend is \$0.09 per common share to be paid to holders of record at the close of business on February 4, 2016. The ex-dividend date is February 2, 2016 and the payment date is February 18, 2016.

The Company confirmed that its fourth quarter conference call will be held Wednesday, January 20, 2016 at 9:30 a.m. Central Time. This conference call will be web cast live through StreetEvents.com. To listen, simply visit the Investor Relations site at www.adtran.com or www.streetevents.com approximately 10 minutes prior to the start of the call and click on the conference call link provided.

An online replay of the conference call will be available for seven days at www.streetevents.com. In addition, an online replay of the conference call, as well as the text of the Company’s earnings release, will be available on the Investor Relations site at www.adtran.com for at least 12 months following the call.

ADTRAN, Inc. is a leading global provider of networking and communications equipment. ADTRAN’s products enable voice, data, video and Internet communications across a variety of network infrastructures. ADTRAN solutions are currently in use by service providers, private enterprises, government organizations, and millions of individual users worldwide. For more information, please visit www.adtran.com.

For more information, contact the company at 800 9ADTRAN (800 923-8726) or via email at info@adtran.com. On the Web, visit www.adtran.com.

This press release contains forward-looking statements which reflect management’s best judgment based on factors currently known. However, these statements involve risks and uncertainties, including the successful development and market acceptance of new products, the degree of competition in the market for such products, the product and channel mix, component costs, manufacturing efficiencies, and other risks detailed in our annual report on Form 10-K for the year ended December 31, 2014 and on Form 10-Q for the quarter ended September 30, 2015. These risks and uncertainties could cause actual results to differ materially from those in the forward-looking statements included in this press release.

CONTACT:
Roger Shannon
Senior Vice President & CFO
256-963-8775

INVESTOR SERVICES/ASSISTANCE:
Gayle Ellis
Investor Services
256-963-8220

Condensed Consolidated Balance Sheet
(Unaudited)
(In thousands)

	December 31, 2015	December 31, 2014
Assets		
Cash and cash equivalents	\$ 84,550	\$ 73,439
Short-term investments	34,396	46,919
Accounts receivable, net	71,917	88,502
Other receivables	19,321	33,295
Inventory	96,735	86,710
Prepaid expenses	4,943	5,129
Deferred tax assets, net	18,924	17,095
Total Current Assets	330,786	351,089
Property, plant and equipment, net	73,233	74,828
Deferred tax assets, net	18,091	17,694
Goodwill	3,492	3,492
Other assets	9,276	10,942
Long-term investments	198,026	280,649
Total Assets	\$ 632,904	\$ 738,694
Liabilities and Stockholders' Equity		
Accounts payable	\$ 48,668	\$ 56,414
Unearned revenue	16,615	22,762
Accrued expenses	12,108	11,077
Accrued wages and benefits	12,857	13,855
Income tax payable, net	2,395	14,901
Total Current Liabilities	92,643	119,009
Non-current unearned revenue	7,965	10,948
Other non-current liabilities	24,236	30,924
Bonds payable	27,900	28,800
Total Liabilities	152,744	189,681
Stockholders' Equity	480,160	549,013
Total Liabilities and Stockholders' Equity	\$ 632,904	\$ 738,694

Consolidated Statements of Income
(Unaudited)
(In thousands, except per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	2014	2015	2014
Sales	\$ 139,013	\$ 143,982	\$ 600,064	\$ 630,007
Cost of sales	<u>76,574</u>	<u>75,499</u>	<u>333,167</u>	<u>318,680</u>
Gross Profit	62,439	68,483	266,897	311,327
Selling, general and administrative expenses	30,339	31,793	123,542	131,958
Research and development expenses	<u>29,300</u>	<u>32,711</u>	<u>129,876</u>	<u>132,258</u>
Operating Income	2,800	3,979	13,479	47,111
Interest and dividend income	1,273	1,679	3,953	5,019
Interest expense	(148)	(152)	(596)	(677)
Net realized investment gain	1,907	59	10,337	7,278
Other income (expense), net ⁽¹⁾	<u>(617)</u>	<u>2,790</u>	<u>(1,465)</u>	<u>1,175</u>
Income before provision for income taxes	5,215	8,355	25,708	59,906
Provision for income taxes	<u>503</u>	<u>937</u>	<u>(7,062)</u>	<u>(15,286)</u>
Net Income	\$ 5,718	\$ 9,292	\$ 18,646	\$ 44,620
Weighted average shares outstanding—basic	49,552	53,835	51,145	55,120
Weighted average shares outstanding—diluted ⁽²⁾	49,643	54,085	51,267	55,482
Earnings per common share—basic	\$ 0.12	\$ 0.17	\$ 0.36	\$ 0.81
Earnings per common share—diluted ⁽²⁾	\$ 0.12	\$ 0.17	\$ 0.36	\$ 0.80

(1) Results for the three and twelve months ended December 31, 2014 include a \$2.4 million gain related to the settlement of working capital items from an acquisition that closed in 2012.

