



**CORRECTING and REPLACING ADTRAN, Inc. Reports Fourth Quarter 2006 Results and Declares Quarterly Cash Dividend**

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HUNTSVILLE, Ala. - (BUSINESS WIRE) - Reissuing release, dated Jan. 22, 2007, to correct ticker symbol for searching purposes.

ADTRAN, Inc. (NASDAQ:ADTN) reported results for the fourth quarter of 2006. Sales were \$109,869,000 for the quarter compared to \$140,595,000 for the fourth quarter of 2005. For the fourth quarter 2006, GAAP net income was \$17,036,000 and GAAP earnings per share, assuming dilution, were \$0.24. Non-GAAP net income was \$18,992,000 for the quarter and non-GAAP earnings per share, assuming dilution, were \$0.26 for the quarter. For the fourth quarter 2005, GAAP net income was \$32,196,000 and GAAP earnings per share, assuming dilution, were \$0.41. Non-GAAP net income and non-GAAP earnings per share for the fourth quarter of 2006 exclude the effect of stock compensation expense resulting from the application of Statement of Financial Accounting Standards No. 123R, Share-Based Payment ("SFAS 123R"). SFAS 123R was adopted on a modified prospective basis effective January 1, 2006. See the table below for reconciliation between non-GAAP and GAAP net income and earnings per share.

ADTRAN Chief Executive Officer Tom Stanton stated, "The fourth quarter proved challenging for many of us in the telecom equipment sector. However, solid execution by our employees allowed us to deliver healthy profitability while continuing to strengthen our market positions in strategic areas. Product introductions and new business wins which occurred in 2006 should provide a solid base for long term growth."

The Company also announced that its Board of Directors declared a cash dividend for the fourth quarter of 2006. The quarterly cash dividend is \$0.09 per common share to be paid to holders of record at the close of business on February 8, 2007. The ex-dividend date is February 6, 2007 and the payment date is February 22, 2007.

The Company also confirmed that its fourth quarter conference call will be held Tuesday, January 23, 2007 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 one of the world's most successful network access equipment suppliers, with an 18-year history of profitability and a portfolio of more than 1,400 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](mailto:info@adtran.com). On the Web, visit [www.adtran.com](http://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, 2005. These risks and uncertainties could cause actual results to differ materially from those in the forward-looking statements included in this press release.

This release includes non-GAAP net income, non-GAAP earnings per share data, and other non-GAAP line items from the Non-GAAP Information table in this release, including costs of sales, gross profit, selling, general and administrative expenses, research and development expenses, profit from operations, income before provision for income taxes and provision for income taxes. These measures exclude the effect of stock compensation expense for employee stock options associated with the application of SFAS 123R, which ADTRAN adopted effective January 1, 2006. These measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP measures used by other companies. ADTRAN believes that the presentation of the non-GAAP measures, when shown in conjunction with the corresponding GAAP measures, provides useful information to management and investors regarding financial and business trends relating to its financial condition and results of operations. ADTRAN further believes that where adjustments used in calculating non-GAAP net income and non-GAAP earnings per share are based on specific, identified charges that impact different line items in the statements of income, it is useful to investors to know how these specific line items are affected by these adjustments. In particular, as ADTRAN applies SFAS 123R, it believes that it is useful to investors to understand how the expenses associated with the application of SFAS 123R are reflected in its results of operations. The presentation of these non-GAAP measures permits both investors and management to more readily compare past results, which do not include the impact of SFAS 123R, with future results, and to better understand ADTRAN's performance over the periods presented.

