
**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, 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))
-
-

Item 2.02 Results of Operations and Financial Condition.

On July 14, 2015, ADTRAN, Inc. announced its financial results for the fiscal quarter ended June 30, 2015 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 July 30, 2015. The ex-dividend date is July 28, 2015 and the payment date is August 13, 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 June 30, 2015 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 July 14, 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 July 15, 2015.

ADTRAN, Inc.
(Registrant)

By: /s/ Michael Foliano

Michael Foliano

Senior Vice President – Global Operations, Interim Chief

Financial Officer, Treasurer and Secretary

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated July 14, 2015
99.2	Revenues by product and segment classification

ADTRAN, INC.
REPORTS RESULTS for the SECOND QUARTER 2015 and DECLARES QUARTERLY CASH DIVIDEND

HUNTSVILLE, Ala.—(BUSINESS WIRE)—July 14, 2015—ADTRAN, Inc. (NASDAQ: [ADTN](#)) reported results for the second quarter 2015. For the quarter, sales were \$160,138,000 compared to \$176,129,000 for the second quarter of 2014. Net income was \$2,544,000 compared to \$14,395,000 for the second quarter of 2014. Earnings per share, assuming dilution, were \$0.05 compared to \$0.26 for the second quarter of 2014. Non-GAAP earnings per share were \$0.10 compared to \$0.30 for the second quarter of 2014. 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, “Revenue for the quarter came in higher than expected, driven by the timing of CAF-related orders in our domestic business. EPS on a GAAP basis was reduced due to one-time restructuring charges as we continue to focus our company on the opportunities that are ahead. During the quarter, we saw an increase in broadband infrastructure activity in our domestic markets as carriers seek to position themselves competitively and utilize CAF funding to accelerate their deployment plans.”

The Company also announced that its Board of Directors declared a cash dividend for the second quarter of 2015. 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, 2015. The ex-dividend date is July 28, 2015 and the payment date is August 13, 2015.

The Company confirmed that its second quarter conference call will be held Wednesday, July 15, 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, 2014 and on Form 10-Q for the quarter ended March 31, 2015. These risks and uncertainties could cause actual results to differ materially from those in the forward-looking statements included in this press release.

CONTACT:

Michael Foliano
Senior Vice President & Interim CFO
256-963-8885

INVESTOR SERVICES/ASSISTANCE:

Gayle Ellis
Investor Services
256-963-8220

Condensed Consolidated Balance Sheet
(Unaudited)
(In thousands)

	June 30, 2015	December 31, 2014
Assets		
Cash and cash equivalents	\$ 87,215	\$ 73,439
Short-term investments	54,127	46,919
Accounts receivable, net	89,088	88,502
Other receivables	31,442	33,295
Inventory	100,048	86,710
Prepaid expenses	5,817	5,129
Deferred tax assets, net	17,038	17,095
Total Current Assets	384,775	351,089
Property, plant and equipment, net	73,347	74,828
Deferred tax assets, net	20,473	17,694
Goodwill	3,492	3,492
Other assets	10,236	10,942
Long-term investments	216,665	280,649
Total Assets	\$708,988	\$ 738,694
Liabilities and Stockholders' Equity		
Accounts payable	\$ 85,456	\$ 56,414
Unearned revenue	17,495	22,762
Accrued expenses	15,538	11,077
Accrued wages and benefits	15,515	13,855
Income tax payable, net	10,072	14,901
Total Current Liabilities	144,076	119,009
Non-current unearned revenue	9,444	10,948
Other non-current liabilities	31,268	30,924
Bonds payable	28,800	28,800
Total Liabilities	213,588	189,681
Stockholders' Equity	495,400	549,013
Total Liabilities and Stockholders' Equity	\$708,988	\$ 738,694

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Sales	\$ 160,138	\$ 176,129	\$ 302,973	\$ 323,133
Cost of sales	<u>91,892</u>	<u>89,332</u>	<u>169,164</u>	<u>158,546</u>
Gross Profit	68,246	86,797	133,809	164,587
Selling, general and administrative expenses	32,123	33,788	63,187	67,727
Research and development expenses	<u>35,479</u>	<u>33,670</u>	<u>68,015</u>	<u>66,223</u>
Operating Income	644	19,339	2,607	30,637
Interest and dividend income	908	1,054	1,841	2,348
Interest expense	(149)	(148)	(297)	(375)
Net realized investment gain	3,255	2,340	6,370	4,532
Other income (expense), net	<u>(547)</u>	<u>(774)</u>	<u>(900)</u>	<u>(652)</u>
Income before provision for income taxes	4,111	21,811	9,621	36,490
Provision for income taxes	<u>(1,567)</u>	<u>(7,416)</u>	<u>(3,760)</u>	<u>(12,488)</u>
Net Income	\$ 2,544	\$ 14,395	\$ 5,861	\$ 24,002
Weighted average shares outstanding - basic	51,822	55,409	52,607	56,077
Weighted average shares outstanding - diluted (1)	51,917	55,729	52,742	56,559
Earnings per common share - basic	\$ 0.05	\$ 0.26	\$ 0.11	\$ 0.43
Earnings per common share - diluted (1)	\$ 0.05	\$ 0.26	\$ 0.11	\$ 0.42

