

**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, 2008**

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 21, 2008, ADTRAN, Inc. announced its financial results for the fiscal quarter ended December 31, 2007 and certain other information.

ADTRAN also announced that its Board of Directors declared a quarterly cash dividend. The quarterly cash dividend is \$0.09 per common share to be paid to holders of record at the close of business on February 7, 2008. The ex-dividend date is February 5, 2008 and the payment date is February 21, 2008.

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, and stock-based compensation expense, for the fiscal quarter ended December 31, 2007 on the Investor Relations page of its website, www.adtran.com. A copy of the supplemental information is attached as Exhibits 99.2 and 99.3 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.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated January 21, 2008.
99.2	Revenues by product and segment classification
99.3	Stock-based compensation expense

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, 2008.

ADTRAN, Inc .
(Registrant)

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

EXHIBIT INDEX

Exhibit Number

Description

99.1
99.2
99.3

Press Release dated January 21, 2008.
Revenues by product and segment classification
Stock-based compensation expense

ADTRAN, Inc. Reports Fourth Quarter 2007 Results and Declares Quarterly Cash Dividend

HUNTSVILLE, Ala.--(BUSINESS WIRE)--ADTRAN, Inc. (NASDAQ:ADTN) reported results for the fourth quarter of 2007. Sales increased 9% to \$118,971,000 for the quarter compared to \$109,114,000 for the fourth quarter of 2006. Operating income increased 24% to \$25,428,000 for the quarter compared to \$20,564,000 for the fourth quarter of 2006. Net income was \$18,111,000 for the quarter compared to \$17,056,000 for the fourth quarter of 2006. Earnings per share, assuming dilution, were \$0.27 for the quarter compared to \$0.24 for the fourth quarter of 2006.

ADTRAN Chief Executive Officer Tom Stanton stated, "In the fourth quarter we continued to see the benefits of our strategy of expanding into system level applications and new geographical areas. Total revenue in our growth businesses grew 56% in the quarter compared to the same period in the prior year. Our Broadband Access category led this growth with a record 98% revenue increase compared to the same period in the prior year, as we began to see the effects of market share gains for fiber-to-the-node applications in both domestic and international markets. Optical Access and Internetworking product categories continued to demonstrate strong momentum as we saw solid growth in these areas for the fourth quarter compared to the same period in the prior year."

Tom Stanton also stated, "During the year 2007 we were successful in capturing a significant number of meaningful new customer opportunities. We believe these achievements along with our strong operating model will provide considerable, long term revenue and earnings growth for our company."

The Company also announced that its Board of Directors declared a cash dividend for the fourth quarter of 2007. The quarterly cash dividend is \$0.09 per common share to be paid to holders of record at the close of business on February 7, 2008. The ex-dividend date is February 5, 2008 and the payment date is February 21, 2008.

The Company also confirmed that its fourth quarter conference call will be held Tuesday, January 22, 2008 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 1,600 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. 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, 2006 and Form 10-Q for the quarter ended September 30, 2007. These risks and uncertainties could cause actual results to differ materially from those in the forward-looking statements included in this press release.

Condensed Balance Sheet Unaudited (In thousands)

	<u>December 31,</u> <u>2007</u>	<u>December 31,</u> <u>2006</u>
Assets		
Cash and cash equivalents	\$ 13,941	\$ 40,147
Short-term investments	148,416	99,700
Accounts receivable, net	70,667	56,769
Other receivables	3,085	7,481
Income tax receivable, net	-	1,446
Inventory, net	48,546	53,117
Prepaid expenses and other current assets	9,682	10,505
Total current assets	294,337	269,165
Property, plant and equipment, net	75,969	80,194
Deferred tax assets, net	1,113	-

