ADTRAN INC

FORM 10-Q
(Quarterly Report)

Filed 8/13/1997 For Period Ending 6/30/1997

Address	901 EXPLORER BLVD
	HUNTSVILLE, Alabama 35806
Telephone	256-963-8000
CIK	0000926282
Industry	Communications Equipment
Sector	Technology
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the Quarterly Period Ended June 30, 1997

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 0-24612

ADTRAN, INC.

(Exact name of Registrant as specified in its charter)

Delaware (State of Incorporation)	63-0918200 (I.R.S. Employer Identification No.)

901 Explorer Boulevard, Huntsville, Alabama 35806-280
(Address of principal executive offices, including zip code)

(205) 963-8000
(Registrant's telephone number, including area code)

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 twelve 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 x No

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock as of the latest practicable date:

Class Outstanding at July 31, 1997

Common Stock, $.01 Par Value 39,264,889 shares

Index of Exhibits on Page 15

ADTRAN, INC.

Quarterly Report on Form 10-Q
For the Quarter Ended June 30, 1997

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ADTRAN, INC.
CONDENSED BALANCE SHEETS

ASSETS

	December 31, 1996	June 30 1997 (Unaudited)
Current assets:		
Cash and cash equivalents	$44,839,131	$21,578,144
Short-term investments	32,555,930	28,533,240
Accounts receivable, less allowance for doubtful accounts of $872,724 and $859,542 in 1996 and 1997, respectively	33,825,560	31,755,693
Other receivables	362,578	453,585
Inventory	40,792,646	54,919,252
Prepaid expenses	2,261,338	2,305,986
Deferred tax assets	1,598,750	1,598,750
Total current assets	156,235,933	141,144,650
Property, plant and equipment, less accumulated depreciation of $13,637,007 and $17,188,755 in 1996 and 1997, respectively	53,971,213	62,171,355
Long-term investments	0	50,000,000
	$210,207,146	$253,316,005

LIABILITIES AND STOCKHOLDER'S EQUITY

	December 31, 1996	June 30 1997 (Unaudited)
Current liabilities:		
Accounts payable	$9,350,266	$9,819,502
Accrued salaries	2,454,194	2,071,625
Accrued income taxes	1,803,706	0
Accrued taxes other than income taxes	338,997	350,997
Accrued interest payable	59,594	0
Warranty payable	1,026,156	1,080,270
Accrued vacation	693,218	923,824
Total current liabilities	15,726,131	14,246,218
Long term liabilities:		
Long term debt	20,000,000	50,000,000
Deferred income taxes	1,602,116	1,602,116
Total liabilities	37,328,247	65,848,334
Stockholders' equity:		
Common stock, par value $.01 per share 200,000,000 shares authorized: 38,769,514 and 39,312,639 shares issued in 1996 and 1997, respectively	387,695	393,126
Additional paid-in capital	90,172,863	90,453,662
Retained earnings	82,318,341	98,820,883
Treasury stock at cost, 100,000 shares	0	(2,200,000)
Net stockholders' equity	172,878,899	187,467,671
	$210,207,146	$253,316,005

See notes to condensed financial statements

ADTRAN, INC.
CONDENSED STATEMENTS OF INCOME

Unaudited

	Three Months Ended June 30,		Six Months Ended June 30,	
	1996	1997	1996	1997
Sales	$63,305,259	$59,125,208	$117,849,700	$120,355,392
Cost of sales	33,370,298	30,493,144	62,230,572	59,931,941
Gross profit	29,934,961	28,632,064	55,619,128	60,423,451
Selling, general and administrative expenses	7,959,675	10,624,484	15,217,363	21,161,999
Research and development expenses	6,173,695	7,716,639	11,624,120	14,711,897
Income from operations	15,801,591	10,290,941	28,777,645	24,549,555
Interest expense	(166,834)	(508,665)	(446,870)	(751,199)
Other income	667,861	1,124,401	1,079,288	1,986,866
Income before income taxes	16,302,618	10,906,677	29,410,063	25,785,222
Provision for income taxes	(5,962,397)	(3,926,404)	(10,446,454)	(9,282,680)
Net income	$10,340,221	$6,980,273	$18,963,609	$16,502,542
Net income per common and common equivalent share	$ .26	$ .18	$ .48	$ .42
Weighted average common and common equivalent shares outstanding	39,581,732	39,525,254	39,580,123	39,539,532

