

**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 23, 2006

**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))

**Item 2.02. Results of Operations and Financial Condition.**

On January 23, 2006, ADTRAN, Inc. announced its financial results for the fiscal quarter and year ended December 31, 2005 and certain other information. ADTRAN also announced that its Board of Directors declared a quarterly cash dividend. The quarterly cash dividend is \$0.09 per common share to be paid to holders of record at the close of business on February 7, 2006. The ex-dividend date is February 3, 2006 and the payment date is February 17, 2006. 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.

**Item 9.01. Financial Statements and Exhibits.**

(c) Exhibits.

The following exhibit is furnished as part of this Current Report on Form 8-K.

| <u>Exhibit Number</u> | <u>Description</u>                   |
|-----------------------|--------------------------------------|
| 99.1                  | Press Release dated January 23, 2006 |

**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 23, 2006.

**ADTRAN, Inc.**  
(Registrant)

*By: /s/ James E. Matthews*

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*James E. Matthews*  
*Senior Vice President - Finance,*  
*Chief Financial Officer and Treasurer*

**EXHIBIT INDEX**

Exhibit Number

Description

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99.1

Press Release dated January 23, 2006

## ADTRAN, Inc. Reports Fourth Quarter and Year 2005 Results and Declares Quarterly Cash Dividend

HUNTSVILLE, Ala.--(BUSINESS WIRE)--Jan. 23, 2006--ADTRAN, Inc. (NASDAQ:ADTN) reported results for the fourth quarter and year ended December 31, 2005. Sales increased 34% to \$140,595,000 for the quarter compared to \$104,626,000 for the fourth quarter of 2004, and net income increased 121% to \$32,196,000 for the quarter compared to \$14,594,000 for the fourth quarter of 2004. Earnings per share, assuming dilution, were \$0.41 for the quarter compared to \$0.19 for the fourth quarter of 2004.

Sales increased 13% to \$513,215,000 for the year compared to \$454,517,000 for the year 2004. Net income increased 35% to \$101,150,000 for the year compared to \$75,141,000 for the year 2004. Earnings per share, assuming dilution, were \$1.30 for the year compared to \$0.93 for the year 2004.

Net cash provided by operating activities totaled \$40 million for the quarter and a record \$129 million for the year 2005.

ADTRAN Chief Executive Officer Tom Stanton stated, "Our strategy is clearly working. During 2005, our company achieved record levels of revenue and operating income as we continued to leverage our capabilities and customer base to escalate our positions in new, significantly larger markets. Also, we continued to solidify our leadership positions within our traditional markets. We believe our product development and marketing programs have positioned us extremely well as carriers continue to aggressively invest in broadband and next-generation services, and as IT spending continues to expand."

The Company announced that its Board of Directors declared a cash dividend for the fourth quarter of 2005. The quarterly cash dividend is \$0.09 per common share to be paid to holders of record at the close of business on February 7, 2006. The ex-dividend date is February 3, 2006 and the payment date is February 17, 2006.

The Company also confirmed that its fourth quarter conference call will be held Tuesday, January 24 at 9:30 a.m. Central Time. Guidance for the first quarter and year 2006 will be issued during this conference call. This conference call will be web cast live through StreetEvents.com. To listen, simply visit the Investor Relations site at <http://www.adtran.com> or <http://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 <http://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 <http://www.adtran.com> for at least 12 months following the call.

ADTRAN, Inc. is one of the world's most successful network access equipment suppliers, with an 18-year history of profitability and a portfolio of more than 1,300 solutions for use in the last mile of today's telecommunications networks. Widely deployed by both carriers and enterprises, ADTRAN solutions enable voice, data, video, and Internet communications across copper, fiber, and wireless network infrastructures. ADTRAN solutions are currently in use by every major domestic service provider and many international ones, as well as by thousands of public, private and government organizations worldwide.

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, 2004 and our quarterly report on Form 10-Q for the quarter ended September 30, 2005. These risks and uncertainties could cause actual results to differ materially from those in the forward-looking statements included in this press release.

