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: January 28, 2016
(Date of earliest event reported)

CLEARFIELD, INC.
(Exact Name of Registrant as Specified in Charter)

Minnesota	**000-16106**	**41-1347235**
(State or Other Jurisdiction of Incorporation)	(Commission File No.)	(IRS Employer Identification No.)

7050 Winnetka Avenue North, Suite 100, Brooklyn Park, Minnesota 55428
(Address of Principal Executive Offices)(Zip Code)

(763) 476-6866
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

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:

☐ 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))

Items under Sections 1 and 3 through 7 are not applicable and therefore omitted.

Item 2.02 Results of Operations and Financial Condition.

Clearfield, Inc. (the “Company”) hereby furnishes as Exhibit 99.1 a press release issued on January 28, 2016 disclosing material non-public information regarding its results of operations for the first quarter ended December 31, 2015.

In the January 28, 2016 earnings release, the Company directs readers to a page of its website to access an investor communication entitled “FY16 Q1 FieldReport,” which is furnished hereto as Exhibit 99.2. The FY16 Q1 FieldReport consists of a slide presentation and a related embedded audio recording of remarks by Cheryl Beranek, the Company’s President and Chief Executive Officer, and Daniel Herzog, the Company’s Chief Financial Officer, discussing the first quarter ended December 31, 2015 results, as well as the business and prospects of the Company.

Item 8.01 Other Events.

As described above, the Company made the FY16 Q1 FieldReport, furnished hereto as Exhibit 99.2, available on its website on January 28, 2016. The Company is not including the information on its website as a part of, or incorporating it by reference into, this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Description
99.1	Press Release Issued by Clearfield, Inc. on January 28, 2016.
99.2	FY16 Q1 FieldReport – Presentation dated January 28, 2016 and Transcript of Remarks of Cheryl Beranek, President and Chief Executive Officer, and Daniel Herzog, Chief Financial Officer, of Clearfield, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CLEARFIELD, INC.

By /s/ Daniel Herzog

Daniel Herzog, Chief Financial Officer

Dated: January 28, 2016

EXHIBIT 99.1

Clearfield Reports Fiscal First Quarter 2016 Results

MINNEAPOLIS, Jan. 28, 2016 (GLOBE NEWSWIRE) -- **Clearfield, Inc.** (NASDAQ:CLFD)**,** the specialist in fiber management and connectivity platforms for communications providers, reported results for the fiscal first quarter ended December 31, 2015.

Fiscal Q1 2016 Financial Summary				
(in millions except per share data and percentages)	**Q1 2016**	**vs. Q1 2015**	**Change**	**Change (%)**
Revenue	**$ 15.7**	$ 14.0	$ 1.7	**12%**
Gross Profit	**$ 6.7**	$ 5.7	$ 1.0	**16%**
Gross Margin	**42.6%**	41.1%	1.5%	**4%**
Pre-Tax Income	**$ 2.0**	$ 1.6	$ 0.4	**23%**
Income Tax Expense	**$ 0.6**	$ 0.6	$ 0.0	**10%**
Net Income	**$ 1.4**	$ 1.1	$ 0.3	**29%**
Net Income per Diluted Share	**$ 0.10**	$ 0.08	$ 0.02	**25%**

Fiscal Q1 2016 Financial Results

Revenue for the first quarter of fiscal 2016 increased 12% to $15.7 million from $14.0 million in the same year-ago quarter. The improvement was primarily due to increased deployments by the Company’s incumbent local exchange carrier (ILEC) and competitive local exchange carrier (CLEC) customers. The revenue increase was partially offset by temporary project delays impacting customers outside the U.S.

Gross profit increased 16% to $6.7 million (42.6% of revenue) from $5.7 million (41.1% of revenue) in the first fiscal quarter of 2015.

Operating expenses were $4.7 million, an increase of 14% compared to $4.1 million in the same year-ago quarter.

Pre-tax income increased 23% to $2.0 million from $1.6 million in the same year-ago quarter.

Net income increased 29% to $1.4 million or $0.10 per diluted share from $1.1 million or $0.08 per diluted share in the same year-ago quarter.

During the quarter ended December 31, 2015, cash, cash equivalents and investments increased 6% to $36.2 million from $34.3 million at the end of the prior quarter. The Company had no debt at quarter end.

Order backlog (defined as purchase orders received but not yet fulfilled) at December 31, 2015 decreased 5% to $3.4 million from $3.5 million at September 30, 2015, and increased 37% from $2.5 million compared to December 31, 2014.

Management Commentary

“Our strong financial performance was evident in our Q1 results, which demonstrated another quarter of growth and profitability,” said Clearfield CEO, Cheri Beranek. “Revenue, gross profit and net income saw solid growth on a year-over-year basis, as we continued to penetrate the ILEC market and make steady progress on our key initiatives for fiscal 2016.

“To further these initiatives, we are judiciously increasing our capital expenditures to invest in our IT infrastructure and enterprise resource planning systems. We are also making investments to obtain necessary certifications that allow us the ‘right to hunt’ in the Tier 1 space. Additionally, we continue to strengthen our sales and marketing teams, in both executive and field positions, in order to broaden our customer outreach and increase our visibility in the marketplace, including in Tier 1, 2 and 3 ILEC communities, and with wireless service providers, cable operators and competitive carriers (CLECs). The strength of our competitive product offerings, which can reduce the total cost of ownership for a service provider by as much as 50%, gives us confidence in the future success of these efforts.

“The effect of the government broadband subsidy program, Connect America Fund Phase II, is also slowly starting to take shape throughout the industry. It has created an opportunity for Clearfield to capitalize on a major, industry-wide wave of fiber deployments, especially as service providers strive to remain technologically relevant. While the actual timing of fiber roll-outs could be delayed by factors outside of our control, we are positioning the Company for an anticipated major roll-out during the second half of our fiscal year.

