

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): **July 14, 2009**

**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 July 14, 2009, ADTRAN, Inc. announced its financial results for the fiscal quarter ended June 30, 2009 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 July 30, 2009. The ex-dividend date is July 28, 2009 and the payment date is August 13, 2009.

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 June 30, 2009 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 July 14, 2009.
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 July 14, 2009.

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

By: /s/ James E. Matthews  
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 July 14, 2009.
99.2	Revenues by product and segment classification

## **ADTRAN, Inc. Reports Results for Second Quarter 2009 and Declares Quarterly Cash Dividend**

HUNTSVILLE, Ala.--(BUSINESS WIRE)--July 14, 2009--ADTRAN, Inc. (NASDAQ:ADTN) reported results for the second quarter of 2009. Sales were \$121,528,000 for the quarter, compared to \$131,183,000 for the second quarter of 2008. Net income was \$18,839,000 for the quarter, compared to \$22,414,000 for the second quarter of 2008. Earnings per share, assuming dilution, were \$0.30 for the quarter, compared to \$0.34 for the second quarter of 2008.

ADTRAN Chief Executive Officer Tom Stanton stated, "In the second quarter, each of our growth businesses - Broadband Access, Optical Access and Internetworking - grew both sequentially and year over year, and combined achieved a record revenue level. Most notable during the quarter was Internetworking revenue growing an impressive 28% year over year, as our success in this area continued to reflect the broad-based support we are seeing in our carrier distribution and value added reseller channels. Our growth businesses represented a record 54% of total company revenues for the quarter compared to 46% for the same period last year."

The Company also reported that stock-based compensation expense for the second quarter of 2009 reduced diluted earnings per share by \$0.02 compared to \$0.03 for the second quarter of 2008.

The Company also announced that its Board of Directors declared a cash dividend for the second quarter of 2009. The quarterly cash dividend is \$0.09 per common share to be paid to holders of record at the close of business on July 30, 2009. The ex-dividend date is July 28, 2009 and the payment date is August 13, 2009.

The Company also confirmed that its second quarter conference call will be held Wednesday, July 15, 2009 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, 2008 and Form 10-Q for the quarter ended March 31, 2009. These risks and uncertainties could cause actual results to differ materially from those in the forward-looking statements included in this press release.

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**Condensed Balance Sheet**  
**Unaudited**  
(In thousands)

	<b>June 30, 2009</b>	<b>December 31, 2008</b>
<b>Assets</b>		
Cash and cash equivalents	\$38,192	\$41,909
Short-term investments	125,779	96,277
Accounts receivable, net	63,990	52,749
Other receivables	5,661	2,896
Inventory, net	48,342	47,406
Prepaid expenses	2,383	2,974
Deferred tax assets, net	8,788	8,653
<b>Total current assets</b>	<b>293,135</b>	<b>252,864</b>
Property, plant and equipment, net	74,429	75,487
Deferred tax assets, net	1,970	3,920
Other assets	103	103
Long-term investments	157,128	141,241
<b>Total assets</b>	<b>\$526,765</b>	<b>\$473,615</b>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$22,970	\$20,313
Unearned revenue	6,263	6,141
Accrued expenses	4,363	3,536
Accrued wages and benefits	10,859	9,868
Income tax payable, net	5,972	266
<b>Total current liabilities</b>	<b>50,427</b>	<b>40,124</b>
Other non-current liabilities	11,127	9,422
Bonds payable	48,250	48,250
<b>Total liabilities</b>	<b>109,804</b>	<b>97,796</b>
<b>Stockholders' equity</b>	<b>416,961</b>	<b>375,819</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$526,765</b>	<b>\$473,615</b>

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Sales	\$121,528	\$131,183	\$231,892	\$251,068
Cost of Sales	49,838	51,789	92,742	101,434
<b>Gross Profit</b>	<b>71,690</b>	<b>79,394</b>	<b>139,150</b>	<b>149,634</b>
Selling, general and administrative expenses	24,885	25,709	48,582	51,256
Research and development expenses	20,670	20,215	41,532	39,768
<b>Operating income</b>	<b>26,135</b>	<b>33,470</b>	<b>49,036</b>	<b>58,610</b>
Interest and dividend income	1,837	2,219	3,475	4,502
Interest expense	(609)	(660)	(1,212)	(1,279)
Net realized investment gain (loss)	995	(15)	(2,203)	(104)
Other income (expense), net	100	339	(35)	466
<b>Income before provision for income taxes</b>	<b>28,458</b>	<b>35,353</b>	<b>49,061</b>	<b>62,195</b>
Provision for income taxes	(9,619)	(12,939)	(15,038)	(22,734)
<b>Net Income</b>	<b>\$18,839</b>	<b>\$22,414</b>	<b>\$34,023</b>	<b>\$39,461</b>
Weighted average shares outstanding				
Basic	62,457	64,239	62,310	64,419
Diluted (1)	63,240	65,340	62,927	65,400
Earnings per common share				
Basic	\$0.30	\$0.35	\$0.55	\$0.61
Diluted (1)	\$0.30	\$0.34	\$0.54	\$0.60