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

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

	Three Months Ended		Six Months Ended	
	June 30, 2015	2014	June 30, 2015	2014
Net Income	\$ 2,544	\$ 14,395	\$ 5,861	\$24,002
Other Comprehensive Income (Loss), net of tax:				
Unrealized gains (losses) on available-for-sale securities	(1,783)	1,219	(2,286)	298
Defined benefit plan adjustments	72	—	140	—
Foreign currency translation	872	134	(2,446)	386
Other Comprehensive Income (Loss), net of tax	(839)	1,353	(4,592)	684
Comprehensive Income, net of tax	\$ 1,705	\$ 15,748	\$ 1,269	\$24,686

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

	Six Months Ended June 30,	
	2015	2014
Cash flows from operating activities:		
Net income	\$ 5,861	\$ 24,002
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,256	7,467
Amortization of net premium on available-for-sale investments	1,578	2,272
Net realized gain on long-term investments	(6,370)	(4,532)
Net loss on disposal of property, plant and equipment	160	37
Stock-based compensation expense	3,114	4,149
Deferred income taxes	(1,743)	377
Tax benefit from stock option exercises	(23)	67
Excess tax benefits from stock-based compensation arrangements	38	(58)
Change in operating assets and liabilities:		
Accounts receivable, net	(2,003)	(31,583)
Other receivables	(119)	(4,072)
Inventory	(14,254)	841
Prepaid expenses and other assets	(1,433)	(3,103)
Accounts payable	30,938	14,425
Accrued expenses and other liabilities	2,175	8,248
Income tax payable, net	(3,961)	4,442
Net cash provided by operating activities	<u>21,214</u>	<u>22,979</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(5,392)	(4,919)
Proceeds from disposals of property, plant and equipment	8	1
Proceeds from sales and maturities of available-for-sale investments	120,422	166,518
Purchases of available-for-sale investments	(62,626)	(106,406)
Net cash provided by investing activities	<u>52,412</u>	<u>55,194</u>
Cash flows from financing activities:		
Proceeds from stock option exercises	833	1,781
Purchases of treasury stock	(49,307)	(53,091)
Dividend payments	(9,509)	(10,137)
Payments on long-term debt	—	(16,500)
Excess tax benefits from stock-based compensation arrangements	(38)	58
Net cash used in financing activities	<u>(58,021)</u>	<u>(77,889)</u>
Net increase in cash and cash equivalents	15,605	284
Effect of exchange rate changes	(1,829)	321
Cash and cash equivalents, beginning of period	<u>73,439</u>	<u>58,298</u>
Cash and cash equivalents, end of period	<u>\$ 87,215</u>	<u>\$ 58,903</u>
Supplemental disclosure of non-cash investing activities		
Purchases of property, plant and equipment included in accounts payable	\$ 270	\$ 423

Supplemental Information
Restructuring Expenses
(Unaudited)
(In thousands)

Restructuring expenses were recorded in the following Consolidated Statements of Income categories for the three and six months ended June 30, 2015 and 2014:

	Three and Six Months Ended June 30,	
	2015	2014
Restructuring expense included in cost of sales	\$ 98	\$ —
Selling, general and administrative expense	644	—
Research and development expense	1,383	—
Restructuring expense included in operating expenses	2,027	—
Total restructuring expense	2,125	—
Provision for income taxes	(829)	—
Total restructuring expense, net of tax	\$ 1,296	\$ —