“Given our fiscal Q1 results and progress on key initiatives, Clearfield remains on track for at least 10% revenue growth in fiscal 2016, with revenue growth accelerating in fiscal 2017 and beyond, and operating income growing in step with revenue.”

FieldReport

Clearfield issued its FieldReport for fiscal Q1 2016, which is available in the investor relations section of the Company’s website or by clicking here. Comprised of presentation slides with audio and video, the report provides additional insight into Clearfield’s financial and operational performance.

About Clearfield, Inc.
Clearfield, Inc. (NASDAQ:CLFD) designs, manufactures and distributes fiber optic management products for the communications networks of leading ILECS, CLECs, MSO/cable TV companies and mobile broadband providers. The Company helps service providers solve the Fiber Puzzle, which is how to reduce the high costs associated with deploying, managing, protecting and scaling a fiber optic network to deliver the mobile, residential and business services customers want. Based on the patented Clearview™ Cassette, Clearfield's unique single-architected, modular fiber management platform is designed to lower the cost of broadband deployment and maintenance by consolidating, protecting and distributing incoming and outgoing fiber circuits, and enabling its customers to scale their operations as their subscriber revenues increase. Headquartered in Minneapolis, MN, Clearfield deploys more than a million fiber ports each year. For more information, visit www.seeclearfield.com.

Cautionary Statement Regarding Forward-Looking Information
Forward-looking statements contained herein and in the FieldReport are made pursuant to the safe harbor provisions of the Private Litigation Reform Act of 1995. Words such as "may," "will," "expect," "believe," "anticipate," "estimate," "outlook," or "continue" or comparable terminology are intended to identify forward-looking statements. Such forward looking statements include, for example, statements about the Company's future revenue and operating performance, growth of the FTTH market, effectiveness of the Company's sales and marketing strategies and organization, utilization of manufacturing capacity, and the development and marketing of products. These statements are based upon the Company's current expectations and judgments about future developments in the Company's business. Certain important factors could have a material impact on the Company's performance, including, without limitation: our results of operations could be adversely affected now that the stimulus funds of the American Recovery and Reinvestment Act are fully allocated and projections are nearing completion; National Broadband Plan's transitioning from the USF to the CAF program may cause our customers and prospective customers to delay or reduce purchases; a significant percentage of our sales in the last three fiscal years have been made to a small number of customers, and the loss of these major customers would adversely affect us; intense competition in our industry may result in price reductions, lower gross profits and loss of market share; our results of operations could be adversely affected by economic conditions and the effects of these conditions on our customers' businesses; our operating results may fluctuate significantly from quarter to quarter, which may make budgeting for expenses difficult and may negatively affect the market price of our common stock; to compete effectively, we must continually improve existing products and introduce new products that achieve market acceptance; we may face circumstances in the future that will result in impairment charges, including, but not limited to, significant goodwill impairment charges; we rely on single-source suppliers, which could cause delays, increases in costs or prevent us from completing customer orders, all of which could materially harm our business; we face risks associated with expanding our sales outside of the United States; our success depends upon adequate protection of our patent and intellectual property rights; further consolidation among our customers may result in the loss of some customers and may reduce sales during the pendency of business combinations and related integration activities; we are dependent on key personnel; product defects or the failure of our products to meet specifications could cause us to lose customers and sales or to incur unexpected expenses; and other factors set forth in Part I, Item IA. Risk Factors of Clearfield's Annual Report on Form 10-K for the year ended September 30, 2015 as well as other filings with the Securities and Exchange Commission. The Company undertakes no obligation to update these statements to reflect actual events.

CLEARFIELD, INC.
CONDENSED STATEMENTS OF OPERATIONS
UNAUDITED

	Three Months Ended December 31	
	2015	2014
Revenues	$ 15,689,715	$ 13,986,620
Cost of sales	9,012,919	8,244,106
Gross profit	6,676,796	5,742,514
Operating expenses		
Selling, general and administrative	4,697,015	4,125,997
Income from operations	1,979,781	1,616,517
Interest income	33,539	25,856
Income before income taxes	2,013,320	1,642,373
Income tax expense	630,000	573,000
Net income	$ 1,383,320	$ 1,069,373

Net income per share:		
Basic	$ 0.10	$ 0.08
Diluted	$ 0.10	$ 0.08
Weighted average shares outstanding:		
Basic	13,288,679	13,222,180
Diluted	13,575,162	13,581,434

