

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 21, 2014**

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 21, 2014, ADTRAN, Inc. announced its financial results for the fiscal quarter ended December 31, 2013 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 6, 2014. The ex-dividend date is February 4, 2014 and the payment date is February 20, 2014.

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, 2013 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 21, 2014
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 22, 2014.

ADTRAN, Inc.
(Registrant)

By: /s/ James E. Matthews
James E. Matthews
Senior Vice President – Finance,
Chief Financial Officer, Treasurer,
Secretary and Director
(Principal Accounting Officer)

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated January 21, 2014
99.2	Revenues by product and segment classification

ADTRAN, Inc. Reports Results for the Fourth Quarter 2013 and Declares Quarterly Cash Dividend

HUNTSVILLE, Ala.--(BUSINESS WIRE)--January 21, 2014--ADTRAN, Inc. (NASDAQ:ADTN) reported results for the fourth quarter 2013. For the quarter, sales were \$159,094,000 compared to \$139,756,000 for the fourth quarter of 2012. Operating income was \$10,639,000 compared to \$2,874,000 for the fourth quarter of 2012. Net Income was \$11,840,000 compared to \$3,961,000 for the fourth quarter of 2012. Earnings per share, assuming dilution, were \$0.20 compared to \$0.06 for the fourth quarter of 2012. Non-GAAP earnings per share were \$0.25 compared to \$0.11 for the fourth quarter of 2012. 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, “We had a solid quarter with revenue coming in at 14% over the same period last year. Growth was driven by our core product areas, Broadband Access, Internetworking and Optical, which were up 25%. Strong performances in EMEA and Latin America helped drive our international revenue up 78%. Our strategy towards geographic diversification continued to pay benefits during the quarter and we believe we are well positioned for the future as our customers leverage technology advancements to improve their competitive position.”

The Company also announced that its Board of Directors declared a cash dividend for the fourth quarter of 2013. The quarterly cash dividend is \$0.09 per common share to be paid to holders of record at the close of business on February 6, 2014. The ex-dividend date is February 4, 2014 and the payment date is February 20, 2014.

The Company confirmed that its fourth quarter conference call will be held Wednesday, January 22, 2014 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, 2012 and on Form 10-Q for the quarter ended September 30, 2013. These risks and uncertainties could cause actual results to differ materially from those in the forward-looking statements included in this press release.

Condensed Consolidated Balance Sheet
(Unaudited)
(In thousands)

	December 31, 2013	December 31, 2012
Assets		
Cash and cash equivalents	\$ 58,298	\$ 68,457
Short-term investments	105,760	160,481
Accounts receivable, net	85,814	81,194
Other receivables	18,249	16,253
Inventory	90,111	102,583
Prepaid expenses	4,325	4,148
Deferred tax assets, net	17,083	13,055
Total Current Assets	379,640	446,171
Property, plant and equipment, net	76,739	80,246
Deferred tax assets, net	9,622	10,261
Goodwill	3,492	3,492
Other assets	11,180	13,482
Long-term investments	309,225	332,729
Total Assets	\$ 789,898	\$ 886,381
Liabilities and Stockholders' Equity		
Accounts payable	\$ 48,282	\$ 42,173
Unearned revenue	22,205	38,051
Accrued expenses	12,776	10,309
Accrued wages and benefits	14,040	15,022
Income tax payable, net	5,002	1,211
Total Current Liabilities	102,305	106,766
Non-current unearned revenue	14,643	23,803
Other non-current liabilities	22,144	17,406
Bonds payable	46,200	46,000
Total Liabilities	185,292	193,975
Stockholders' Equity	604,606	692,406
Total Liabilities and Stockholders' Equity	\$ 789,898	\$ 886,381