Other assets		505		534
Long-term investments		107,296		189,765
Total assets	\$	479,220	\$	539,658
Liabilities and Stockholders' Equity				
Accounts payable	\$	22,200	\$	30,321
Unearned revenue		5,361		5,802
Accrued expenses		3,801		3,827
Accrued wages and benefits		10,497		9,579
Income tax payable, net		1,217		-
Total current liabilities		43,076		49,529
Deferred tax liabilities, net		-		694
Other non-current liabilities		9,213		4,667
Bonds payable		48,500		48,812
Total liabilities		100,789		103,702
Stockholders' equity		378,431		435,956
Total liabilities and stockholders' equity	\$	479,220	\$	539,658

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

	Three Months Ended December 31, 2007	Three Months Ended December 31, 2006	Twelve Months Ended December 31, 2007	Twelve Months Ended December 31, 2006
Sales	\$ 118,971	\$ 109,114	\$ 476,778	\$ 472,708
Cost of sales	49,452	45,727	193,792	193,747
Gross profit	69,519	63,387	282,986	278,961
Selling, general and administrative expenses	25,363	25,704	103,329	102,646
Research and development expenses	18,728	17,119	75,367	70,700
Operating income	25,428	20,564	104,290	105,615
Interest income	2,765	3,212	11,521	13,493
Interest expense	(626)	(632)	(2,502)	(2,532)
Net realized investment gain	(10)	250	498	1,379
Other income, net	64	128	764	570
Life insurance proceeds	-	-	1,000	-
Income before provision for income taxes	27,621	23,522	115,571	118,525
Provision for income taxes	(9,510)	(6,466)	(39,236)	(40,192)
Net income	\$ 18,111	\$ 17,056	\$ 76,335	\$ 78,333
Weighted average shares outstanding				
Basic	65,752	70,228	67,848	73,451
Diluted (1)	66,866	71,788	69,212	75,197
Earnings per common share				
Basic	\$ 0.28	\$ 0.24	\$ 1.13	\$ 1.07
Diluted (1)	\$ 0.27	\$ 0.24	\$ 1.10	\$ 1.04

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

Consolidated Statements of Cash Flow
For the Twelve Months ended December 31,
Unaudited
(In thousands)

	2007	2006
Cash flows from operating activities:		
Net income	\$ 76,335	\$ 78,333
Adjustments to reconcile net income to net cash provided by operating activities:		

Depreciation and amortization	10,695	10,827
Amortization of net premium on available-for-sale investments	2,094	3,137
Gain on sale of long-term investments	(580)	(1,379)
Loss on disposal of property, plant and equipment	65	73
Stock-based compensation expense	7,815	8,138
Deferred income taxes	(2,960)	(4,332)
Tax benefit from stock option exercises	4,408	1,583
Excess tax benefits from stock-based compensation arrangements	(3,249)	(973)
Change in operating assets and liabilities:		
Accounts receivable, net	(13,898)	9,477
Other receivables	4,396	(4,267)
Income tax receivable, net	1,446	(1,446)
Inventory, net	4,571	(2,185)
Prepaid expenses and other assets	596	167
Accounts payable	(7,933)	4,932
Accrued expenses and other liabilities	3,517	(2,256)
Income tax payable, net	1,507	(4,551)
Net cash provided by operating activities	88,825	95,278
Cash flows from investing activities:		
Purchases of property, plant and equipment	(6,535)	(6,061)
Proceeds from sales and maturities of available-for-sale investments	253,339	323,211
Purchases of available-for-sale investments	(217,316)	(293,098)
Acquisition of business	-	(400)
Net cash provided by investing activities	29,488	23,652
Cash flows from financing activities:		
Proceeds from stock option exercises	15,288	4,441
Purchases of treasury stock	(138,589)	(170,479)
Dividend payments	(24,600)	(26,755)
Payments on long-term debt	(500)	(500)
Excess tax benefits from stock-based compensation arrangements	3,249	973
Net cash used in financing activities	(145,152)	(192,320)
Net decrease in cash and cash equivalents	(26,839)	(73,390)
Effect of exchange rate changes	633	743
Cash and cash equivalents, beginning of period	40,147	112,794
Cash and cash equivalents, end of period	\$ 13,941	\$ 40,147

CONTACT:

ADTRAN, Inc.