See notes to condensed financial statements

ADTRAN, INC.
CONDENSED STATEMENTS OF CASH FLOWS
Unaudited

	Six Months Ended June 30, 1996	Six Months Ended June 30, 1997
Cash flows from operating activities:		
Net income	$18,963,609	$16,502,542
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,048,429	3,597,865
Provision for losses on accounts receivable	154,598	0
Provision for losses on inventory	1,702,954	1,216,879
Provision for losses on warranty claims	529,729	702,402
(Gain) loss on sale of property, plant and equipment	12,861	(12,220)
Loss on short-term investments	355,885	55,930
Change in operating assets:		
Accounts receivable	(3,653,650)	2,069,867
Inventory	(2,794,996)	(15,343,485)
Other current assets	(381,409)	(135,655)
Change in operating liabilities:		
Accounts payable	(2,913,244)	469,236
Other liabilities	(649,695)	(2,651,551)
Net cash provided by operating activities	13,375,071	6,471,810
Cash flows from investing activities:		
Expenditures for property, plant and equipment	(16,535,490)	(11,814,233)
Proceeds from the disposition of property, plant and equipment	4,602	28,446
Purchase of restricted investments	0	(50,000,000)
Net (purchase) sale of short-term investments	(2,478,820)	3,966,760
Net cash provided by (used in) investing activities	(19,009,708)	(57,819,026)
Cash flows from financing activities:		
Proceeds from issuance of bonds	0	50,000,000
Redemption of bonds payable	0	(20,000,000)
Purchase of treasury stock	0	(2,200,000)
Proceeds from issuance of common stock	468,692	286,230
Net cash provided by financing activities	468,692	28,086,230
Net increase (decrease) in cash and cash equivalents	(5,165,945)	(23,260,987)
Cash and cash equivalents, beginning of period	35,027,609	44,839,131
Cash and cash equivalents, end of period	$29,861,664	$21,578,144
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest, net of $193,566 and $126,434 of capitalized interest in 1996 and 1997, respectively	$ 658,653	$848,506
Cash paid during the period for taxes	$ 11,168,075	$11,673,130

See notes to condensed financial statements

ADTRAN, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION The accompanying unaudited condensed financial statements of ADTRAN, Inc. (the "Company") have been prepared pursuant to the rules and regulations for reporting on Form 10-Q. Accordingly, certain information and notes required by generally accepted accounting principles for complete financial statements are not included herein. In the opinion of management, all adjustments necessary for a fair presentation of these interim statements have been included and are of a normal and recurring nature. Operating results for the six months ended June 30, 1997 are not necessarily indicative of the results that may be expected for the year ending December 31, 1997. The interim statements should be read in conjunction with the financial statements and notes thereto included in the Company's latest Annual Report on Form 10-K.

2. INVENTORY

At December 31, 1996 and June 30, 1997, inventory consisted of the following:

	December 31, 1996	June 30, 1997
Raw materials	$24,454,251	$30,847,510
Work in progress	2,963,220	5,723,930
Finished goods	13,375,175	18,347,812
	$40,792,646	$54,919,252

3. THE ALABAMA STATE INDUSTRIAL DEVELOPMENT AUTHORITY

The Company's long-term debt outstanding as of June 30, 1997,consisted of a loan in the amount of $50,000,000 related to the expansion of the Company's facilities in Huntsville, Alabama. The Company is continuing a project to expand its facilities in Huntsville in phases over the next four years at a cost expected to exceed $100,000,000, of which $43,331,614 had been incurred at June 30, 1997. The debt associated with $50,000,000 of this project has been approved for participation in an incentive program offered by the Alabama State Industrial Development Authority (the "Authority"). That incentive program enables participating companies such as the Company to generate Alabama corporate income tax credits that can be used to reduce the amount of Alabama corporate income taxes that would otherwise be payable. There can be no assurance that the State of Alabama will continue to make these corporate income tax credits available in the future, and the Company therefore may not realize the full benefit of these incentives. The Company will make payments to the Authority in amounts necessary to pay the principal of and interest on the Authority's Taxable Revenue Bond, Series 1995 (ADTRAN, Inc. Project), as amended, currently outstanding in the aggregate principal amount of $50,000,000. Said bond matures on January 1, 2020, and bears interest at the rate of 45 basis points over the money market rate of First Union National Bank of Tennessee.

