

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 18, 2011**

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 18, 2011, ADTRAN, Inc. announced its financial results for the fiscal quarter ended December 31, 2010 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 3, 2011. The ex-dividend date is February 1, 2011 and the payment date is February 17, 2011.

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, 2010 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 18, 2011.
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 19, 2011.

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 18, 2011.
99.2	Revenues by product and segment classification

ADTRAN, Inc. Reports Record Results for Fourth Quarter 2010 and Declares Quarterly Cash Dividend

HUNTSVILLE, Ala.--(BUSINESS WIRE)--January 18, 2011--ADTRAN, Inc. (NASDAQ:ADTN) reported results for the fourth quarter of 2010. Sales increased 33% to an all time record level of \$165,329,000 for the quarter, compared to \$124,231,000 for the fourth quarter of 2009. Operating income increased 71% to \$44,857,000 for the quarter compared to \$26,236,000 for the fourth quarter of 2009. Net income increased 93% to \$35,960,000 for the quarter, compared to \$18,615,000 for the fourth quarter of 2009. Earnings per share, assuming dilution, increased 93% to \$0.56 for the quarter, compared to \$0.29 for the fourth quarter of 2009.

ADTRAN Chief Executive Officer Tom Stanton stated, "Our fourth quarter results highlight the demand that has been building in our business as quarterly and yearly sales both achieved new record levels. Most notably in the quarter, total sales of our three growth categories increased 50% over the fourth quarter the prior year. This performance included individual records in each of these categories. Broadband Access saw growth of 75% over the fourth quarter the prior year led by expanding deployments of our Total Access 5000 platform and related services revenue. Our Internetworking category grew 37% over the fourth quarter the prior year as we continued to see growth across all of our distribution channels. Optical Access grew 24% over the fourth quarter the prior year, indicative of the strength we saw across all of our mobility products. We believe increasing customer investments are aligned well with our strategic areas of focus and that we are positioned well for long term growth."

The Company also reported that the provision for income taxes in the fourth quarter of 2010 included a benefit of \$4.5 million as a result of federal legislation extending research tax credits for the 2010 year.

The Company reported that stock-based compensation expense for the fourth quarter of 2010 reduced diluted earnings per share by \$0.03 compared to a reduction of \$0.03 for the fourth quarter of 2009.

The Company also announced that its Board of Directors declared a cash dividend for the fourth quarter of 2010. The quarterly cash dividend is \$0.09 per common share to be paid to holders of record at the close of business on February 3, 2011. The ex-dividend date is February 1, 2011 and the payment date is February 17, 2011.

The Company confirmed that its fourth quarter conference call will be held Wednesday, January 19, 2011 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 a variety of 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. 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, 2009 and our quarterly report on Form 10-Q for the quarter ended September 30, 2010. 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, 2010	December 31, 2009
Assets		
Cash and cash equivalents	\$ 31,677	\$ 24,135
Short-term investments	157,479	172,469
Accounts receivable, net	70,893	68,044
Other receivables	3,962	4,097
Income tax receivable, net	2,741	-
Inventory	74,274	45,674
Prepaid expenses	3,270	2,795
Deferred tax assets, net	10,617	8,603
Total current assets	354,913	325,817
Property, plant and equipment, net	73,986	74,309
Other assets	1,915	2,168
Long-term investments	261,160	162,169
Total assets	\$ 691,974	\$ 564,463
Liabilities and Stockholders' Equity		
Accounts payable	\$ 22,785	\$ 25,782
Unearned revenue	10,138	7,138
Accrued expenses	4,913	4,202
Accrued wages and benefits	12,125	7,634
Income tax payable, net	-	3,017
Total current liabilities	49,961	47,773
Deferred tax liabilities, net	10,350	5,035
Other non-current liabilities	11,841	11,390
Bonds payable	47,500	47,750
Total liabilities	119,652	111,948
Stockholders' equity	572,322	452,515
Total liabilities and stockholders' equity	\$ 691,974	\$ 564,463

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
Sales	\$ 165,329	\$ 124,231	\$ 605,674	\$ 484,185
Cost of Sales	68,422	50,876	246,811	197,223
Gross Profit	96,907	73,355	358,863	286,962
Selling, general and administrative expenses	29,588	25,863	114,699	99,446
Research and development expenses	22,462	21,256	90,300	83,285
Operating income	44,857	26,236	153,864	104,231
Interest and dividend income	1,754	1,660	6,557	6,933
Interest expense	(608)	(605)	(2,436)	(2,430)
Net realized investment gain (loss)	2,953	146	11,008	(1,297)
Other income (expense), net	(163)	59	(804)	131
Income before provision for income taxes	48,793	27,496	168,189	107,568
Provision for income taxes	(12,833)	(8,881)	(54,200)	(33,347)
Net Income	\$ 35,960	\$ 18,615	\$ 113,989	\$ 74,221
Weighted average shares outstanding - basic	63,007	62,586	62,490	62,459
Weighted average shares outstanding - diluted (1)	64,660	63,642	63,879	63,356
Earnings per common share - basic	\$ 0.57	\$ 0.30	\$ 1.82	\$ 1.19
Earnings per common share - diluted (1)	\$ 0.56	\$ 0.29	\$ 1.78	\$ 1.17