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

or

Investor Services/Assistance:

Gayle Ellis, 256-963-8220

EXHIBIT 99.2**ADTRAN, INC.**

(In thousands)

	<u>2007</u>			
	<u>Q4</u>	<u>Q3</u>	<u>Q2</u>	<u>Q1</u>
Product Revenues Based on New Categories:				
Loop Access	\$ 46,147	\$ 56,282	\$ 55,003	\$ 51,248
Carrier Systems	49,127	44,587	46,491	39,564
Business Networking	23,697	22,952	22,180	19,500
	\$ 118,971	\$ 123,821	\$ 123,674	\$ 110,312

Subcategories included in above:

Broadband Access (included in Carrier Systems)	\$ 27,276	\$ 18,241	\$ 20,163	\$ 18,271
Optical Access (included in Carrier Systems)	10,805	13,854	9,833	8,617
Internetworking (Netvanta & Multi-service Access Gateway) (included in Business Networking)	14,236	14,462	13,591	11,092
HDSL (does not include T1) (included in Loop Access)	36,283	47,196	46,319	43,752
Other products	30,371	30,068	33,768	28,580
	\$ 118,971	\$ 123,821	\$ 123,674	\$ 110,312

Segment Revenues:

Carrier Networks	\$ 87,199	\$ 93,090	\$ 93,288	\$ 84,446
Enterprise Networks	31,772	30,731	30,386	25,866
	\$ 118,971	\$ 123,821	\$ 123,674	\$ 110,312

Sales by Geographic Region:

United States	\$ 103,247	\$ 116,021	\$ 115,419	\$ 102,472
International	15,724	7,800	8,255	7,840
	\$ 118,971	\$ 123,821	\$ 123,674	\$ 110,312

Product Revenues Based on New Categories:

	<u>2006</u>			
	<u>Q4</u>	<u>Q3</u>	<u>Q2</u>	<u>Q1</u>
Loop Access	\$ 51,753	\$ 59,053	\$ 55,427	\$ 43,260
Carrier Systems	34,813	50,049	46,369	44,051
Business Networking	22,548	23,548	20,500	21,337
	\$ 109,114	\$ 132,650	\$ 122,296	\$ 108,648

Subcategories included in above:

Broadband Access (included in Carrier Systems)	\$ 13,761	\$ 23,870	\$ 21,490	\$ 21,002
Optical Access (included in Carrier Systems)	8,857	10,122	9,078	8,424
Internetworking (Netvanta & Multi-service Access Gateway) (included in Business Networking)	10,912	9,162	7,599	8,429
HDSL (does not include T1) (included in Loop Access)	42,788	49,563	45,979	35,664
Other	32,796	39,933	38,150	35,129
	\$ 109,114	\$ 132,650	\$ 122,296	\$ 108,648

Segment Revenues:

Carrier Networks	\$ 79,281	\$ 101,466	\$ 94,640	\$ 81,219
Enterprise Networks	29,833	31,184	27,656	27,429
	\$ 109,114	\$ 132,650	\$ 122,296	\$ 108,648

Sales by Geographic Region:

United States	\$ 98,577	\$ 124,552	\$ 114,697	\$ 102,931
International	10,537	8,098	7,599	5,717
	\$ 109,114	\$ 132,650	\$ 122,296	\$ 108,648

EXHIBIT 99.3**ADTRAN, INC.**

(In thousands)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2007	2006	2007	2006
Stock-based compensation expense included in cost of sales	\$ (15)	\$ 139	\$ 268	\$ 399
Selling, general and administrative expense	273	993	3,495	3,945
Research and development expense	817	912	4,052	3,794
Stock-based compensation expense included in operating expenses	1,090	1,905	7,547	7,739
Total stock-based compensation expense	1,075	2,044	7,815	8,138
Tax benefit for expense associated with non-qualified options	(1)	(197)	(680)	(971)
Total stock-based compensation expense, net of tax	\$ 1,074	\$ 1,847	\$ 7,135	\$ 7,167