CLEARFIELD, INC.
CONDENSED BALANCED SHEETS

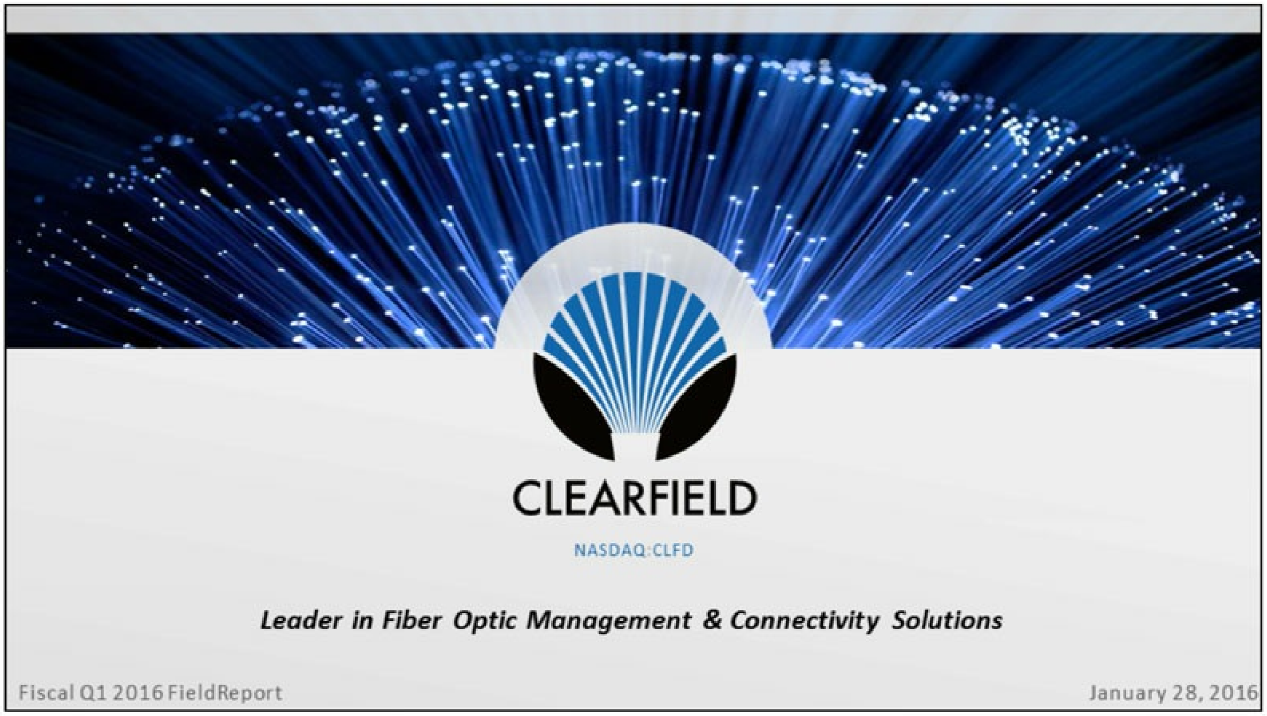
	(Unaudited) December 31, 2015	(Audited) September 30, 2015
Assets		
Current Assets		
Cash and cash equivalents	$ 20,699,033	$ 18,071,210
Short-term investments	8,746,000	7,925,000
Accounts receivable, net	5,019,660	6,010,900
Inventories	6,943,519	7,182,854
Other current assets	556,127	1,563,665
Total current assets	41,964,339	40,753,629
Property, plant and equipment, net	5,551,700	5,689,673
Other Assets		
Long-term investments	6,767,000	8,290,000
Goodwill	2,570,511	2,570,511
Other	345,481	323,804
Total other assets	9,682,992	11,184,315
Total Assets	$ 57,199,031	$ 57,627,617
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	$ 2,183,253	$ 2,357,791
Accrued compensation	1,394,342	2,598,661
Accrued expenses	103,387	80,803
Total current liabilities	3,680,982	5,037,255
Other Liabilities		
Deferred taxes – long-term	152,988	1,082,887
Deferred rent	233,474	228,345
Total other liabilities	386,462	1,311,232
Total Liabilities	4,067,444	6,348,487
Commitment and contingencies		
Shareholders' Equity		
Common stock	137,062	137,057
Additional paid-in capital	56,356,982	55,887,850
Accumulated deficit	(3,362,457)	(4,745,777)
Total Shareholders' Equity	53,131,587	51,279,130
Total Liabilities and Shareholders' Equity	$ 57,199,031	$ 57,627,617

CLEARFIELD, INC.
CONDENSED STATEMENT OF CASH FLOWS
UNAUDITED

	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014
Cash flows from operating activities:		
Net income	$ 1,383,320	$ 1,069,373
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	348,749	229,900
Deferred income taxes	217,000	529,000
Loss on disposal of assets	1,390	-
Stock-based compensation expense	226,767	283,627
Tax benefit from stock-based awards	(348,000)	-
Changes in operating assets and liabilities:		
Accounts receivable, net	991,240	372,879
Inventories	239,335	31,187
Other current assets	(146,494)	(222,800)
Accounts payable and accrued expenses	(1,003,144)	(1,219,481)
Net cash provided by operating activities	1,910,163	1,073,685
Cash flows from investing activities:		
Purchases of property, plant and equipment and intangible assets	(226,710)	(1,764,875)
Purchase of investments	(1,184,000)	(1,638,000)
Sale of investments	1,886,000	1,375,000
Net cash provided by (used in) investing activities	475,290	(2,027,875)
Cash flows from financing activities:		
Tax benefit from stock-based awards	348,000	-
Repurchase of common stock	(257,242)	(170,170)
Proceeds from issuance of common stock under employee stock purchase plan	118,013	105,615
Proceeds from issuance of common stock	34,990	1,276
Tax withholding related to vesting of restricted stock grants	(1,391)	-
Net cash provided by (used in) financing activities	242,370	(63,279)
Increase (decrease) in cash and cash equivalents	2,627,823	(1,017,469)
Cash and cash equivalents at beginning of period	18,071,210	18,191,493
Cash and cash equivalents at end of period	$ 20,699,033	$ 17,174,024
Supplemental cash flow information		
Cash paid during the year for income taxes	$ 15,884	$ -
Non-cash financing activities		
Cashless exercise of stock options	$ 15,890	$ 3,220

Investor Relations Contact:

Matt Glover and Najim Mostamand
Liolios Group, Inc.
949-574-3860
CLFD@liolios.com



Hello, this is Cheri Beranek, President and CEO of Clearfield. Welcome to our fiscal first quarter 2016 FieldReport. Before we begin, I'd like to provide some important cautions regarding forward-looking statements made during today's presentation.

Important Cautions Regarding Forward-Looking Statements

Forward-looking statements contained herein are made pursuant to the safe harbor provisions of the Private Litigation Reform Act of 1995. These statements are based upon the Company's current expectations and judgments about future developments in the Company's business.