4. RECENT ACCOUNTING DEVELOPMENTS

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings Per Share" (SFAS 128). SFAS 128 supersedes existing generally accepted accounting principles relative to the calculation of earnings per share, is effective for years ending after December 15, 1997 and requires restatement of all prior period earnings per share information upon adoption. Generally, SFAS 128 requires a calculation of basic earnings per share, which takes into consideration income (loss) available to common shareholders and the weighted average of common shares outstanding. SFAS 128 also requires the calculation of diluted earnings per share, which takes into account the impact of all additional common shares that would have been outstanding if all dilutive potential common shares relating to options, warrants, and convertible securities had been issued, as long as their effect is dilutive, with a related adjustment of income available for common shareholders, as appropriate. SFAS 128 requires dual presentation of basic and diluted earnings per share on the face of the statement of operations and requires a reconciliation of the numerator and denominator of the basic earnings per share computation. The Company does not expect the effect of its adoption of SFAS 128 to be material.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

ADTRAN, Inc. (the "Company") designs, develops, manufactures, markets and services a broad range of high speed digital transmission products utilized by telephone companies ("Telcos") and corporate end-users to implement advanced digital data services over existing telephone networks. The Company currently sells its products to Telcos (including all of the Regional Bell Operating Companies), Original Equipment Manufacturers ("OEMs") and, since 1991, private end-users in the Customer Premises Equipment ("CPE") market.

The Company's sales have increased each year, with the exception of the second quarter of 1997, due primarily to increases in the number of units sold to both new and existing customers. These annual sales increases reflect the Company's strategy of increasing unit volume and market share through the introduction of succeeding generations of products having lower selling prices and increased functionality as compared to the prior generation of a product and to the products of competitors. An important part of the Company's strategy is to engineer the reduction of the product cost of each succeeding product generation and then to lower the product's price based on the cost savings achieved. As a part of this strategy, the Company seeks in most instances to be a low cost, high quality provider of products in its markets. The Company's success to date is attributable in large measure to its ability to initially design its products with a view to their subsequent re-design, allowing efficient enhancements of the product in each succeeding product generation. This strategy has enabled the Company to sell succeeding generations of products to existing customers as well as to increase its market share by selling these enhanced products to new customers.

The Company intends to retain all earnings for use in the development of its business and does not anticipate paying any cash dividends in the foreseeable future.

When used in this Form 10-Q, the words "believe," "anticipate," "think," "intend," "will be," and similar expressions identify forward-looking statements. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward looking statements which speak only as of the date hereof. Readers are also urged to carefully review and consider the various disclosures made by the Company which attempt to advise interested parties of the factors which affect the Company's business, including the disclosures made in other periodic reports on Forms 10-K, 10-Q and 8-K, when appropriate, filed with the Securities and Exchange Commission.

Results of Operations - Three Months and Six Months Ended June 30, 1996 Compared to Three Months and Six Months Ended June 30, 1997

