
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 24, 2005

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 24, 2005, ADTRAN, Inc. announced its financial results for the fiscal quarter ended December 31, 2004 and certain other information. ADTRAN also announced that its Board of Directors declared a quarterly cash dividend. The quarterly cash dividend is \$0.08 per common share to be paid to holders of record at the close of business on February 4, 2005. The ex-dividend date is February 2, 2005 and the payment date is February 16, 2005. 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.

Exhibit Number	Description
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99.1	Press Release dated January 24, 2005
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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 January 24, 2005.

**ADTRAN, Inc.
(Registrant)**

By: /s/ James E. Matthews

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 24, 2005
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ADTRAN, INC.
REPORTS YEAR and FOURTH QUARTER 2004 RESULTS and DECLARES QUARTERLY CASH DIVIDEND

HUNTSVILLE, Ala.—(BUSINESS WIRE) —January 24, 2005—ADTRAN, Inc. (NASDAQ:ADTN - News) reported results for the year and fourth quarter ended December 31, 2004. Sales increased 15% to \$454,805,000 for the year compared to \$396,676,000 for 2003, and net income increased 23% to \$75,403,000 for the year compared to \$61,515,000 for 2003. Earnings per share, assuming dilution, were \$0.93 for the year compared to \$0.76 for 2003.

Sales were \$104,913,000 for the fourth quarter compared to \$113,815,000 for the fourth quarter of 2003. Net income was \$14,856,000 for the fourth quarter compared to \$21,432,000 for the fourth quarter of 2003. Earnings per share, assuming dilution, were \$0.19 for the quarter compared to \$0.26 for the fourth quarter of 2003.

Net cash provided by operating activities totaled \$86 million for the year and \$27 million for the fourth quarter.

ADTRAN Chairman and Chief Executive Officer Mark Smith stated, “During 2004, we continued to escalate our positions in new, significantly larger markets, in addition to solidifying our leadership positions within our traditional markets. After experiencing significant revenue growth since 2002, we saw a pause in our markets in the last half of 2004. We anticipate this pause will resolve itself as employment and IT spending continue to expand and as carriers continue to aggressively promote consumer broadband services.”

Mr. Smith also stated, “During the quarter, research and development expenses increased \$2.6 million compared to the same quarter in 2003. A significant portion of this increase relates to approval activities for optical access products and acceleration of approval activities as a result of recent DSLAM successes.”

The Company also announced that its Board of Directors declared a cash dividend for the seventh consecutive quarter. The quarterly cash dividend is \$0.08 per common share to be paid to holders of record at the close of business on February 4, 2005. The ex-dividend date is February 2, 2005 and the payment date is February 16, 2005.

The Company also confirmed that its fourth quarter conference call will be held Tuesday, January 25 at 9:30 a.m. Central Time. Guidance for the first quarter and full year 2005 will be issued during this conference call. This conference call will be webcast 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 a 16-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, 2003. Such 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, 2004
Unaudited
(In thousands)

December 31,
2004

Assets	
Cash & cash equivalents	\$ 150,984
Short-term investments	\$ 31,449
Accounts receivable (net)	\$ 63,729
Other receivables	\$ 4,335
Income tax receivable	\$ 2,321
Inventory (net)	\$ 42,283
Prepaid expenses and other current assets	\$ 7,200
 Total current assets	 \$ 302,301
Equipment (net)	\$ 22,174
Land	\$ 4,263
Bldg. & land improvements (net)	\$ 62,818
Other assets	\$ 586
Long-term investments	\$ 167,609
 Total long-term assets	 \$ 257,450
 Total assets	 \$ 559,751
 Liabilities and stockholders' equity	
Accounts payable	\$ 22,856
Accrued wages and benefits	\$ 8,347
Accrued liabilities	\$ 5,092
 Total current liabilities	 \$ 36,295
Deferred tax liabilities	\$ 4,825
Other non-current liabilities	\$ 1,732
Long-term debt	\$ 50,000
 Total long-term liabilities	 \$ 56,557
 Total liabilities	 \$ 92,852
Stockholders' equity	\$ 466,899
 Total liabilities and stockholders' equity	 \$ 559,751

Condensed Statements of Income
For the quarters ending 12/31/04 and 12/31/03
(In thousands, except per share data)
Unaudited

	Fourth Quarter 2004	Fourth Quarter 2003
Sales	\$ 104,913	\$ 113,815
Cost of sales	\$ 45,658	\$ 47,511
Gross profit	\$ 59,255	\$ 66,304
Selling, general and administrative expenses	\$ 23,382	\$ 22,109
Research and development expenses	\$ 17,799	\$ 15,246
Profit from operations	\$ 18,074	\$ 28,949
Interest expense	\$ (610)	\$ (583)
Other income (primarily interest)	\$ 3,764	\$ 1,949
Income before provision for income taxes	\$ 21,228	\$ 30,315
Provision for income taxes	\$ (6,372)	\$ (8,883)
Net income	\$ 14,856	\$ 21,432
Weighted average shares outstanding		
Basic	76,587	79,054
Diluted (1)	78,725	82,588
Earnings per common share		
Basic	\$ 0.19	\$ 0.27
Diluted (1)	\$ 0.19	\$ 0.26

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

Condensed Statements of Income
For the periods ending 12/31/04 and 12/31/03
(In thousands, except per share data)
Unaudited

	Year Ended 2004	Year Ended 2003
Sales	\$ 454,805	\$ 396,676
Cost of sales	\$ 193,458	\$ 174,681
Gross profit	<u>\$ 261,347</u>	<u>\$ 221,995</u>
Selling, general and administrative expenses	\$ 91,832	\$ 83,234
Research and development expenses	<u>\$ 67,371</u>	<u>\$ 58,144</u>
Profit from operations	<u>\$ 102,144</u>	<u>\$ 80,617</u>
Interest expense	\$ (2,542)	\$ (2,534)
Other income (primarily interest)	<u>\$ 10,797</u>	<u>\$ 10,747</u>
Income before provision for income taxes	<u>\$ 110,399</u>	<u>\$ 88,830</u>
Provision for income taxes	<u>\$ (34,996)</u>	<u>\$ (27,315)</u>
Net income	<u><u>\$ 75,403</u></u>	<u><u>\$ 61,515</u></u>
Weighted average shares outstanding		
Basic	78,235	76,942
Diluted (1)	80,984	80,739
Earnings per common share		
Basic	\$ 0.96	\$ 0.80
Diluted (1)	\$ 0.93	\$ 0.76

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

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