Certain important factors could have a material impact on the Company's performance, including, without limitation the effect of the significant downturn in the U.S. economy on Clearfield's customers; the impact of the American Recovery and Reinvestment Act or any other legislation on customer demand and purchasing patterns; cyclical selling cycles; need to introduce new products and effectively compete against competitive products; the effectiveness of distributors and new selling channels; dependence on third-party manufacturers and the availability of raw materials, particularly fiber; the success of efforts to reduce expenses through manufacturing improvements and procurement; reliance on key customers; rapid changes in technology; the negative effect of product defects; the need to protect its intellectual property; the impact on its financial results or stock price of its ability to use its deferred tax assets, consisting primarily of credit carryforwards and state net operating loss carryforwards, to offset future taxable income; the valuation of its goodwill and the effect of its stock price, among other factors, on the evaluation of goodwill; and other factors set forth in Clearfield's Annual Report on Form 10-K for the year ended September 30, 2015 as well as other filings with the Securities and Exchange Commission.

The Company undertakes no obligation to update these statements to reflect actual events.

Certain important factors could have a material impact on the Company's performance, including those set forth in the slide entitled "Important Cautions Regarding Forward-Looking Statements," as well as the factors set forth in Clearfield's Annual Report on Form 10-K for the year ended September 30, 2015 and other filings with the Securities and Exchange Commission.

Welcome

Cheri Beranek
President & CEO

Before we dive into the financial results for the fiscal first quarter of 2016, I would like to provide a brief background on Clearfield to help put our numbers and operational progress into perspective.

Who We Are

- Clearfield is a **leading provider of fiber optic management and connectivity solutions**
- Our patented technology significantly **reduces the traditional costs associated with deploying, managing and scaling** a fiber optic network
- Our products connect homes and businesses in more than **500 communities** in North America
- Headquartered in **Minneapolis**, with a manufacturing facility in Mexico and manufacturing partnerships in Finland & China

Forbes Top Small Companies in America | EUREKA AWARDS | Certified by Telcordia

As a leading provider of fiber optic management and connectivity solutions, we cater to a diverse and expanding customer base of broadband providers and cable operators. They rely on our single-architecture, modular approach to cost effectively deploy and manage optical fiber.

Fiber is the key lever to transforming the consumer's overall internet, video, and telephone experience. In today's world, consumers and businesses alike are looking for faster and more reliable ways to enable a variety of high-bandwidth applications, including cloud computing, high-definition video, and video-conferencing.

Where Clearfield fits into this ecosystem reflects our patented products and solutions that address the particular physical challenges service providers face when looking to deploy, manage and scale a fiber network.

Our proven expertise in solving these challenges has enabled our products to be used in more than 500 out of the roughly 800 fiber-to-the-home (or FTTH) installations in North America, echoing the impact we have made in a relatively short period of eight years.

Fiscal Q1 2016 Financial Highlights (vs. Q1 2015)

- Revenue up 12% to $15.7 million
- Gross profit increased 16% to $6.7 million
- Gross margin increased 150 basis points to 42.6%
- Net income increased 29% to $1.4 million or $0.10 per diluted share
- Cash & investments increased 6% to $36.2 million
- Order backlog increased 37% to $3.4 million

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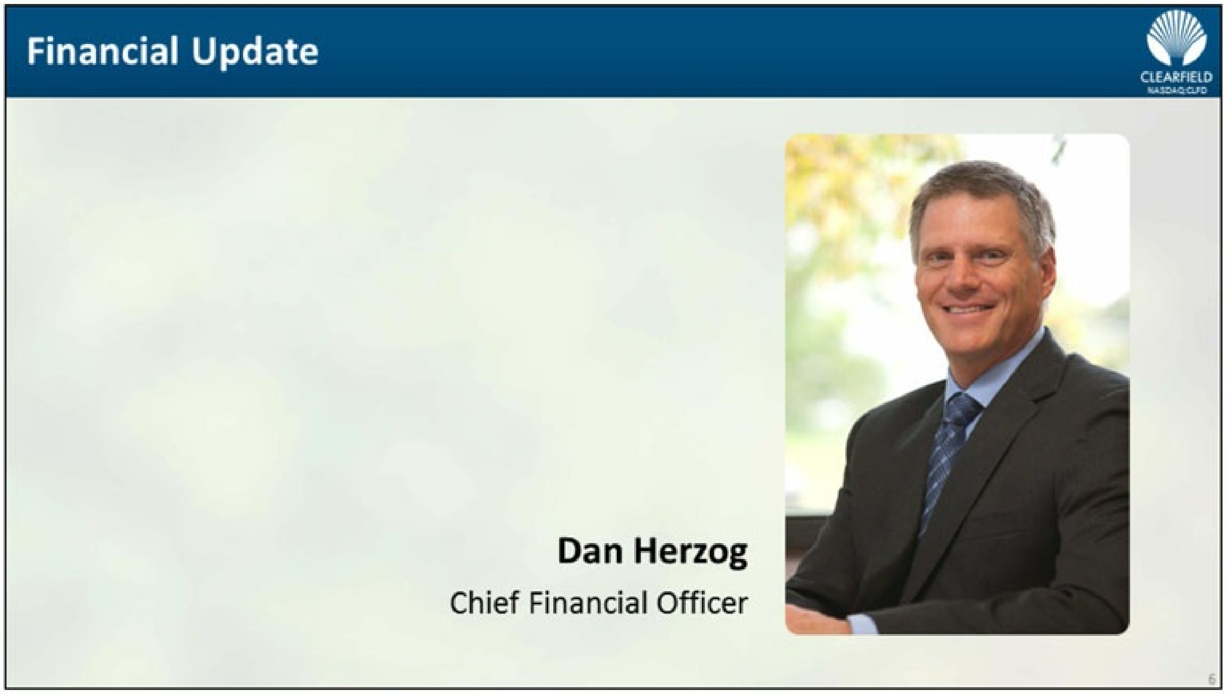
Our strong financial performance was evident in our Q1 results, which demonstrated another quarter of growth and profitability. Revenue, gross profit, and net income saw solid growth on a year-over-year basis, as we continued to penetrate the Incumbent Local Exchange Carrier (or ILEC) market, while making steady progress on the key initiatives we set out at the end of last year for fiscal 2016.