(2) Assumes exercise of dilutive stock options calculated under the treasury stock method.

Consolidated Statements of Comprehensive Income
(Unaudited)
(In thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	2014	2015	2014
Net Income	\$ 5,718	\$ 9,292	\$ 18,646	\$ 44,620
Other Comprehensive Income (Loss), net of tax:				
Unrealized gains (losses) on available-for-sale securities	(455)	1,077	(7,032)	(1,773)
Defined benefit plan adjustments	1,651	(4,866)	1,862	(4,866)
Foreign currency translation	73	(2,007)	(3,724)	(4,189)
Other Comprehensive Income (Loss), net of tax	1,269	(5,796)	(8,894)	(10,828)
Comprehensive Income, net of tax	\$ 6,987	\$ 3,496	\$ 9,752	\$ 33,792

Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Twelve Months Ended December 31,	
	2015	2014
Cash flows from operating activities:		
Net income	\$ 18,646	\$ 44,620
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	14,245	14,845
Amortization of net premium on available-for-sale investments	2,402	4,360
Net realized gain on long-term investments	(10,336)	(7,278)
Net loss on disposal of property, plant and equipment	644	142
Stock-based compensation expense	6,712	8,563
Deferred income taxes	(692)	(5,526)
Tax impact from stock option exercises	(40)	81
Excess tax benefits from stock-based compensation arrangements	(3)	(63)
Change in operating assets and liabilities:		
Accounts receivable, net	14,918	(3,910)
Other receivables	11,704	(19,298)
Inventory	(11,323)	1,953
Prepaid expenses and other assets	(625)	(3,627)
Accounts payable	(5,826)	9,973
Accrued expenses and other liabilities	(10,289)	(166)
Income tax payable, net	(11,590)	11,168
Net cash provided by operating activities	18,547	55,837
Cash flows from investing activities:		
Purchases of property, plant and equipment	(11,753)	(11,256)
Proceeds from disposals of property, plant and equipment	183	1
Proceeds from sales and maturities of available-for-sale investments	280,435	230,019
Purchases of available-for-sale investments	(188,921)	(142,695)
Net cash provided by investing activities	79,944	76,069
Cash flows from financing activities:		
Proceeds from stock option exercises	961	2,839
Purchases of treasury stock	(66,160)	(80,576)
Dividend payments	(18,449)	(19,947)
Payments on long-term debt	(1,100)	(16,500)
Excess tax benefits from stock-based compensation arrangements	3	63
Net cash used in financing activities	(84,745)	(114,121)
Net increase in cash and cash equivalents	13,746	17,785
Effect of exchange rate changes	(2,635)	(2,644)
Cash and cash equivalents, beginning of period	73,439	58,298
Cash and cash equivalents, end of period	\$ 84,550	\$ 73,439
Supplemental disclosure of non-cash investing activities		
Purchases of property, plant and equipment included in accounts payable	\$ 598	\$ 467

Supplemental Information
Restructuring Expenses
(Unaudited)
(In thousands)

Restructuring expenses were recorded in the following Consolidated Statements of Income categories for the three and twelve months ended December 31, 2015 and 2014:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	2014	2015	2014
Restructuring expense included in cost of sales	\$ 5	\$ —	\$ 112	\$ —
Selling, general and administrative expense	8	—	846	—
Research and development expense	13	—	2,108	—
Restructuring expense included in operating expenses	21	—	2,954	—
Total restructuring expense	26	—	3,066	—
Provision for income taxes	(10)	—	(1,196)	—
Total restructuring expense, net of tax	\$ 16	\$ —	\$ 1,870	\$ —

Supplemental Information
Acquisition Related Expenses, Amortizations and Adjustments
(Unaudited)
(In thousands)

On August 4, 2011, we closed on the acquisition of Bluesocket, Inc. and on May 4, 2012, we closed on the acquisition of the Nokia Siemens Networks Broadband Access business (NSN BBA). Acquisition related expenses, amortizations and adjustments for the three and twelve months ended December 31, 2015 and 2014 for both transactions are as follows:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	2014	2015	2014
<i>Bluesocket, Inc. acquisition</i>				
Amortization of acquired intangible assets and other purchase accounting adjustments	\$ 174	\$ 226	\$ 817	\$ 925
<i>NSN BBA acquisition</i>				
Amortization of acquired intangible assets	227	269	928	1,153
Amortization of other purchase accounting adjustments	48	222	443	1,117
Acquisition related professional fees, travel and other expenses	14	193	75	282
Subtotal	289	684	1,446	2,552
Total acquisition related expenses, amortizations and adjustments	463	910	2,263	3,477
Provision for income taxes	(158)	(300)	(767)	(1,151)
Total acquisition related expenses, amortizations and adjustments, net of tax	\$ 305	\$ 610	\$1,496	\$ 2,326

