
**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 20, 2015

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 20, 2015, ADTRAN, Inc. announced its financial results for the fiscal quarter ended December 31, 2014 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 shareholders of record at the close of business on February 5, 2015. The ex-dividend date is February 3, 2015 and the payment date is February 19, 2015.

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, 2014 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 20, 2015
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 21, 2015.

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>
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99.2	Revenues by product and segment classification

**ADTRAN, INC.
REPORTS RESULTS FOR THE FOURTH QUARTER 2014 AND DECLARES QUARTERLY CASH DIVIDEND**

HUNTSVILLE, Ala. – (BUSINESS WIRE) – January 20, 2015 – ADTRAN, Inc. (NASDAQ: [ADTN](#)) reported results for the fourth quarter 2014. For the quarter, sales were \$143,982,000 compared to \$159,094,000 for the fourth quarter of 2013. Net income was \$9,292,000 compared to \$11,840,000 for the fourth quarter of 2013. Earnings per share, assuming dilution, were \$0.17 compared to \$0.20 for the fourth quarter of 2013. Non-GAAP earnings per share were \$0.19 compared to \$0.25 for the fourth quarter of 2013. 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, “Our Company had a solid performance this quarter with most segments meeting or slightly exceeding our expectations. We continue to see positive trends as we enter 2015 and believe our geographic presence, market share gains and new product introductions position us well for the future.”

The Company also announced that its Board of Directors declared a cash dividend for the fourth quarter of 2014. The quarterly cash dividend is \$0.09 per common share to be paid to holders of record at the close of business on February 5, 2015. The ex-dividend date is February 3, 2015 and the payment date is February 19, 2015.

The Company confirmed that its fourth quarter conference call will be held Wednesday, January 21, 2015 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, 2013 and on Form 10-Q for the quarter ended September 30, 2014. These risks and uncertainties could cause actual results to differ materially from those in the forward-looking statements included in this press release.

CONTACT:

Jim Matthews
Senior Vice President/CFO
256-963-8775

INVESTOR SERVICES/ASSISTANCE:

Gayle Ellis
256-963-8220

Condensed Consolidated Balance Sheet
(Unaudited)
(In thousands)

	December 31, <u>2014</u>	December 31, <u>2013</u>
Assets		
Cash and cash equivalents	\$ 73,439	\$ 58,298
Short-term investments	46,919	105,760
Accounts receivable, net	86,158	85,814
Other receivables	35,639	18,249
Inventory	86,710	90,111
Prepaid expenses	5,129	4,325
Deferred tax assets, net	17,095	17,083
Total Current Assets	351,089	379,640
Property, plant and equipment, net	74,828	76,739
Deferred tax assets, net	17,694	9,622
Goodwill	3,492	3,492
Other assets	10,942	11,180
Long-term investments	280,649	309,225
Total Assets	\$ 738,694	\$ 789,898
Liabilities and Stockholders' Equity		
Accounts payable	\$ 56,414	\$ 48,282
Unearned revenue	22,762	22,205
Accrued expenses	11,077	12,776
Accrued wages and benefits	13,855	14,040
Income tax payable, net	14,901	5,002
Total Current Liabilities	119,009	102,305
Non-current unearned revenue	10,948	14,643
Other non-current liabilities	30,924	22,144
Bonds payable	28,800	46,200
Total Liabilities	189,681	185,292
Stockholders' Equity	549,013	604,606
Total Liabilities and Stockholders' Equity	\$ 738,694	\$ 789,898

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Sales	\$143,982	\$159,094	\$630,007	\$641,744
Cost of sales	75,499	82,230	318,680	332,858
Gross Profit	68,483	76,864	311,327	308,886
Selling, general and administrative expenses	31,793	33,284	131,958	129,366
Research and development expenses	32,711	32,941	132,258	131,055
Operating Income	3,979	10,639	47,111	48,465
Interest and dividend income	1,679	1,991	5,019	7,012
Interest expense	(152)	(588)	(677)	(2,325)
Net realized investment gain	59	1,665	7,278	8,614
Other income (expense), net ⁽¹⁾	2,790	610	1,175	(911)
Income before provision for income taxes	8,355	14,317	59,906	60,855
Provision for income taxes	937	(2,477)	(15,286)	(15,061)
Net Income	\$ 9,292	\$ 11,840	\$ 44,620	\$ 45,794
Weighted average shares outstanding - basic	53,835	57,178	55,120	59,001
Weighted average shares outstanding - diluted ⁽²⁾	54,085	57,777	55,482	59,424
Earnings per common share - basic	\$ 0.17	\$ 0.21	\$ 0.81	\$ 0.78
Earnings per common share - diluted ⁽²⁾	\$ 0.17	\$ 0.20	\$ 0.80	\$ 0.77