One such initiative has been the expansion of our dedicated sales force to manage and develop relationships with the Tier 1 service providers, so as they accelerate their fiber builds, we would be a partner of choice. As previously announced, we have hired a national sales director for the Verizon account—and given his long history with the Tier 1 service provider—we are gaining visibility in this opportunity.

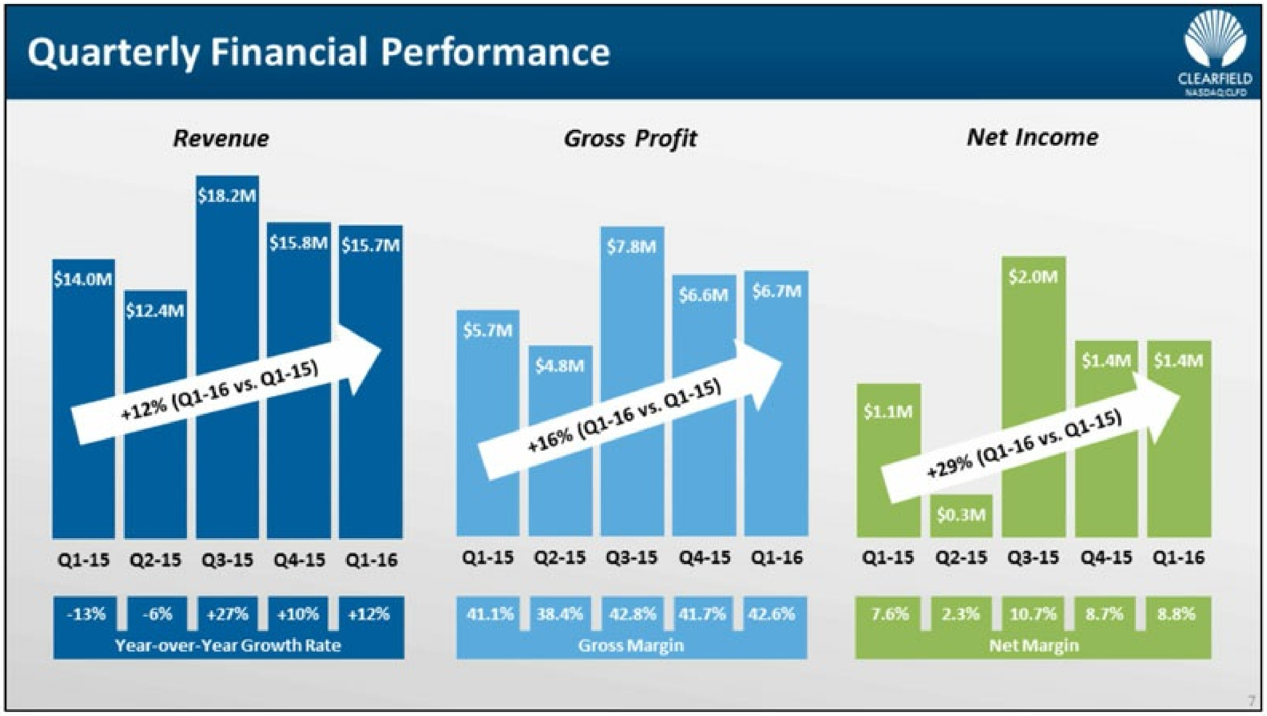
Another key event in the first fiscal quarter included the hiring of a director of broadband sales, the expansion of our international sales force and the doubling of our Competitive Local Exchange Carrier (or CLEC) business, which is steadily growing over the long-term, despite short-term order volatility.

Now before I go further, I would like to turn the presentation over to our CFO Dan Herzog, who will walk us through the financial performance for the fiscal first quarter. Afterward, I'll return to provide a little more insight into our operational performance as well as our outlook ahead.



Thank you, Cheri.

Now, taking a deeper look into our financial results…



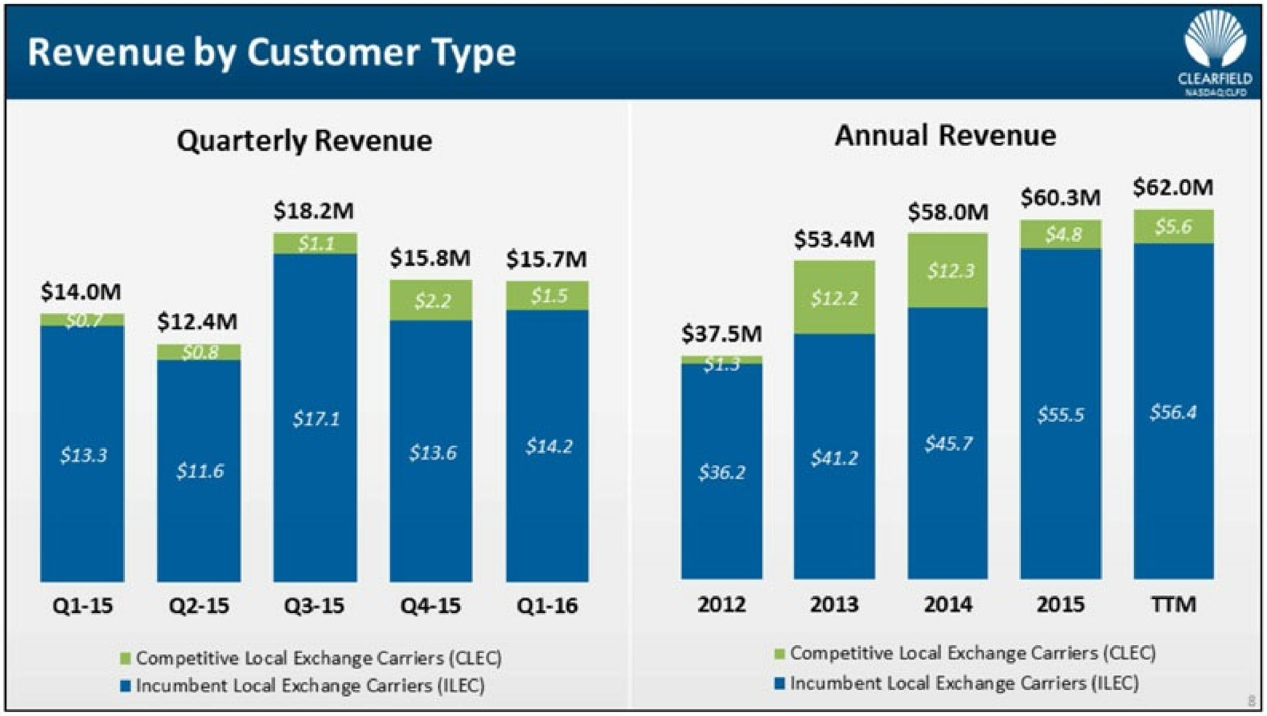
Our revenue in the first quarter of fiscal 2016 increased 12% over the same year-ago period to $15.7 million. The improvement was driven primarily by increased deployments by our ILEC customers, as well as new business through expanded sales channels. The ongoing builds of a CLEC customer also contributed to the increase in revenue.