Sales

The Company's sales decreased 6.6% from $63,305,259 in the three months ended June 30, 1996 to $59,125,208 in the three months ended June 30, 1997. However, sales increased 2.1% from $117,849,700 in the six months ended June 30, 1996 to $120,355,392 in the six months ended June 30, 1997. The increased sales resulted from an increase in sales volume to existing customers and from increased market penetration. Sales to Telcos decreased 13.4% from $40,333,248 in the three months ended June 30, 1996 to $34,944,502 in the three months ended June 30, 1997 and decreased less than 1% from $72,718,633 in the six months ended June 30, 1996 to $72,152,599 in the six months ended June 30, 1997. The decrease in Telco sales in the 1997 period resulted primarily from decreased sales of Integrated Services Digital Network ("ISDN") products and Digital Data Service ("DDS") products. Telco sales as a percentage of total sales decreased from 63.7% in the three months ended June 30, 1996 to 59.1% in the three months ended June 30, 1997 and decreased from 61.7% in the six months ended June 30, 1996 to 60.0% in the six months ended June 30, 1997. Sales of CPE products increased 30.7% from $15,582,164 in the three months ended June 30, 1996 to $20,361,008 in the three months ended June 30, 1997 and increased 23.4% from $30,725,374 in the six months ended June 30, 1996 to $37,929,951 in the six months ended June 30, 1997, as a result of increased CPE sales of ISDN products and T1 Service Unit ("TSU") products. OEM sales decreased 48.3% from $7,389,848 in the three months ended June 30, 1996 to $3,819,698 in the three months ended June 30, 1997 and decreased 28.7% from $14,405,693 in the six months ended June 30, 1996 to $10,272,842 in the six months ended June 30, 1997. This decrease was attributable primarily to reduced demand related to mature programs combined with the low volume normally encountered on new programs. Additionally, the Company has converted numerous products originally developed under OEM contract status to ADTRAN standard product status. This conversion was accomplished with permission from the OEM contract holders and was done to allow the Company to pursue markets directly that will no longer support a two-tier distribution structure. The financial effect of the increase in overall unit volume was offset somewhat by lower unit selling prices for many of the Company's products.

Cost of Sales

Cost of sales decreased 8.6% from $33,370,298 in the three months ended June 30, 1996 to $30,493,144 in the three months ended June 30, 1997 and decreased 3.7% from $62,230,572 in the six months ended June 30, 1996 to $59,931,941 in the six months ended June 30, 1997. As a percentage of sales, cost of sales decreased from 52.7% in the three months ended June 30, 1996 to 51.6% in the three months ended June 30, 1997 and decreased from 52.8% in the six months ended June 30, 1996 to 49.8%in the six months ended June 30, 1997. An important part of the Company's strategy is to reduce the product cost of each succeeding product generation and then to lower the product's price based on the cost savings achieved. This strategy sometimes results in variations in the Company's gross profit margin due to timing differences between the recognition of cost reductions and the lowering of product selling prices. In view of the rapid pace of new product introductions by the Company, this strategy may result in variations in gross profit margins that, for any particular financial period, can be difficult to predict.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased 33.5% from $7,959,675 in the three months ended June 30, 1996 to $10,624,484 in the three months ended June 30, 1997 and increased 39.1% from $15,217,363 in the six months ended June 30, 1996 to $21,161,999 in the six months ended June 30, 1997. The increase was due to additional sales and support expenditures necessary as a result of the Company's expanded sales base, increased distribution activities associated with the CPE market, and general expansion into international markets. Selling, general and administrative expenses as a percentage of sales increased from 12.6% in the three months ended June 30, 1996 to 18.0% in the three months ended June 30, 1997 and increased from 12.9% in the six months ended June 30, 1996 to 17.6% in the six months ended June 30, 1997.

Research and Development Expenses

Research and development expenses increased 25.0% from $6,173,695 in the three months ended June 30, 1996 to $7,716,639 in the three months ended June 30, 1997 and increased 26.6% from $11,624,120 in the six months ended June 30, 1996 to $14,711,897 in the six months ended June 30, 1997. The increase was due to increased engineering costs associated with new product introductions and product cost and feature enhancement activities. As a percentage of sales, research and development expenses increased from 9.8% in the three months ended June 30, 1996 to 13.1% in the three months ended June 30, 1997 and increased from 9.9% in the six months ended June 30, 1996 to 12.2% in the six months ended June 30, 1997.