- (1) Results for the three and twelve months ended December 31, 2014 include a \$2.4 million gain related to the settlement of working capital items from an acquisition transaction that closed in 2012.
- (2) Assumes exercise of dilutive stock options calculated under the treasury stock method.

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Net Income	\$ 9,292	\$11,840	\$ 44,620	\$45,794
Other Comprehensive Income (Loss), net of tax:				
Unrealized gains (losses) on available-for-sale securities	1,077	1,409	(1,773)	629
Defined benefit plan adjustments	(4,866)	1,061	(4,866)	1,061
Foreign currency translation	(2,007)	(707)	(4,189)	(2,205)
Other Comprehensive Income (Loss), net of tax	(5,796)	1,763	(10,828)	(515)
Comprehensive Income, net of tax	\$ 3,496	\$13,603	\$ 33,792	\$45,279

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

	Twelve Months Ended December 31,	
	2014	2013
Cash flows from operating activities:		
Net income	\$ 44,620	\$ 45,794
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	14,845	14,628
Amortization of net premium on available-for-sale investments	4,360	5,956
Net realized gain on long-term investments	(7,278)	(8,614)
Net loss on disposal of property, plant and equipment	142	3
Stock-based compensation expense	8,563	9,073
Deferred income taxes	(5,526)	(4,058)
Tax benefit from stock option exercises	81	169
Excess tax benefits from stock-based compensation arrangements	(63)	(158)
Change in operating assets and liabilities:		
Accounts receivable, net	(2,769)	(5,541)
Other receivables	(20,439)	(1,549)
Inventory	1,953	10,265
Prepaid expenses and other assets	(3,627)	(11)
Accounts payable	9,973	5,206
Accrued expenses and other liabilities	(166)	(15,146)
Income tax payable, net	11,168	3,747
Net cash provided by operating activities	<u>55,837</u>	<u>59,764</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(11,256)	(8,173)
Proceeds from disposals of property, plant and equipment	1	—
Proceeds from sales and maturities of available-for-sale investments	230,019	343,567
Purchases of available-for-sale investments	(142,695)	(261,625)
Net cash provided by investing activities	<u>76,069</u>	<u>73,769</u>
Cash flows from financing activities:		
Proceeds from stock option exercises	2,839	3,629
Purchases of treasury stock	(80,576)	(124,267)
Dividend payments	(19,947)	(21,412)
Payments on long-term debt	(16,500)	—
Excess tax benefits from stock-based compensation arrangements	63	158
Net cash used in financing activities	<u>(114,121)</u>	<u>(141,892)</u>
Net increase (decrease) in cash and cash equivalents	17,785	(8,359)
Effect of exchange rate changes	(2,644)	(1,800)
Cash and cash equivalents, beginning of period	<u>58,298</u>	<u>68,457</u>
Cash and cash equivalents, end of period	<u>\$ 73,439</u>	<u>\$ 58,298</u>
Supplemental disclosure of non-cash investing activities		
Purchases of property, plant and equipment included in accounts payable	\$ 467	\$ 444

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, 2014 and 2013 for both transactions are as follows:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
<i>Bluesocket, Inc. acquisition</i>				
Amortization of acquired intangible assets and other purchase accounting adjustments	\$ 226	\$ 279	\$ 925	\$ 1,142
<i>NSN BBA acquisition</i>				
Amortization of acquired intangible assets	269	301	1,153	1,174
Amortization of other purchase accounting adjustments	222	391	1,117	1,378
Acquisition related professional fees, travel and other expenses	193	16	282	345
Subtotal	684	708	2,552	2,897
Total acquisition related expenses, amortizations and adjustments	910	987	3,477	4,039
Provision for income taxes	(300)	(328)	(1,151)	(1,343)
Total acquisition related expenses, amortizations and adjustments, net of tax	\$ 610	\$ 659	\$ 2,326	\$ 2,696