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

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Stock-based compensation expense included in cost of sales</b>	<b>\$59</b>	<b>\$79</b>	<b>\$130</b>	<b>\$158</b>
Selling, general and administrative expense	674	889	1,502	1,843
Research and development expense	859	992	1,779	1,998
<b>Stock-based compensation expense included in operating expenses</b>	<b>1,533</b>	<b>1,881</b>	<b>3,281</b>	<b>3,841</b>
<b>Total stock-based compensation expense</b>	<b>1,592</b>	<b>1,960</b>	<b>3,411</b>	<b>3,999</b>
Tax benefit for expense associated with non-qualified options	(156)	(196)	(296)	(404)
<b>Total stock-based compensation expense, net of tax</b>	<b>\$1,436</b>	<b>\$1,764</b>	<b>\$3,115</b>	<b>\$3,595</b>

**Consolidated Statements of Cash Flow**  
**Unaudited**  
(In thousands)

	<b>Six Months Ended</b>	
	<b>June 30,</b>	
	<u><b>2009</b></u>	<u><b>2008</b></u>
<b>Cash flows from operating activities:</b>		
Net income	<b>\$34,023</b>	<b>\$39,461</b>
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,008	4,823
Amortization of net premium of available-for-sale investments	1,643	873
Net realized loss on long-term investments	2,203	104
Gain on disposal of property, plant, and equipment	(22)	(15)
Stock-based compensation expense	3,411	3,999
Deferred income taxes	(1,625)	(1,411)
Tax benefit from stock option exercises	542	456
Excess tax benefit from stock-based compensation arrangements	(354)	(247)
Change in operating assets and liabilities:		
Accounts receivable, net	(11,241)	7,979
Other receivables	(2,765)	231
Inventory	(936)	(1,279)
Prepaid expenses and other assets	591	714
Accounts payable	2,657	2,345
Accrued expenses and other liabilities	3,643	2,230
Income tax payable, net	5,706	4,522
<b>Net cash provided by operating activities</b>	<b>42,484</b>	<b>64,785</b>
<b>Cash flows from investing activities:</b>		
Purchases of property, plant and equipment	(3,928)	(4,615)
Proceeds from sales and maturities of available-for-sale investments	107,512	120,232
Purchases of available-for-sale investments	(147,580)	(112,590)
<b>Net cash provided by (used in) investing activities</b>	<b>(43,996)</b>	<b>3,027</b>
<b>Cash flows from financing activities:</b>		
Proceeds from exercises of stock options	8,419	1,724
Purchases of treasury stock	(1,430)	(14,871)
Dividend payments	(11,179)	(11,624)
Excess tax benefits from stock-based compensation arrangements	354	247
<b>Net cash used in financing activities</b>	<b>(3,836)</b>	<b>(24,524)</b>
Net increase (decrease) in cash and cash equivalents	(5,348)	43,288
Effect of exchange rate changes	1,631	625
<b>Cash and cash equivalents, beginning of period</b>	<b>41,909</b>	<b>13,941</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$38,192</b>	<b>\$57,854</b>

**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**  
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
<b>Product revenues:</b>				
Loop Access	\$38,886	\$51,728	\$86,509	\$99,425
Carrier Systems	56,210	57,684	98,939	108,886
Business Networking	26,432	21,771	46,444	42,757
<b>Total</b>	<b>\$121,528</b>	<b>\$131,183</b>	<b>\$231,892</b>	<b>\$251,068</b>
<b>Subcategories included in the above:</b>				
Broadband Access (included in Carrier Systems)	\$31,391	\$31,309	\$53,610	\$59,911
Optical Access (included in Carrier Systems)	13,514	13,383	24,166	24,549
Internetworking (Netvanta & Multi-service Access Gateways) (included in Business Networking)	20,427	15,986	35,742	30,899
<b>Total Growth Products</b>	<b>65,332</b>	<b>60,678</b>	<b>113,518</b>	<b>115,359</b>
<b>Percentage of Total Revenue</b>	<b>54%</b>	<b>46%</b>	<b>49%</b>	<b>46%</b>
HDSL (does not include T1) (included in Loop Access)	34,349	45,348	77,270	87,298
Other Products	21,847	25,157	41,104	48,411
<b>Total Traditional Products</b>	<b>56,196</b>	<b>70,505</b>	<b>118,374</b>	<b>135,709</b>
<b>Percentage of Total Revenue</b>	<b>46%</b>	<b>54%</b>	<b>51%</b>	<b>54%</b>
<b>Total</b>	<b>\$121,528</b>	<b>\$131,183</b>	<b>\$231,892</b>	<b>\$251,068</b>
<b>Segment Revenues:</b>				
Carrier Networks	\$91,766	\$104,591	\$178,850	\$199,063
Enterprise Networks	29,762	26,592	53,042	52,005
<b>Total</b>	<b>\$121,528</b>	<b>\$131,183</b>	<b>\$231,892</b>	<b>\$251,068</b>
<b>Sales by Geographic Region:</b>				
United States	\$115,085	\$123,422	\$218,503	\$236,861
International	6,443	7,761	13,389	14,207
<b>Total</b>	<b>\$121,528</b>	<b>\$131,183</b>	<b>\$231,892</b>	<b>\$251,068</b>