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 six months ended June 30, 2015 and 2014 for both transactions are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
<i>Bluesocket, Inc. acquisition</i>				
Amortization of acquired intangible assets and other purchase accounting adjustments	\$ 226	\$ 226	\$ 452	\$ 472
<i>NSN BBA acquisition</i>				
Amortization of acquired intangible assets	229	295	470	597
Amortization of other purchase accounting adjustments	140	294	294	655
Acquisition related professional fees, travel and other expenses	35	17	41	65
Subtotal	404	606	805	1,317
Total acquisition related expenses, amortizations and adjustments	630	832	1,257	1,789
Provision for income taxes	(213)	(276)	(426)	(592)
Total acquisition related expenses, amortizations and adjustments, net of tax	\$ 417	\$ 556	\$ 831	\$ 1,197

The acquisition related expenses, amortizations and adjustments above were recorded in the following Consolidated Statements of Income categories for the three and six months ended June 30, 2015 and 2014:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenue (adjustments to deferred revenue recognized in the period)	\$ 64	\$ 180	\$ 131	\$ 423
Cost of goods sold	33	23	45	57
Subtotal	97	203	176	480
Selling, general and administrative expenses	39	24	51	79
Research and development expenses	494	605	1,030	1,230
Subtotal	533	629	1,081	1,309
Total acquisition related expenses, amortizations and adjustments	630	832	1,257	1,789
Provision for income taxes	(213)	(276)	(426)	(592)
Total acquisition related expenses, amortizations and adjustments, net of tax	\$ 417	\$ 556	\$ 831	\$ 1,197

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Stock-based compensation expense included in cost of sales	\$ 53	\$ 119	\$ 143	\$ 235
Selling, general and administrative expense	723	1,015	1,414	2,041
Research and development expense	699	958	1,557	1,873
Stock-based compensation expense included in operating expenses	1,422	1,973	2,971	3,914
Total stock-based compensation expense	1,475	2,092	3,114	4,149
Tax benefit for expense associated with non-qualified options	(222)	(296)	(402)	(580)
Total stock-based compensation expense, net of tax	\$ 1,253	\$ 1,796	\$ 2,712	\$ 3,569

**Reconciliation of GAAP net income per share, diluted, to
Non-GAAP net income per share, diluted
(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
GAAP earnings per common share – diluted	\$ 0.05	\$ 0.26	\$ 0.11	\$ 0.42
Restructuring expense	0.02	—	0.02	—
Acquisition related expenses, amortizations and adjustments	0.01	0.01	0.02	0.02
Stock-based compensation expense	0.02	0.03	0.05	0.06
Non-GAAP earnings per common share – diluted	\$ 0.10	\$ 0.30	\$ 0.20	\$ 0.50

Product and Segment Revenues
(Unaudited)
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Product Revenues:				
Carrier Systems	\$ 119,039	\$ 128,824	\$ 219,478	\$ 228,377
Business Networking	34,210	41,969	69,591	79,888
Loop Access	6,889	5,336	13,904	14,868
Total	<u>\$ 160,138</u>	<u>\$ 176,129</u>	<u>\$ 302,973</u>	<u>\$ 323,133</u>
Subcategories included in the above:				
Broadband Access (included in Carrier Systems)	\$ 100,746	\$ 108,309	\$ 185,540	\$ 189,836
Optical (included in Carrier Systems)	16,432	15,833	28,936	28,622
Internetworking (Netvanta & Multi-service Access Gateways) (included in Business Networking)	33,158	40,986	67,317	77,932
Total Core Products	<u>150,336</u>	<u>165,128</u>	<u>281,793</u>	<u>296,390</u>
Percentage of Total Revenue	94%	94%	93%	92%
HDSL (does not include T1) (included in Loop Access)	6,399	4,798	13,102	13,675
Other Products (excluding HDSL)	3,403	6,203	8,078	13,068
Total Legacy Products	<u>9,802</u>	<u>11,001</u>	<u>21,180</u>	<u>26,743</u>
Percentage of Total Revenue	6%	6%	7%	8%
Total	<u>\$ 160,138</u>	<u>\$ 176,129</u>	<u>\$ 302,973</u>	<u>\$ 323,133</u>
Segment Revenues:				
Carrier Networks	\$ 135,397	\$ 143,455	\$ 251,411	\$ 261,617
Enterprise Networks	24,741	32,674	51,562	61,516
Total	<u>\$ 160,138</u>	<u>\$ 176,129</u>	<u>\$ 302,973</u>	<u>\$ 323,133</u>
Sales by Geographic Region:				
United States	\$ 104,396	\$ 97,017	\$ 187,868	\$ 189,721
International	55,742	79,112	115,105	133,412
Total	<u>\$ 160,138</u>	<u>\$ 176,129</u>	<u>\$ 302,973</u>	<u>\$ 323,133</u>