

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): **April 14, 2008**

**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 April 14, 2008, ADTRAN, Inc. announced its financial results for the fiscal quarter ended March 31, 2008 and certain other information.

ADTRAN also announced that its Board of Directors has authorized the repurchase of an additional 5,000,000 shares of the Company's common stock to commence upon completion of the repurchase plan announced July 16, 2007.

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 May 1, 2008. The ex-dividend date is April 29, 2008 and the payment date is May 15, 2008.

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 March 31, 2008 on the Investor Relations page of its website, [www.adtran.com](http://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.**

(c) Exhibits.

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

<b><u>Exhibit Number</u></b>	<b><u>Description</u></b>
99.1	Press Release dated April 14, 2008.
99.2	Revenues by product and segment classification

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## 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 April 14, 2008.

**ADTRAN, Inc.**  
**(Registrant)**

By: /s/ James E. Matthews

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James E. Matthews  
Senior Vice President – Finance,  
Chief Financial Officer, Treasurer,  
Secretary and Director

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## EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated April 14, 2008.
99.2	Revenues by product and segment classification

## ADTRAN, Inc. Reports First Quarter 2008 Results, Announces Additional Five Million Share Repurchase Plan and Declares Quarterly Cash Dividend

HUNTSVILLE, Ala.--(BUSINESS WIRE)--ADTRAN, Inc. (NASDAQ:ADTN) reported results for the first quarter of 2008. Sales increased 9% to a first quarter record of \$119,885,000 compared to \$110,312,000 for the first quarter of 2007. Operating income increased 20% for the quarter to \$25,140,000 compared to \$20,956,000 for the first quarter of 2007. Net income was \$17,047,000 for the quarter compared to \$16,928,000 for the first quarter of 2007. Earnings per share, assuming dilution, were \$0.26 for the quarter compared to \$0.24 for the first quarter of 2007.

ADTRAN Chief Executive Officer Tom Stanton stated, "Momentum in our growth businesses overcame typical seasonality and a tepid enterprise spending environment. For the quarter, our growth businesses, which include Broadband Access, Internetworking and Optical Access, achieved record revenues, growing 44% year-over-year. Broadband Access achieved a record level with 57% year-over-year revenue growth. Internetworking also achieved record revenues for the quarter growing 34% year-over-year and Optical Access saw 30% year-over-year revenue growth for the quarter. We believe recent trends in these businesses provide early indications of the success we anticipate in these new markets."

The Company also reported that the provision for income taxes in the first quarter of 2008 was unusually high due to delays in federal legislation required to extend research tax credits for the 2008 year. For comparison purposes, the first quarter results for 2007 included benefits from life insurance proceeds and closure of prior year tax audits that increased earnings per share, assuming dilution, by approximately \$0.02.

The Company announced that its Board of Directors has authorized the repurchase of an additional 5,000,000 shares of the Company's common stock to commence upon completion of the repurchase plan announced July 16, 2007. During the first quarter of 2008, the Company repurchased 771,000 shares of its common stock under the July 2007 plan. There are 761,000 shares remaining to be repurchased under the July 2007 plan. Upon completion of the current plan, the new plan will be implemented through open market or private purchases from time to time as conditions warrant. Since the beginning of 2004, the Company has repurchased a total of 18,562,000 shares of its common stock.

The Company also announced that its Board of Directors declared a cash dividend for the first quarter of 2008. The quarterly cash dividend is \$0.09 per common share to be paid to holders of record at the close of business on May 1, 2008. The ex-dividend date is April 29, 2008 and the payment date is May 15, 2008.

The Company also confirmed that its first quarter conference call will be held Tuesday, April 15, 2008 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 <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 a leading global provider of networking and communications equipment, with a portfolio of more than 1,700 solutions for use in the last mile of today's telecommunications networks. Widely deployed by carriers and enterprises alike, 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 U.S. service provider and many global ones, as well as by thousands of public, private and governmental organizations worldwide.

For more information, contact the company at 800 9ADTRAN (800 923-8726) or via email at [info@adtran.com](mailto:info@adtran.com). On the Web, visit [www.adtran.com](http://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, 2007. 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 Unaudited (In thousands)

	<u>March 31,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 39,085	\$ 13,941

Short-term investments	153,578	148,416
Accounts receivable, net	70,794	70,667
Other receivables	3,183	3,085
Inventory, net	47,445	48,546
Prepaid expenses and other current assets	10,126	9,682
<b>Total current assets</b>	<b>324,211</b>	<b>294,337</b>
Property, plant and equipment, net	75,482	75,969
Deferred tax assets, net	3,047	1,113
Other assets	505	505
Long-term investments	86,262	107,296
<b>Total assets</b>	<b>\$ 489,507</b>	<b>\$ 479,220</b>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 25,557	\$ 22,200
Unearned revenue	5,719	5,361
Accrued expenses	4,139	3,801
Accrued wages and benefits	8,305	10,497
Income tax payable, net	11,707	1,217
<b>Total current liabilities</b>	<b>55,427</b>	<b>43,076</b>
Other non-current liabilities	9,438	9,213
Bonds payable	48,500	48,500
<b>Total liabilities</b>	<b>113,365</b>	<b>100,789</b>
<b>Stockholders' equity</b>	<b>376,142</b>	<b>378,431</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 489,507</b>	<b>\$ 479,220</b>

