

**ADTRAN Announces Sales Trends; 1998 Expectations Reduced**

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HUNTSVILLE, Ala.--(BUSINESS WIRE)--Dec. 4, 1998--ADTRAN, Inc. (NASDAQ: ADTN) today announced that it has experienced lower than expected sales activity to this point in the fourth quarter. Commenting on the trend of business to this point in the quarter, Mark C. Smith, Chairman and Chief Executive Officer, stated that, "The fourth quarter of 1998 is exhibiting a trend we have not seen in our business over the last four years. All indications are that most major telephone companies have reduced their purchasing activity, probably to reduce inventories on hand prior to year-end. Through 1993, this approach was very common in our business, which resulted in moving revenues into the following year. As a result of these trends, although gross margins remain at expected levels, we expect that revenue and earnings for the current quarter will be substantially below current market expectations."

Mr. Smith noted that, in addition to gross margins remaining generally in line with the Company's expectations, ADTRAN continues to gain market share in key technologies which should begin to impact operating results in 1999.

ADTRAN, Inc. designs, develops, and markets a broad range of high-speed digital transmission products utilized by Telcos, corporate end users and OEMs to implement digital data service over existing telephone networks.

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, 1997. Such 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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