Condensed Balance Sheet  
December 31, 2006  
Unaudited  
(In thousands)

	December 31, 2006
	-----
Assets	
Cash & cash equivalents	\$ 40,147
Short-term investments	99,700
Accounts receivable (net)	60,014
Other receivables	7,481
Income tax receivables	1,114
Inventory (net)	52,994
Prepaid expenses and other current assets	10,505
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Total current assets	271,955
Equipment (net)	18,101
Land	4,263
Bldg. & land improvements (net)	57,830
Other assets	534
Long-term investments	189,765
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Total long-term assets	270,493
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Total assets	\$ 542,448
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Liabilities and stockholders' equity

Accounts payable	\$ 30,568
Accrued wages and benefits	9,543
Accrued liabilities	12,091
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Total current liabilities	52,202
Deferred tax liabilities	694
Other non-current liabilities	4,667
Long term-debt	48,812
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Total long-term liabilities	54,173
Total liabilities	106,375
Stockholders' equity	436,073
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Total liabilities and stockholders' equity	\$ 542,448
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Condensed Statements of Income  
For the three and twelve month periods ended  
December 31, 2006 and 2005  
(In thousands, except per share data)  
Unaudited

	Three Months Ended		Twelve Months Ended	
	December 31, 2006	December 31, 2005	December 31, 2006	December 31, 2005
	-----	-----	-----	-----
Sales	\$109,869	\$140,595	\$473,463	\$513,215
Cost of Sales	45,823	56,363	193,843	209,895
	-----	-----	-----	-----
Gross Profit	64,046	84,232	279,620	303,320
Selling, general and administrative expenses	26,161	24,154	103,383	96,411
Research and development expenses	17,113	14,857	70,694	62,654
	-----	-----	-----	-----
Profit from operations	20,772	45,221	105,543	144,255
Interest expense	( 632)	( 634)	( 2,532)	( 2,535)
Other income, net	3,693	2,704	15,825	11,654
	-----	-----	-----	-----
Income before provision for				

income taxes	23,833	47,291	118,836	153,374
Provision for income taxes	(6,797)	(15,095)	(40,523)	(52,224)
Net income (1)	\$17,036	\$32,196	\$78,313	\$101,150
Weighted average shares				
Basic	70,228	76,295	73,451	75,775
Diluted (2)	71,788	78,840	75,197	77,966
Earnings per common share				
Basic	\$0.24	\$0.42	\$1.07	\$1.33
Diluted (2)	\$0.24	\$0.41	\$1.04	\$1.30

(1) Net income for the three and twelve months ended December 31, 2006 included stock-based compensation expense recognized related to stock options of \$2.0 million and \$7.3 million, respectively, net of tax, under SFAS 123R. Stock-based compensation expense of \$0.3 million, net of tax was recorded under SFAS 123 in the twelve month period ended December 31, 2005 relating to the accelerated vesting of stock options for retiring personnel.

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

Non-GAAP Information (1) (2)  
For the three and twelve month periods ended  
December 31, 2006 and 2005  
(In thousands, except per share data)  
Unaudited

	Non-GAAP (excludes effects of SFAS 123R) Three Months Ended December 31, 2006	Effects of SFAS 123R Three Months Ended December 31, 2006	GAAP Three Months Ended December 31, 2006	GAAP Three Months Ended December 31, 2005
Sales	\$109,869	\$0	\$109,869	\$140,595
Cost of Sales (a)	45,683	140	45,823	56,363
Gross Profit (a)	64,186	140	64,046	84,232
Selling, general and administrative expenses (a)	25,025	1,136	26,161	24,154

Research and development expenses (a)	16,207	906	17,113	14,857
Profit from operations (a)	22,954	2,182	20,772	45,221
Interest expense	(632)	0	(632)	(634)
Other income, net	3,693	0	3,693	2,704
Income before provision for income taxes (a)	26,015	2,182	23,833	47,291
Provision for income taxes (b)	(7,023)	(226)	(6,797)	(15,095)
Net income (a)(b)	\$18,992	\$1,956	\$17,036	\$32,196
Weighted average shares				
Basic	70,228	70,228	70,228	76,295
Diluted (3)	71,802	71,788	71,788	78,840
Earnings per common share				
Basic	\$0.27	(\$0.03)	\$0.24	\$0.42
Diluted (3)	\$0.26	(\$0.02)	\$0.24	\$0.41

	Non-GAAP (excludes effects of SFAS 123R) Twelve Months Ended December 31, 2006	Effects of SFAS 123R Twelve Months Ended December 31, 2006	GAAP Twelve Months Ended December 31, 2006	GAAP Twelve Months Ended December 31, 2005
Sales	\$473,463	\$0	\$473,463	\$513,215
Cost of Sales (a)	193,443	400	193,843	209,895
Gross Profit (a)	280,020	400	279,620	303,320
Selling, general and administrative expenses (a)	99,295	4,088	103,383	96,411
Research and development expenses (a)	66,906	3,788	70,694	62,654