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2013	2012	2013	2012
Sales	\$ 159,094	\$ 139,756	\$ 641,744	\$ 620,614
Cost of sales	82,230	72,373	332,858	303,971
Gross Profit	76,864	67,383	308,886	316,643
Selling, general and administrative expenses	33,284	31,393	129,366	134,523
Research and development expenses	32,941	33,116	131,055	125,951
Operating Income	10,639	2,874	48,465	56,169
Interest and dividend income	1,991	2,006	7,012	7,657
Interest expense	(588)	(591)	(2,325)	(2,347)
Net realized investment gain	1,665	2,197	8,614	9,550
Other income (expense), net	610	(82)	(911)	183
Gain on bargain purchase of a business	-	-	-	1,753
Income before provision for income taxes	14,317	6,404	60,855	72,965
Provision for income taxes	(2,477)	(2,443)	(15,061)	(25,702)
Net Income	\$ 11,840	\$ 3,961	\$ 45,794	\$ 47,263
Weighted average shares outstanding - basic	57,178	62,542	59,001	63,259
Weighted average shares outstanding - diluted ⁽¹⁾	57,777	62,690	59,424	63,774
Earnings per common share - basic	\$ 0.21	\$ 0.06	\$ 0.78	\$ 0.75
Earnings per common share - diluted ⁽¹⁾	\$ 0.20	\$ 0.06	\$ 0.77	\$ 0.74

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

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

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2013	2012	2013	2012
Net Income	\$ 11,840	\$ 3,961	\$ 45,794	\$ 47,263
Other Comprehensive Income (Loss), net of tax:				
Unrealized gains (losses) on available-for-sale securities	1,409	(2,071)	629	(52)
Defined benefit plan adjustments	1,061	(1,952)	1,061	(1,952)
Foreign currency translation	(707)	(21)	(2,205)	170
Other Comprehensive Income (Loss), net of tax	1,763	(4,044)	(515)	(1,834)
Comprehensive Income (Loss), net of tax	\$ 13,603	\$ (83)	\$ 45,279	\$ 45,429

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

	Twelve Months Ended	
	December 31,	
	2013	2012
Cash flows from operating activities:		
Net income	\$ 45,794	\$ 47,263
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	14,628	14,079
Amortization of net premium on available-for-sale investments	5,956	8,257
Net realized gain on long-term investments	(8,614)	(9,550)
Net (gain) loss on disposal of property, plant and equipment	3	(214)
Gain on bargain purchase of a business	-	(1,753)
Stock-based compensation expense	9,073	9,264
Deferred income taxes	(4,058)	(3,785)
Tax benefit from stock option exercises	169	1,905
Excess tax benefits from stock-based compensation arrangements	(158)	(1,456)
Change in operating assets and liabilities:		
Accounts receivable, net	(4,022)	(4,365)
Other receivables	(1,549)	2,977
Inventory	11,479	7,163
Prepaid expenses and other assets	(11)	(1,045)
Accounts payable	5,543	7,265
Accrued expenses and other liabilities	(17,879)	11,583
Income tax payable, net	3,747	(1,960)
Net cash provided by operating activities	60,101	85,628
Cash flows from investing activities:		
Purchases of property, plant and equipment	(8,510)	(12,075)
Proceeds from disposals of property, plant and equipment	-	266
Proceeds from sales and maturities of available-for-sale investments	343,567	282,039
Purchases of available-for-sale investments	(261,625)	(282,740)
Acquisition of business	-	7,496
Net cash provided by (used in) investing activities	73,432	(5,014)
Cash flows from financing activities:		
Proceeds from stock option exercises	3,629	6,049
Purchases of treasury stock	(124,267)	(39,362)
Dividend payments	(21,412)	(22,813)
Payments on long-term debt	-	(500)
Excess tax benefits from stock-based compensation arrangements	158	1,456
Net cash used in financing activities	(141,892)	(55,170)
Net increase (decrease) in cash and cash equivalents	(8,359)	25,444
Effect of exchange rate changes	(1,800)	34
Cash and cash equivalents, beginning of period	68,457	42,979
Cash and cash equivalents, end of period	\$ 58,298	\$ 68,457

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, 2013 and 2012 for both transactions are as follows:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2013	2012	2013	2012
<i>Bluesocket, Inc. acquisition</i>				
Amortization of acquired intangible assets and other purchase accounting adjustments	\$ 279	\$ 296	\$ 1,142	\$ 1,463
<i>NSN BBA acquisition</i>				
Amortization of acquired intangible assets	301	290	1,174	762
Amortization of other purchase accounting adjustments	391	587	1,378	2,305
Acquisition related professional fees, travel and other expenses	16	323	345	4,860
Subtotal	708	1,200	2,897	7,927
Total acquisition related expenses, amortizations and adjustments	987	1,496	4,039	9,390
Provision for income taxes	(328)	(488)	(1,343)	(3,148)
Total acquisition related expenses, amortizations and adjustments, net of tax	\$ 659	\$ 1,008	\$ 2,696	\$ 6,242