Our sales outside the U.S. in fiscal Q1 were $746,000, or 5% of our total revenue. This compares to $1.3 million, or 10% of our total revenue in the same year-ago period. The 45% year-over-year decrease was primarily due to unfavorable foreign currency exchange rates temporarily delaying fiber deployment projects. We believe that international sales could be uneven looking ahead but will improve as budgets are adjusted at the service provider level.

Gross profit for the first quarter of 2016 increased 16% to $6.7 million, or 43% of total revenue. This compares to $5.7 million, or 41% of total revenue in the same year-ago period. The increases in gross profit and gross margin for the quarter were due to a higher percentage of sales associated with optical component technologies, which typically carry higher margins.

Our operating expenses for fiscal Q1 were $4.7 million, which was up 14% compared to $4.1 million in the same year-ago quarter. The increase was due to higher compensation expenses, mainly from additional personnel, wage increases, greater depreciation expense, and higher performance-based compensation accruals.

Our net income for the first fiscal quarter increased 29% to $1.4 million, or $0.10 per diluted share from $1.1 million, or $0.08 per diluted share in the same year-ago quarter. The increase was driven by higher revenue and operating margin.



Looking at our individual business markets for fiscal Q1 2016, our core ILEC business was up 7% year-over-year. This was largely due to market share gains, as well as our ability to sell more products to existing customers, including wireless operators, cable operators and Tier 3 telco broadband providers.

Our CLEC business was up 105% year-over-year in fiscal Q1 2016. We believe this customer group is gradually re-establishing its build-rate in the FTTH market, as it overcomes right-of-way and other permitting challenges.

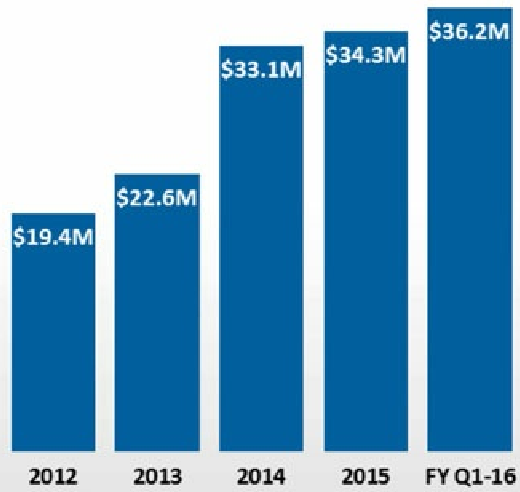
Now, turning to our balance sheet…

Balance Sheet Supports Growth

CLEARFIELD
NASDAQ:CLFD

$ in Millions	Dec. 31, 2015	Sept. 30, 2015
Cash & Investments	**$36.2**	**$34.3**
Total Assets	**$57.2**	**$57.6**
Stockholders' Equity	**$53.1**	**$51.3**
Total Debt	**$0**	**$0**
Total Capitalization	***$53.1***	***$51.3***
Current Ratio	**11.4x**	**8.1x**
Tangible Book Value	**$50.6**	**$48.7**
Tangible Book Value/Share	***$3.69***	***$3.55***