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

Supplemental Information
Stock Based Compensation Expense
Unaudited
(In thousands)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2010	2009	2010	2009
Stock-based compensation expense included in cost of sales	\$ 107	\$ 72	\$ 317	\$ 268
Selling, general and administrative expense	1,215	879	3,575	3,039
Research and development expense	1,168	1,041	3,825	3,680
Stock-based compensation expense included in operating expenses	2,383	1,920	7,400	6,719
Total stock-based compensation expense	2,490	1,992	7,717	6,987
Tax benefit for expense associated with non-qualified options	(235)	(181)	(650)	(634)
Total stock-based compensation expense, net of tax	\$ 2,255	\$ 1,811	\$ 7,067	\$ 6,353

Consolidated Statements of Cash Flow
Unaudited
(In thousands)

	Twelve Months Ended December 31,	
	2010	2009
Cash flows from operating activities:		
Net income	\$ 113,989	\$ 74,221
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,545	10,084
Amortization of net premium on available-for-sale investments	4,380	3,686
Net realized (gain) loss on long-term investments	(11,008)	1,297
Net (gain) loss on disposal of property, plant and equipment	2	(31)
Stock-based compensation expense	7,717	6,987
Deferred income taxes	(1,324)	(1,024)
Tax benefit from stock option exercises	4,909	1,549
Excess tax benefit from stock-based compensation arrangements	(4,404)	(998)
Change in operating assets and liabilities:		
Accounts receivable, net	(2,849)	(15,143)
Other receivables	135	(1,195)
Income tax receivable, net	(2,741)	-
Inventory	(28,600)	1,732
Prepaid expenses and other assets	(574)	(489)
Accounts payable	(2,997)	5,442
Accrued expenses and other liabilities	8,626	1,010
Income tax payable, net	(3,017)	3,027
Net cash provided by operating activities	92,789	90,155
Cash flows from investing activities:		
Purchases of property, plant and equipment	(9,872)	(8,740)
Proceeds from sales and maturities of available-for-sale investments	275,442	186,193
Purchases of available-for-sale investments	(340,489)	(262,067)
Acquisition of business, net of cash acquired	-	(1,370)
Net cash used in investing activities	(74,919)	(85,984)
Cash flows from financing activities:		
Proceeds from stock option exercises	24,942	13,471
Purchases of treasury stock	(18,316)	(15,896)
Dividend payments	(22,502)	(22,486)
Payments on long-term debt	(250)	(500)
Excess tax benefits from stock-based compensation arrangements	4,404	998
Net cash used in financing activities	(11,722)	(24,413)
Net increase (decrease) in cash and cash equivalents	6,148	(20,242)
Effect of exchange rate changes	1,394	2,468
Cash and cash equivalents, beginning of period	24,135	41,909
Cash and cash equivalents, end of period	\$ 31,677	\$ 24,135

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,	
	2010	2009	2010	2009
Product revenues:				
Carrier Systems	\$ 81,724	\$ 56,911	\$ 289,314	\$ 215,715
Business Networking	34,781	27,883	127,233	100,451
Loop Access	48,824	39,437	189,127	168,019
Total	\$ 165,329	\$ 124,231	\$ 605,674	\$ 484,185
Subcategories included in the above:				
Broadband Access (included in Carrier Systems)	\$ 49,684	\$ 28,342	\$ 176,116	\$ 111,470
Optical Access (included in Carrier Systems)	20,200	16,336	66,206	60,596
Internetworking (Netvanta & Multi-service Access Gateways) (included in Business Networking)	31,563	22,961	111,123	79,979
Total Growth Products	101,447	67,639	\$ 353,445	252,045
Percentage of Total Revenue	61%	54%	58%	52%
HDSL (does not include T1) (included in Loop Access)	45,762	35,396	177,249	150,276
Other Products (excluding HDSL)	18,120	21,196	74,980	81,864
Total Traditional Products	63,882	56,592	252,229	232,140
Percentage of Total Revenue	39%	46%	42%	48%
Total	\$ 165,329	\$ 124,231	\$ 605,674	\$ 484,185
Segment Revenues:				
Carrier Networks	\$ 130,346	\$ 93,856	\$ 476,030	\$ 371,349
Enterprise Networks	34,983	30,375	129,644	112,836
Total	\$ 165,329	\$ 124,231	\$ 605,674	\$ 484,185
Sales by Geographic Region:				
United States	\$ 156,851	\$ 116,496	\$ 573,845	\$ 456,402
International	8,478	7,735	31,829	27,783
Total	\$ 165,329	\$ 124,231	\$ 605,674	\$ 484,185