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, 2013 and 2012:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2013	2012	2013	2012
Revenue (adjustments to deferred revenue recognized in the period)	\$ 211	\$ 377	\$ 929	\$ 1,528
Cost of goods sold	102	154	196	1,086
Subtotal	313	531	1,125	2,614
Selling, general and administrative expenses	24	330	399	4,510
Research and development expenses	650	635	2,515	2,266
Subtotal	674	965	2,914	6,776
Total acquisition related expenses, amortizations and adjustments	987	1,496	4,039	9,390
Provision for income taxes	(328)	(488)	(1,343)	(3,148)
Total acquisition related expenses, amortizations and adjustments, net of tax	\$ 659	\$ 1,008	\$ 2,696	\$ 6,242

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

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2013	2012	2013	2012
Stock-based compensation expense included in cost of sales	\$ 131	\$ 118	\$ 465	\$ 422
Selling, general and administrative expense	1,314	1,146	4,443	4,351
Research and development expense	1,112	1,217	4,165	4,491
Stock-based compensation expense included in operating expenses	2,426	2,363	8,608	8,842
Total stock-based compensation expense	2,557	2,481	9,073	9,264
Tax benefit for expense associated with non-qualified options	(374)	(318)	(1,298)	(1,234)
Total stock-based compensation expense, net of tax	\$ 2,183	\$ 2,163	\$ 7,775	\$ 8,030

**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,	
	2013	2012	2013	2012
GAAP earnings per common share – diluted	\$ 0.20	\$ 0.06	\$ 0.77	\$ 0.74
Acquisition related expenses, amortizations and adjustments	0.01	0.02	0.05	0.10
Stock-based compensation expense	0.04	0.03	0.13	0.13
Gain on bargain purchase of business	-	-	-	(0.03)
Non-GAAP earnings per common share – diluted	\$ 0.25	\$ 0.11	\$ 0.95	\$ 0.94

CONTACT:
ADTRAN, Inc.
Jim Matthews, 256-963-8775
Senior Vice President/CFO
or
Investor Services/Assistance:
Gayle Ellis, 256-963-8220

Product and Segment Revenues
(Unaudited)
(In thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2013	2012	2013	2012
Product Revenues:				
Carrier Systems	\$ 108,731	\$ 90,056	\$ 427,850	\$ 399,646
Business Networking	41,203	32,972	168,871	149,304
Loop Access	9,160	16,728	45,023	71,664
Total	\$ 159,094	\$ 139,756	\$ 641,744	\$ 620,614
Subcategories included in the above:				
Broadband Access (included in Carrier Systems)	\$ 88,566	\$ 70,088	\$ 340,560	\$ 320,076
Optical (included in Carrier Systems)	14,115	12,337	55,615	51,755
Internetworking (Netvanta & Multi-service Access Gateways) (included in Business Networking)	40,259	31,638	164,422	142,958
Total Core Products	142,940	114,063	560,597	514,789
Percentage of Total Revenue	90%	82%	87%	83%
HDSL (does not include T1) (included in Loop Access)	8,483	15,624	41,666	66,974
Other Products (excluding HDSL)	7,671	10,069	39,481	38,851
Total Legacy Products	16,154	25,693	81,147	105,825
Percentage of Total Revenue	10%	18%	13%	17%
Total	\$ 159,094	\$ 139,756	\$ 641,744	\$ 620,614
Segment Revenues:				
Carrier Networks	\$ 126,235	\$ 110,793	\$ 500,733	\$ 492,096
Enterprise Networks	32,859	28,963	141,011	128,518
Total	\$ 159,094	\$ 139,756	\$ 641,744	\$ 620,614
Sales by Geographic Region:				
United States	\$ 107,177	\$ 110,565	\$ 455,996	\$ 470,369
International	51,917	29,191	185,748	150,245
Total	\$ 159,094	\$ 139,756	\$ 641,744	\$ 620,614