Profit from operations (a)	113,819	8,276	105,543	144,255
Interest expense	(2,532)	0	(2,532)	(2,535)
Other income, net	15,825	0	15,825	11,654
	-----	-----	-----	-----
Income before provision for income taxes (a)	127,112	8,276	118,836	153,374
Provision for income taxes (b)	(41,523)	(1,000)	(40,523)	(52,224)
	-----	-----	-----	-----
Net income (a)(b)	\$85,589	\$7,276	\$78,313	\$101,150
	=====	=====	=====	=====
Weighted average shares				
Basic	73,451	73,451	73,451	75,775
Diluted (3)	75,276	75,197	75,197	77,966
Earnings per common share				
Basic	\$1.17	(\$0.10)	\$1.07	\$1.33
Diluted (3)	\$1.14	(\$0.10)	\$1.04	\$1.30

(1) A reconciliation between net income on a GAAP basis and non-GAAP net income including items (a) through (b) is provided in the table below.

(2) Stock-based compensation expense of \$0.3 million, net of tax was recorded under SFAS 123 in the twelve month period ended December 31, 2005 relating to the accelerated vesting of stock options for retiring personnel.

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

RECONCILIATION OF GAAP TO NON-GAAP NET INCOME AND EARNINGS PER SHARE  
(In thousands)

	Three Months Ended		Twelve Months Ended	
	December 31, 2006	December 31, 2005	December 31, 2006	December 31, 2005
GAAP Net Income	\$17,036	\$32,196	\$78,313	\$101,150
(a) Stock-based compensation expense related to stock options				
(1)	2,182	0	8,276	0
(b) Income tax effect of stock-based compensation				

expense	( 226)	0	( 1,000)	0
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Non-GAAP Net Income	\$18,992	\$32,196	\$85,589	\$101,150
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GAAP Earnings per common share - diluted	\$0.24	\$0.41	\$1.04	\$1.30
Per share effect of stock-based compensation expense	\$0.02	N/A	\$0.10	N/A
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Non-GAAP Earnings per common share - diluted	\$0.26	\$0.41	\$1.14	\$1.30
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(1) For the three months ended December 31, 2006, stock-based compensation expense was allocated as follows: \$140 to cost of sales expense, \$1,136 to selling, general and administrative expense, and \$906 to research and development expense.

For the twelve months ended December 31, 2006, stock-based compensation expense was allocated as follows: \$400 to cost of sales expense, \$4,088 to selling, general and administrative expense, and \$3,788 to research and development expense.

COMPARISON OF NET INCOME INCLUDING THE EFFECT OF STOCK-BASED  
COMPENSATION EXPENSE RELATED TO EMPLOYEE STOCK OPTIONS UNDER SFAS  
123R and SFAS 123 (1)  
(In thousands)

	Three Months Ended December 31, 2006		Twelve Months Ended December 31, 2006	
	December 31, 2006	December 31, 2005	December 31, 2006	December 31, 2005
Net Income as reported	\$17,036	\$32,196	\$78,313	\$101,150
Plus: total stock- based compensation included in the determination of reported net income, net of tax	1,956	12	7,276	278
Less: total stock- based compensation expense determined under fair value based method for all awards, net of				

tax	( 1,956)	( 2,932)	( 7,276)	( 8,627)
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Non-GAAP net income for calculation of diluted earnings per share	\$17,036	\$29,276	\$78,313	\$92,801
=====				
Earnings per share				
Diluted - as reported	\$0.24	\$0.41	\$1.04	\$1.30
Diluted - non- GAAP	n/a	\$0.37	n/a	\$1.19

(1) Stock-based compensation expense prior to January 1, 2006 is based on the pro forma application of SFAS 123. Net income and net income per share prior to January 1, 2006 includes stock-based compensation recorded under SFAS 123 of \$0.3 million, net of tax relating to the accelerated vesting of stock options for retiring personnel.

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