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, 2014 and 2013:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Revenue (adjustments to deferred revenue recognized in the period)	\$ 73	\$ 211	\$ 601	\$ 929
Cost of goods sold	67	102	171	196
Subtotal	140	313	772	1,125
Selling, general and administrative expenses	200	24	310	399
Research and development expenses	570	650	2,395	2,515
Subtotal	770	674	2,705	2,914
Total acquisition related expenses, amortizations and adjustments	910	987	3,477	4,039
Provision for income taxes	(300)	(328)	(1,151)	(1,343)
Total acquisition related expenses, amortizations and adjustments, net of tax	\$ 610	\$ 659	\$ 2,326	\$ 2,696

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Stock-based compensation expense included in cost of sales	\$ 120	\$ 131	\$ 479	\$ 465
Selling, general and administrative expense	1,096	1,314	4,185	4,443
Research and development expense	1,051	1,112	3,899	4,165
Stock-based compensation expense included in operating expenses	2,147	2,426	8,084	8,608
Total stock-based compensation expense	2,267	2,557	8,563	9,073
Tax benefit for expense associated with non-qualified options	(279)	(374)	(1,157)	(1,298)
Total stock-based compensation expense, net of tax	\$ 1,988	\$ 2,183	\$ 7,406	\$ 7,775

**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,	
	2014	2013	2014	2013
GAAP earnings per common share – diluted	\$ 0.17	\$ 0.20	\$ 0.80	\$ 0.77
Acquisition related expenses, amortizations and adjustments	0.01	0.01	0.04	0.05
Settlement of acquisition related working capital items	(0.03)	—	(0.03)	—
Stock-based compensation expense	<u>0.04</u>	<u>0.04</u>	<u>0.13</u>	<u>0.13</u>
Non-GAAP earnings per common share – diluted	<u>\$ 0.19</u>	<u>\$ 0.25</u>	<u>\$ 0.94</u>	<u>\$ 0.95</u>

Product and Segment Revenues
(Unaudited)
(In thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Product Revenues:				
Carrier Systems	\$100,337	\$108,731	\$442,664	\$427,850
Business Networking	37,346	41,203	156,980	168,871
Loop Access	6,299	9,160	30,363	45,023
Total	<u>\$143,982</u>	<u>\$159,094</u>	<u>\$630,007</u>	<u>\$641,744</u>
Subcategories included in the above:				
Broadband Access (included in Carrier Systems)	\$ 82,544	\$ 88,566	\$368,464	\$340,560
Optical (included in Carrier Systems)	13,066	14,115	55,374	55,615
Internetworking (Netvanta & Multi-service Access Gateways) (included in Business Networking)	35,661	40,259	152,223	164,422
Total Core Products	<u>131,271</u>	<u>142,940</u>	<u>576,061</u>	<u>560,597</u>
Percentage of Total Revenue	91%	90%	91%	87%
HDSL (does not include T1) (included in Loop Access)	5,754	8,483	27,829	41,666
Other Products (excluding HDSL)	6,957	7,671	26,117	39,481
Total Legacy Products	<u>12,711</u>	<u>16,154</u>	<u>53,946</u>	<u>81,147</u>
Percentage of Total Revenue	9%	10%	9%	13%
Total	<u>\$143,982</u>	<u>\$159,094</u>	<u>\$630,007</u>	<u>\$641,744</u>
Segment Revenues:				
Carrier Networks	\$115,784	\$126,235	\$510,373	\$500,733
Enterprise Networks	28,198	32,859	119,634	141,011
Total	<u>\$143,982</u>	<u>\$159,094</u>	<u>\$630,007</u>	<u>\$641,744</u>
Sales by Geographic Region:				
United States	\$ 93,038	\$107,177	\$381,382	\$455,996
International	50,944	51,917	248,625	185,748
Total	<u>\$143,982</u>	<u>\$159,094</u>	<u>\$630,007</u>	<u>\$641,744</u>