The acquisition related expenses, amortizations and adjustments above were recorded in the following Consolidated Statements of Income categories for the three and twelve months ended December 31, 2015 and 2014:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	2014	2015	2014
Revenue (adjustments to deferred revenue recognized in the period)	\$ 16	\$ 73	\$ 212	\$ 601
Cost of goods sold	3	67	55	171
Subtotal	19	140	267	772
Selling, general and administrative expenses	18	200	92	310
Research and development expenses	426	570	1,904	2,395
Subtotal	444	770	1,996	2,705
Total acquisition related expenses, amortizations and adjustments	463	910	2,263	3,477
Provision for income taxes	(158)	(300)	(767)	(1,151)
Total acquisition related expenses, amortizations and adjustments, net of tax	\$ 305	\$ 610	\$1,496	\$ 2,326

Supplemental Information
Stock-based Compensation Expense
(Unaudited)
(In thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	2014	2015	2014
Stock-based compensation expense included in cost of sales	\$ 78	\$ 120	\$ 280	\$ 479
Selling, general and administrative expense	1,035	1,096	3,261	4,185
Research and development expense	811	1,051	3,171	3,899
Stock-based compensation expense included in operating expenses	1,846	2,147	6,432	8,084
Total stock-based compensation expense	1,924	2,267	6,712	8,563
Tax benefit for expense associated with non-qualified options	(242)	(279)	(862)	(1,157)
Total stock-based compensation expense, net of tax	\$ 1,682	\$ 1,988	\$ 5,850	\$ 7,406

**Reconciliation of GAAP net income per share, diluted, to
Non-GAAP net income per share, diluted
(Unaudited)**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	2014	2015	2014
GAAP earnings per common share – diluted	\$ 0.12	\$ 0.17	\$ 0.36	\$ 0.80
Restructuring expense	—	—	0.04	—
Acquisition related expenses, amortizations and adjustments	0.01	0.01	0.03	0.04
Settlement of acquisition related working capital items	—	(0.03)	—	(0.03)
Stock-based compensation expense	0.03	0.04	0.11	0.13
Non-GAAP earnings per common share – diluted	\$ 0.16	\$ 0.19	\$ 0.54	\$ 0.94

Product and Segment Revenues
(Unaudited)
(In thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	2014	2015	2014
Product Revenues:				
Carrier Systems	\$ 102,851	\$ 100,337	\$ 433,373	\$ 442,664
Business Networking	30,975	37,346	139,693	156,980
Loop Access	5,187	6,299	26,998	30,363
Total	<u>\$ 139,013</u>	<u>\$ 143,982</u>	<u>\$ 600,064</u>	<u>\$ 630,007</u>
Subcategories included in the above:				
Broadband Access (included in Carrier Systems)	\$ 84,881	\$ 82,544	\$ 364,537	\$ 368,464
Optical (included in Carrier Systems)	13,946	13,066	56,615	55,374
Internetworking (Netvanta & Multi-service Access Gateways) (included in Business Networking)	30,280	35,661	135,720	152,223
Total Core Products	<u>129,107</u>	<u>131,271</u>	<u>556,872</u>	<u>576,061</u>
Percentage of Total Revenue	93%	91%	93%	91%
HDSL (does not include T1) (included in Loop Access)	4,850	5,754	25,349	27,829
Other Products (excluding HDSL)	5,056	6,957	17,843	26,117
Total Legacy Products	<u>9,906</u>	<u>12,711</u>	<u>43,192</u>	<u>53,946</u>
Percentage of Total Revenue	7%	9%	7%	9%
Total	<u>\$ 139,013</u>	<u>\$ 143,982</u>	<u>\$ 600,064</u>	<u>\$ 630,007</u>
Segment Revenues:				
Carrier Networks	\$ 116,718	\$ 115,784	\$ 499,402	\$ 510,373
Enterprise Networks	22,295	28,198	100,662	119,634
Total	<u>\$ 139,013</u>	<u>\$ 143,982</u>	<u>\$ 600,064</u>	<u>\$ 630,007</u>
Sales by Geographic Region:				
United States	\$ 112,022	\$ 93,038	\$ 419,366	\$ 381,382
International	26,991	50,944	180,698	248,625
Total	<u>\$ 139,013</u>	<u>\$ 143,982</u>	<u>\$ 600,064</u>	<u>\$ 630,007</u>