Condensed Balance Sheet  
December 31, 2005  
Unaudited  
(In thousands)

|   | December 31,<br>2005 |
|---|----------------------|
|   | -----                |
| Assets                                    |                      |
| Cash & cash equivalents                   | \$ 112,794           |
| Short-term investments                    | 154,080              |
| Accounts receivable (net)                 | 66,246               |
| Other receivables                         | 3,214                |
| Inventory (net)                           | 50,266               |
| Prepaid expenses and other current assets | 8,754                |
|   | -----                |
| Total current assets                      | 395,354              |
| Equipment (net)                           | 20,352               |
| Land                                      | 4,263                |
| Bldg. & land improvements (net)           | 60,418               |
| Other assets                              | 1,395                |
| Long-term investments                     | 170,836              |
|   | -----                |
| Total long-term assets                    | 257,264              |
|   | -----                |
| Total assets                              | \$ 652,618           |

|  |    |         |
|--|----|---------|
| =====                                      |    |         |
| Liabilities and stockholders' equity       |    |         |
| Accounts payable                           | \$ | 30,000  |
| Accrued wages and benefits                 |    | 11,678  |
| Accrued liabilities                        |    | 9,371   |
| -----                                      |    |         |
| Total current liabilities                  |    | 51,049  |
| Deferred tax liabilities                   |    | 5,330   |
| Other non-current liabilities              |    | 4,068   |
| Long term-debt                             |    | 50,000  |
| -----                                      |    |         |
| Total long-term liabilities                |    | 59,398  |
| Total liabilities                          |    | 110,447 |
| Stockholders' equity                       |    | 542,171 |
| -----                                      |    |         |
| Total liabilities and stockholders' equity | \$ | 652,618 |
| =====                                      |    |         |

Condensed Statements of Income (1) For the quarters ending 12/31/05 and 12/31/04

(In thousands, except per share data)

|   | Unaudited              |                        |
|---|------------------------|------------------------|
|   | Fourth Quarter<br>2005 | Fourth Quarter<br>2004 |
|   | -----                  | -----                  |
| Sales   | \$ 140,595             | \$ 104,626             |
| Cost of Sales                                   | 56,363                 | 46,083                 |
| -----   |                        |                        |
| Gross Profit                                    | 84,232                 | 58,543                 |
| Selling, general and administrative<br>expenses | 24,154                 | 23,040                 |
| Research and development expenses               | 14,857                 | 17,812                 |
| -----   |                        |                        |
| Profit from operations                          | 45,221                 | 17,691                 |
| Interest expense                                | (634)                  | (610)                  |
| Other income, net                               | 2,704                  | 3,764                  |
| -----   |                        |                        |
| Income before provision for income taxes        | 47,291                 | 20,845                 |
| Provision for income taxes                      | (15,095)               | (6,251)                |
| -----   |                        |                        |
| Net income                                      | \$ 32,196              | \$ 14,594              |
| =====   |                        |                        |
| Weighted average shares                         |                        |                        |
| Basic   | 76,295                 | 76,587                 |
| Diluted (2)                                     | 78,840                 | 78,725                 |
| Earnings per common share                       |                        |                        |
| Basic   | \$ 0.42                | \$ 0.19                |
| Diluted (2)                                     | \$ 0.41                | \$ 0.19                |

(1) Certain reclassifications have been made to the 2004 Income Statement in order to conform with the 2005 presentation. These reclassifications had no effect on previously reported net income.

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

Condensed Statements of Income (1) For the periods ending 12/31/05 and 12/31/04

(In thousands, except per share data)

|  | Unaudited          |                    |
|--|--------------------|--------------------|
|  | Year Ended<br>2005 | Year Ended<br>2004 |
|  | -----              | -----              |
| Sales  | \$ 513,215         | \$ 454,517         |
| Cost of Sales                                | 209,895            | 195,182            |
|  | -----              | -----              |
| Gross Profit                                 | 303,320            | 259,335            |
| Selling, general and administrative expenses | 96,411             | 90,190             |
| Research and development expenses            | 62,654             | 67,384             |
|  | -----              | -----              |
| Profit from operations                       | 144,255            | 101,761            |
| Interest expense                             | (2,535)            | (2,542)            |
| Other income, net                            | 11,654             | 10,797             |
|  | -----              | -----              |
| Income before provision for income taxes     | 153,374            | 110,016            |
| Provision for income taxes                   | (52,224)           | (34,875)           |
|  | -----              | -----              |
| Net income                                   | \$ 101,150         | \$ 75,141          |
|  | =====              | =====              |
| Weighted average shares                      |                    |                    |
| Basic  | 75,775             | 78,235             |
| Diluted (2)                                  | 77,966             | 80,985             |
| Earnings per common share                    |                    |                    |
| Basic  | \$ 1.33            | \$ 0.96            |
| Diluted (2)                                  | \$ 1.30            | \$ 0.93            |

(1) Certain reclassifications have been made to the 2004 Income Statement in order to conform with the 2005 presentation. These reclassifications had no effect on previously reported net income.

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

**CONTACT: ADTRAN, Inc.**  
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or  
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