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

	<b>Three Months Ended March 31, 2008</b>	<b>Three Months Ended March 31, 2007</b>
Sales	\$ 119,885	\$ 110,312
Cost of sales	49,645	44,522
Gross profit	70,240	65,790
Selling, general and administrative expenses	25,547	26,476
Research and development expenses	19,553	18,358
Operating income	25,140	20,956
Interest and dividend income	2,283	2,908
Interest expense	(619)	(619)
Net realized investment gain (loss)	(89)	83
Other income, net	127	298
Life insurance proceeds	-	1,000
Income before provision for income taxes	26,842	24,626
Provision for income taxes	(9,795)	(7,698)
Net income	\$ 17,047	\$ 16,928
Weighted average shares outstanding		
Basic	64,598	69,358
Diluted (1)	65,452	70,889
Earnings per common share		
Basic	\$ 0.26	\$ 0.24
Diluted (1)	\$ 0.26	\$ 0.24

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

**Stock Based Compensation Expense**  
(In thousands)

	<u>Three Months Ended</u>	
	<u>March 31,</u>	
	<u>2008</u>	<u>2007</u>
<b>Stock-based compensation expense included in cost of sales</b>	<b>\$ 79</b>	<b>\$ 93</b>
Selling, general and administrative expense	954	1,079
Research and development expense	1,006	1,067
<b>Stock-based compensation expense included in operating expenses</b>	<b>1,960</b>	<b>2,146</b>
Total stock-based compensation expense	<b>2,039</b>	<b>2,239</b>
Tax benefit for expense associated with non-qualified options	(208)	(186)
<b>Total stock-based compensation expense, net of tax</b>	<b>\$ 1,831</b>	<b>\$ 2,053</b>

**Consolidated Statements of Cash Flow**  
**For the Three Months ended March 31,**  
**Unaudited**  
(In thousands)

	<u>2008</u>	<u>2007</u>
<b>Cash flows from operating activities:</b>		
Net income	<b>\$ 17,047</b>	<b>\$ 16,928</b>
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,392	2,628
Amortization of net premium on available-for-sale investments	372	586
Net realized loss (gain) on long-term investments	89	(83)
Loss (gain) on disposal of property, plant and equipment	(1)	65
Stock-based compensation expense	2,039	2,239
Deferred income taxes	(1,046)	(1,041)
Tax benefit from stock option exercises	119	1,284
Excess tax benefits from stock-based compensation arrangements	(36)	(1,082)
Change in operating assets and liabilities:		
Accounts receivable, net	(127)	522
Other receivables	(98)	3,678
Income tax receivable, net	-	1,446
Inventory, net	1,101	4,219
Prepaid expenses and other assets	(314)	181
Accounts payable	3,357	(11,070)
Accrued expenses and other liabilities	(1,271)	(2,416)
Income tax payable, net	10,490	5,190
<b>Net cash provided by operating activities</b>	<b>34,113</b>	<b>23,274</b>
<b>Cash flows from investing activities:</b>		
Purchases of property, plant and equipment	(1,904)	(2,054)
Proceeds from sales and maturities of available-for-sale investments	73,768	43,846
Purchases of available-for-sale investments	(61,089)	(67,040)
<b>Net cash provided by (used in) investing activities</b>	<b>10,775</b>	<b>(25,248)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from stock option exercises	630	6,218
Purchases of treasury stock	(14,871)	(15,188)
Dividend payments	(5,846)	(6,236)
Excess tax benefits from stock-based compensation arrangements	36	1,082
<b>Net cash used in financing activities</b>	<b>(20,051)</b>	<b>(14,124)</b>
Net increase (decrease) in cash and cash equivalents	24,837	(16,098)
Effect of exchange rate changes	307	119
<b>Cash and cash equivalents, beginning of period</b>	<b>13,941</b>	<b>40,147</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 39,085</b>	<b>\$ 24,168</b>

CONTACT:

**ADTRAN, Inc.**

Jim Matthews, 256-963-8775

Senior Vice President/CFO

or

Investor Services/Assistance:

Gayle Ellis, 256-963-8220

**ADTRAN, INC.**  
(In thousands)

**Product Revenues:**

	<u>Q1 2008</u>	<u>Q1 2007</u>
Loop Access	\$ 47,697	\$ 51,248
Carrier Systems	51,202	39,564
Business Networking	20,986	19,500
	<u><b>\$119,885</b></u>	<u><b>\$110,312</b></u>

**Subcategories included in above:**

Broadband Access (included in Carrier Systems)	\$ 28,602	\$ 18,271
Optical Access (included in Carrier Systems)	11,166	8,617
Internetworking (Netvanta & Multi-service Access Gateway) (included in Business Networking)	14,913	11,092
Growth Products	<u>54,681</u>	<u>37,980</u>
Percentage of Total Revenue	46%	34%
HDSL (does not include T1) (included in Loop Access)	41,950	43,752
Other products	<u>23,254</u>	<u>28,580</u>
Traditional Products	<u>65,204</u>	<u>72,332</u>
Percentage of Total Revenue	54%	66%
	<u><b>\$119,885</b></u>	<u><b>\$110,312</b></u>

**Segment Revenues:**

Carrier Networks	\$ 94,472	\$ 84,446
Enterprise Networks	<u>25,413</u>	<u>25,866</u>
	<u><b>\$119,885</b></u>	<u><b>\$110,312</b></u>

**Sales by Geographic Region:**

United States	\$113,439	\$102,472
International	<u>6,446</u>	<u>7,840</u>
	<u><b>\$119,885</b></u>	<u><b>\$110,312</b></u>