Interest Expense

Interest expense increased 204.9% from $166,834 in the three months ended June 30, 1996 to $508,665 in the three months ended June 30, 1997 and increased 68.1% from $446,870 in the six months ended June 30, 1996 to $751,199 in the six months ended June 30, 1997. The increase was due to interest cost incurred as a part of the cost of acquiring certain assets. The Company paid interest on $50,000,000 of revenue bond proceeds of which $20,000,000 was loaned to the Company in January 1995 and $30,000,000 was loaned to the Company in April 1997. The proceeds are being used to expand the Company's facilities in Huntsville, Alabama. See "Liquidity and Capital Resources" below.

Net Income

As a result of the above factors, net income decreased 32.5% from $10,340,221 in the three months ended June 30, 1996, to $6,980,273 in the three months ended June 30, 1997 and decreased 13.0% from $18,963,609 in the six months ended June 30, 1996 to $16,502,542 in the six months ended June 30, 1997. As a percentage of sales, net income decreased from 16.3% in the three months ended June 30, 1996 to 11.8% in the three months ended June 30, 1997 and decreased from 16.1% in the six months ended June 30, 1996 to 13.7% in the six months ended June 30, 1997.

Liquidity and Capital Resources

The Company is continuing a project to expand its facilities in Huntsville, Alabama in phases over the next four years at a cost expected to exceed $100,000,000 of which $43,331,614 had been incurred at June 30, 1997. The debt associated with $50,000,000 of this project has been approved for participation in an incentive program offered by the Alabama State Industrial Development Authority (the "Authority"). That incentive program enables participating companies such as the Company to generate Alabama corporate income tax credits that can be used to reduce the amount of Alabama corporate income taxes that would otherwise be payable. There can be no assurance that the State of Alabama will continue to make these corporate income tax credits available in the future, and the Company therefore may not realize the full benefit of these incentives. The Company will make payments to the Authority in amounts necessary to pay the principal of and interest on the Authority's Taxable Revenue Bond, Series 1995 (ADTRAN, Inc. Project), as amended, currently outstanding in the aggregate principal amount of $50,000,000. Said bond matures on January 1, 2020 and bears interest at the rate of 45 basis points over the money market rate of First Union National Bank.

The Company's working capital position declined from $140,509,802 as of December 31, 1996 to $126,898,432 as of June 30, 1997. This decline was due to a reclassification of the Company's investments in the amount of $20,000,000 that were classified as a short-term investment at December 31, 1996 and reinvested on April 25, 1997 as a long-term investment. The Company has used, and expects to continue to use, the remaining proceeds of prior public offerings for working capital and other general corporate purposes, including (i) product development activities to enhance its existing products and develop new products and (ii) expansion of sales and marketing activities. Inventory increased 34.6% from December 31, 1996 to June 30, 1997. This increase was attributable to the introduction of new products and to lower than anticipated sales volume.

On March 31, 1997, the Board of Directors authorized the Company to repurchase up to 1,000,000 shares of the Company's outstanding common stock. As of June 30, 1997, the Company had repurchased 100,000 shares of its common stock at a total cost of $2,200,000.

Capital expenditures totaling $29,661,438 in 1996 and $11,814,233 in the first six months of 1997 were used to expand the Company's headquarters and to purchase equipment.

At June 30, 1997, the Company's cash on hand of $21,578,144, investments of $28,533,240 and $10,000,000 available under a $10,000,000 bank line of credit placed the Company's potential cash availability at $60,111,384, of which a portion is being used to expand the Company's facilities under the incentive program described above. The Company's $10,000,000 bank line of credit bears interest at the rate of 87.5 basis points over the 30 day London inter-bank offered rate. The Company intends to renew its $10,000,000 bank line of credit upon expiration.

The Company intends to finance its operations in the future with cash flow from operations, the remaining net proceeds of the public offerings, amounts available under the bank line of credit, borrowed taxable revenue bond proceeds, and possible additional public financings. These available sources of funds are expected to be adequate to meet the Company's operating and capital needs for the foreseeable future.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

The 1997 Annual Meeting of Stockholders of the Company was held on April 23, 1997. Proxies with regard to the matters to be voted upon at the Annual Meeting were solicited under Regulation 14A of the Securities Exchange Act of 1934, as amended. Set forth below is a brief description of each matter voted upon at the Annual Meeting and the results of the voting on each such matter.

