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## ADTRAN, Inc., Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you, Mr. Stanton. (Operator Instructions)

Your first question comes from the line of Paul Silverstein with Credit Suisse.

#### Paul Silverstein - Credit Suisse

Tom, can you hear me?

#### Thomas R. Stanton

Yes, I can hear you, Paul.

#### Paul Silverstein - Credit Suisse

Good, thanks. Tom, can you give us a little more insight on—it sure seems like your next generation products through your growth drivers is finally starting to get some real traction. Can you give us some more incremental insights from what you're seeing, what you would anticipate over the balance of the year from the time you see in point, with the 5000 in particular, in the optical access platforms?

#### Thomas R. Stanton

Sure. Well, the 5000 actually had a pretty good first quarter. We, at this point in time, are shipping to one Tier 1 carrier with the 5000, multiple Tier 2s and multiple Tier 3s. And let me just kind of hit those by segments. In the Tier 1, we're expecting to ship to all three of the Tier 1s by the end of this year. One of those Tier 1s is farther along in their, let's say OS integration and field trial activity and we would expect that to come, at this point in time, around the half. But I'll just kind of remind you that, you know, carriers tend to move dates around like that.

The other Tier 1 is progressing with multiple applications in the first set of those applications, you know, we're expecting—let me just say, sometime in the second half.

And then with . . .

#### Paul Silverstein - Credit Suisse

Tom, can I interrupt you for one second? I'm sorry. The second Tier 1, you said you said you expect shipments to begin around the midpoint of the year?

**Thomas R. Stanton**

Correct; that's right.

**Paul Silverstein - Credit Suisse**

And that was for one application or multiples?

**Thomas R. Stanton**

That one is for one application.

**Paul Silverstein - Credit Suisse**

And would you characterize that as a prominent deployment?

**Thomas R. Stanton**

As a what type of deployment?

**Paul Silverstein - Credit Suisse**

As a large deployment?

**Thomas R. Stanton**

It has the potential to be a large deployment. That deployment—that application is actually ATM-to-Ethernet aggregation.

And the other Tier 1 will be shipping towards the tail end of the year. Multiple applications are targeted for that customer that we've been awarded through the RFP processes. Tier 2s, I would say that we would just continue to add on to the few that we've got. I think we're shipping to probably all the Tier 2s at this point in time, in some configuration, very early in the rollout in these configurations. And in most cases we have other configurations; they may be buying us today for a broadband BLC. Most of them are looking at us either for IPB slam, fiber-to-the-node, or for ATM-to-Ethernet aggregation. So I would just say you would continue to kind of add to that momentum through the year. And in Tier 3s we're already [inaudible]

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