Cash & Investment Balances



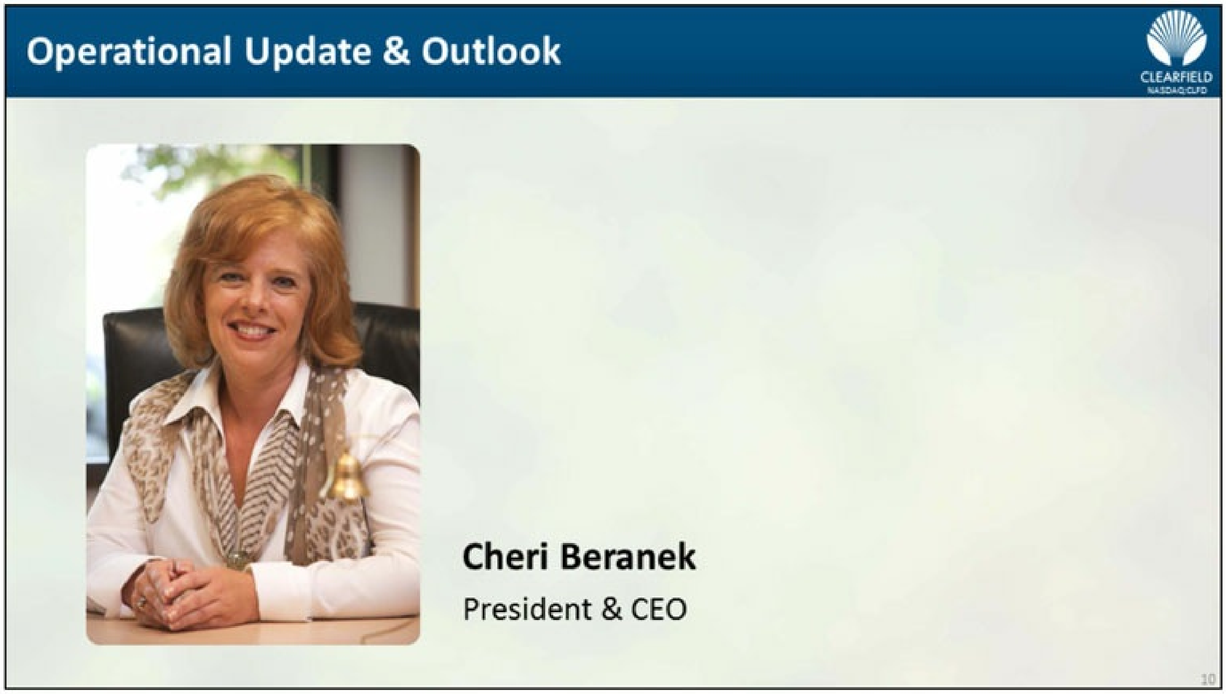
During the quarter, our cash and investments increased 6% to $36.2 million from $34.3 million at the end of the prior quarter. Our current ratio also remained strong at 11.4, and our tangible net worth increased 11% year-over-year to $50.6 million.

In addition, our order backlog, which we define as purchase orders received but not yet fulfilled, decreased 5% sequentially, but was up 37% year-over-year to $3.4 million.

Finally, during the first quarter, we purchased 20,880 shares under our stock repurchase program, which was authorized in November 2014. As of December 31, 2015, we repurchased an aggregate of 92,969 shares for approximately $1.1 million under the program. We are authorized to repurchase an additional $6.9 million should the opportunity arise to benefit our shareholders.

Now with that, I would like to turn the presentation back over to Cheri for her insights into our operations for the quarter, as well as our outlook and strategic initiatives for the rest of fiscal 2016.

Cheri?



Thanks, Dan.

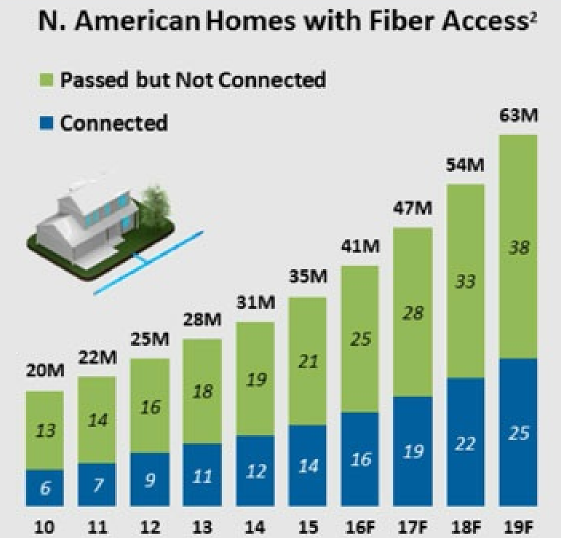
Traditionally, we've let our numbers speak for themselves—and this quarter is no different—but we believe it's important to also provide some context as to where we are today and where we plan to go.

Since Clearfield was founded, we have always prided ourselves on our field engineering expertise, innovative product solutions, and ability to understand our customers' unique fiber deployment needs. This combination has allowed us to carve out a profitable niche mainly in the Tier 3 ILEC space, where we see continued growth and increasing market share.

Growing Fiber-to-the-Home (FTTH) Addressable Market

CLEARFIELD
NASDAQ:CLFD

- **77% or 118 million homes in N. America** not yet "passed" by fiber *(i.e., not in the neighborhood)*[1]
- Only 9% of U.S. homes are connected to fiber
- **FTTH market at an inflection point:** homes with fiber available to reach **63 million** by 2019
- These factors create a growing addressable market for Clearfield, where it can generate $75 in revenue for each home "passed" and $75 for each home connected
- **Other addressable markets:** commercial, military, wireless, and other global markets are substantial and growing



1) U.S., Canada, Mexico, Caribbean. Passed means generally that there is fiber in the neighborhood
2) RVA, Sept. 2015

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As the addressable market for fiber-to-the-home expands in the years ahead, we believe our extensive field experience and unique modular, single-architecture platform enable us to compete for Tier 1 and Tier 2 business, while still protecting and expanding our dominant position in the growing Tier 3 market.

The effects of the Connect America Fund Phase II (or CAF II) are slowly starting to take shape throughout the industry. Earlier this month, I met with several FCC commissioners and the staffs of all the commissioners in Washington. In my personal discussions with regulators and experts in the communications industry, I shared case studies of other rural providers and how they are addressing the fiber-to-the-home opportunity and our product line. Certainly, the CAF II subsidies, which are part of the multi-billion dollar government program to fund high-speed connectivity for rural, underserved subscribers, has important implications for us. Perhaps most important, it provides the opportunity for Clearfield to capitalize on a major, industry-wide wave of fiber deployments, as service providers strive to remain technologically relevant.

While this is certainly an area we're watching closely—and taking significant strides to be at the forefront of—we try not to get too ahead of ourselves. Government indecision and bureaucracy can pose considerable challenges to the execution of this initiative as scheduled, beyond our level of control or influence.

Nevertheless, Clearfield is taking an active role in this major development, raising its status as a key contributor and thought leader in the fiber deployment world. We simply do not wait for the catalysts to happen, but carefully and strategically position ourselves to capitalize on the impending roll-out we anticipate seeing during the second half of our fiscal year, which is the buildout season for deploying fiber.