(a) Election of the seven directors named below to serve until the next Annual Meeting of Stockholders. There was no solicitation in opposition to any of the nominees listed in the proxy statement, and all of the nominees were elected.

	Votes	
Nominees	For	Withheld
Mark C. Smith	36,871,579	125,545
Lonnie S. McMillian	36,872,829	124,295
Howard A. Thrailkill	36,660,354	336,770
O.Gene Gabbard	36,886,383	110,741
William J. Marks	35,405,168	1,591,956
Roy J. Nichols	36,885,179	111,945
James L. North	36,652,429	344,695

(b) Resolution to adopt an amendment to the Certificate of Incorporation of the Company to increase the number of authorized shares of Common Stock, par value $.01 per share, from 60,000,000 shares to 200,000,000 shares.

	Votes	
For	Against	Abstain
34,848,623	2,130,511	17,990

(c) Resolution to adopt an amendment to the ADTRAN, Inc. 1996 Employees Incentive Stock Option Plan to increase the number of shares available for issuance thereunder from 488,100 shares to 2,488,100 shares.

	Votes	
For	Against	Abstain
31,317,653	334,963	25,810

(d) Ratification of the appointment of Coopers & Lybrand L.L.P. as independent accountants of the Company for 1997.

	Votes	
For	Against	Abstain
36,963,311	17,245	16,568

Item 6. Exhibits and Reports on Form 8-K

(a) The following exhibits are being filed with this report.

Exhibit No.	Description
11	Weighted Average Common and Common Equivalent Shares Outstanding
27	Financial Data Schedule

(b) Reports on Form 8-K. None

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ADTRAN, INC.
(Registrant)

Date: August 13, 1997

/s/ John R. Cooper

John R. Cooper
Vice President - Finance and
Chief Financial Officer

INDEX OF EXHIBITS

EXHIBIT 11

ADTRAN, INC

WEIGHTED AVERAGE COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING
For the Three Months and Six Months Ended June 30, 1996 and 1997

	Three Months Ended June 30,		Six Months Ended June 30,	
	1996	1997	1996	1997
Weighted average common shares outstanding....................	38,649,998	39,244,514	38,472,186	39,137,998
Net weighted average common stock options outstanding under the treasury stock method................	931,734	280,740	1,107,307	401,534
Weighted average common and common equivalent shares outstanding.............................	39,581,732	39,525,254	39,580,123	39,539,532
Net income..	$10,340,221	$6,980,273	$18,963,609	$16,502,542
Net income per common and common equivalent share..	$ .26	$ .18	$ .48	$ .42

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED STATEMENT OF INCOME FOR THE SIX MONTHS ENDED JUNE 30, 1997 AND THE CONDENSED BALANCE SHEET AS OF JUNE 30, 1997 AND IS QUALIFIED IN INTS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

CIK: 0000926282

NAME: ADTRAN, INC.

MULTIPLIER: 1

CURRENCY: US Dollar

PERIOD TYPE	6 MOS
FISCAL YEAR END	DEC 31 1997
PERIOD START	JAN 01 1997
PERIOD END	JUN 30 1997
EXCHANGE RATE	1
CASH	$21,578,144
SECURITIES	28,533,240
RECEIVABLES	32,615,235
ALLOWANCES	(859,542)
INVENTORY	54,919,252
CURRENT ASSETS	141,144,650
PP&E	79,360,110
DEPRECIATION	(17,188,755)
TOTAL ASSETS	253,316,005
CURRENT LIABILITIES	14,246,218
BONDS	50,000,000
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	393,126
OTHER SE	187,074,545
TOTAL LIABILITY AND EQUITY	253,316,005
SALES	120,355,392
TOTAL REVENUES	120,355,392
CGS	59,931,941
TOTAL COSTS	59,931,941
OTHER EXPENSES	21,161,999
LOSS PROVISION	0
INTEREST EXPENSE	751,199
INCOME PRETAX	25,785,222
INCOME TAX	9,282,680
INCOME CONTINUING	16,502,542
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	16,502,542
EPS PRIMARY	0.42
EPS DILUTED	0.42

End of Filing