Competitive Advantages: *Why Clearfield Wins*

CLEARFIELD
NASDAQ:CLFD

- ✓ **Unmatched Performance & Scalability**
  - Only provider with a single architecture throughout the entire network
  - Modular system allows customers to scale installations based on demand
- ✓ **Unrivaled ability to deliver**
  - 8-day average lead time vs. multiple weeks for competitors
  - 95% on-time delivery
- ✓ **Lowest total cost of ownership**
  - Clearfield solutions reduce total cost of ownership by nearly 50%

Total Cost of Ownership Comparison (Base Case)[1]

	Competitor Direct-Bury Cable	Clearfield FieldShield Pushable/Duct	Difference
Initial Installation	$400	$429	+$29 *(+7%)*
Maintenance & Restoration (15 yrs.)	$818	$222	-$596 *(-73%)*
Total Cost of Ownership	$1,218	$651	-$567 *(-47%)*

Our Technology 'Game Changers'

xPak

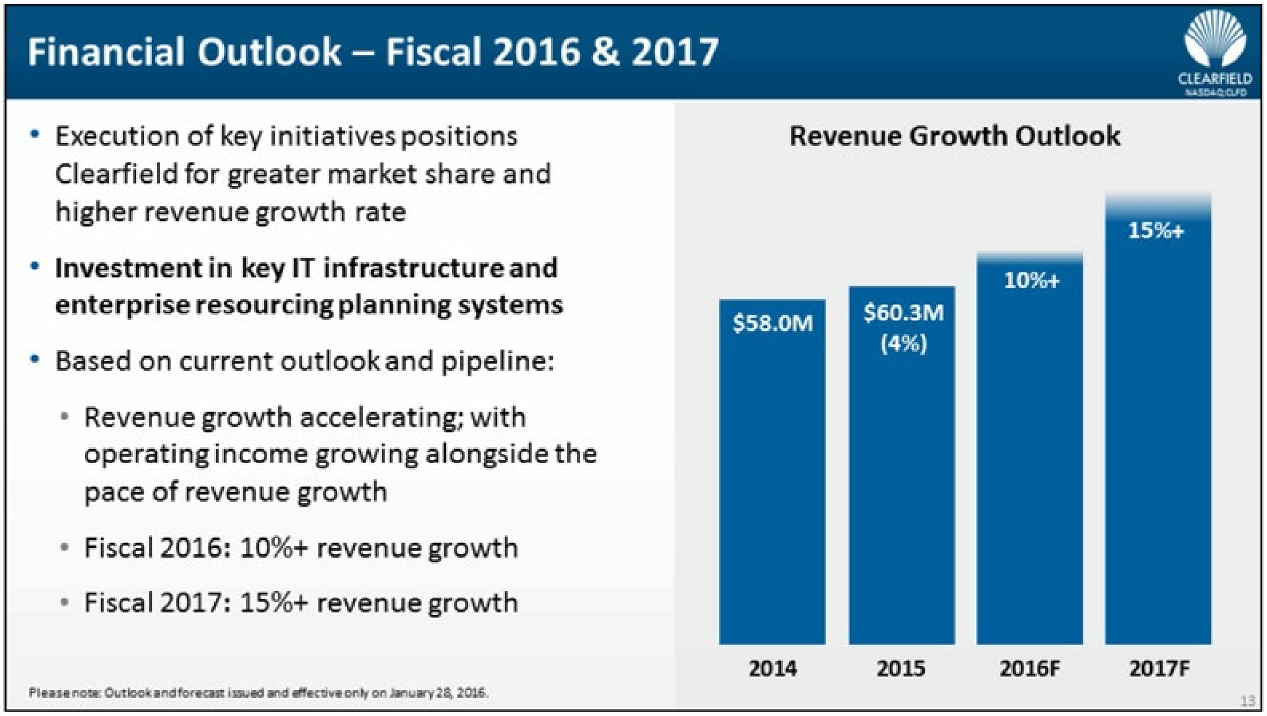
Clearview Black

Hardened Pushable Connectors

1) RVA & Clearfield.

As I mentioned earlier, we took the necessary steps during Q1 to strengthen our sales team, particularly with the hiring of a national sales director for the Tier 1 space. It's important to remember, however, that predicting the capital spending plans of Tier 1 ILECs, in regard to their fiber deployments, is a difficult task. In addition, as we have previously presented, their sales cycles are significantly long, extending up to 12 to 18 months. This can make it challenging for us to forecast revenue growth in this business segment, even with our superior product solutions being able to reduce a service provider's total cost of ownership by nearly 50%.

As a result, we remain cautiously optimistic, believing in the strength of our competitive advantages while giving appropriate leeway for prolonged sales cycles and changing market dynamics.



To that effect, we are judiciously increasing our capital expenditures to support investments in our IT infrastructure and enterprise resource planning systems. We are also making investments to obtain necessary industry certifications that allow us the 'right to hunt' in the Tier 1 space. Finally, we are continuing to strengthen our sales and marketing teams in both field and executive positions to broaden our customer outreach efforts.

This means we remain on pace to achieve at least 10% revenue growth in fiscal 2016 and our targeted 15% revenue growth in fiscal 2017. Such discipline enables us to be in a position of meeting our expected revenue guidance, while allowing for a significant addition to our top-line growth, should we gain Tier 1 success at an accelerated rate. We are taking proactive steps to build these relationships, laying the groundwork for such business to materialize in fiscal 2017 and beyond.

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In closing, we encourage you to review today's earnings release and filings, and we welcome any questions you may have about our financial performance, operations, products or industry. Please send your inquiries to CLFD@liolios.com. We will post the most relevant questions and answers in the "For Investors" section of our website.

This wraps up today's FieldReport. Thank you for your interest and support, and we look forward to speaking with you soon.