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: July 27, 2017
(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 July 27, 2017 disclosing material non-public information regarding its results of operations for the third quarter ended June 30, 2017.

In the July 27, 2017 earnings release, the Company directs readers to a page of its website to access an investor communication entitled "FY17 Q3 FieldReport," which is furnished hereto as Exhibit 99.2. The FY17 Q3 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 third quarter ended June 30, 2017 results, as well as the business and prospects of the Company.

Item 8.01 Other Events.

As described above, the Company made the FY17 Q3 FieldReport, furnished hereto as Exhibit 99.2, available on its website on July 27, 2017. 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 July 27, 2017.
99.2	FY17 Q3 FieldReport – Presentation dated July 27, 2017 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: July 27, 2017

EXHIBIT 99.1

Clearfield Reports Fiscal Third Quarter 2017 Results

Volatile Customer Spending Patterns Result in Lower Revenues for the Quarter; 9% Growth in Markets Outside of Alternative Carrier Business in First Nine Months of Fiscal 2017

MINNEAPOLIS, July 27, 2017 (GLOBE NEWSWIRE) -- **Clearfield, Inc.** (NASDAQ:CLFD)**,** the specialist in fiber management and connectivity platforms for communication service providers, reported results for the fiscal third quarter ended June 30, 2017.

Fiscal Q3 2017 Financial Summary

(in millions except per share data and percentages)	**Q3 2017**	**vs. Q3 2016**	**Change**	**Change (%)**
Revenue	**$ 19.6**	$ 21.6	$ (2.0)	**-9%**
Gross Profit ($)	**$ 7.9**	$ 9.3	$ (1.4)	**-15%**
Gross Profit (%)	**40.5%**	43.2%	-2.7%	**-6%**
Income from Operations	**$ 1.3**	$ 3.5	$ (2.2)	**-62%**
Income Tax Expense	**$ 0.6**	$ 1.1	$ (0.5)	**-48%**
Net Income	**$ 0.8**	$ 2.4	$ (1.6)	**-66%**
Net Income per Diluted Share	**$ 0.06**	$ 0.17	$ (0.11)	**-65%**

Fiscal Q3 YTD 2017 Financial Summary

(in millions except per share data and percentages)	**2017 YTD**	**vs. 2016 YTD**	**Change**	**Change (%)**
Revenue	**$ 55.5**	$ 54.2	$ 1.3	**2%**
Gross Profit ($)	**$ 22.6**	$ 23.3	$ (0.7)	**-3%**
Gross Profit (%)	**40.7%**	43.0%	-2.3%	**-5%**
Income from Operations	**$ 3.8**	$ 7.6	$ (3.8)	**-50%**
Income Tax Expense	**$ 1.4**	$ 2.4	$ (1.0)	**-41%**
Net Income	**$ 2.6**	$ 5.3	$ (2.7)	**-52%**
Net Income per Diluted Share	**$ 0.19**	$ 0.39	$ (0.20)	**-51%**

“The results for the fiscal third quarter are lower than our expectations, driven primarily by volatility within several significant customers,” stated Cheri Beranek, President and CEO of Clearfield. “While third quarter revenue is disappointing, we are pleased with the overall progress we’re seeing in the business as a whole, especially at the national carrier level.

“Year-to-date revenues from Clearfield’s traditional service provider markets has grown 9% compared to the same year-ago period. Much of this underlying business is performing according to plan. However, the market we serve continues to experience a lot of noise. This noise manifested itself primarily in the alternative carrier, wireless and cable TV markets. Though it remains difficult to predict when the demand from these markets will rebound and stabilize, we believe that growth drivers, including next generation cell services driven by 5G and the Internet of Things, will pave the way for these service providers to reignite and scale their optical fiber deployments in the future.

“This noise further masks our success in the expansive Tier 1 market. Our Tier 1 revenue in the first three quarters of this year is nearly double the full year revenue last year. Further, our international revenues year-to-date are 75% above last year’s revenues in the same period.

“Based on the results we’ve achieved year-to-date and our outlook for fiscal Q4, we are revising our revenue guidance for fiscal year 2017 to be consistent with last year’s total revenue of $75 million. Although our revenue projections are less than originally anticipated, we are reiterating our full year guidance for gross profit percent and income from operations. We are also reiterating our guidance for operating expenses, but specifically excluding the impact of the patent infringement lawsuit which was initiated after our operating expense guidance was originally developed. Clearfield remains dedicated to aggressive but disciplined investments to propel our growth. Through the third quarter ended June 30, 2017, our net income was 4.7% of sales. For the fiscal year ending September 30, 2017, investors can expect similar results.

“We recognize that this reduction in income is disappointing to investors. As we continue to make investments to increase our market share, particularly in the national carrier market, it’s important to keep in mind that while Clearfield has established significant market share in the Tier 3 markets during the first stage of our growth, the market opportunity in front of us as we enter the next stage of our development dwarfs the success we have delivered to date.”

Fiscal Q3 2017 Financial Results

Revenue for the third quarter of fiscal 2017 decreased 9% to $19.6 million from $21.6 million in the same year-ago quarter. The decrease was driven primarily by lower sales to the Company's alternative carrier, wireless, and cable TV customers, and was partially offset by an increase in sales to the Company's domestic and international wireline customers, which was supported by strong growth in sales to the Tier 1 market. Excluding revenue from the Company's alternative carrier business, revenue for the third quarter of fiscal 2017 would have been consistent with the same year-ago quarter.

Gross profit decreased 15% to $7.9 million, or 40.5% of revenue, from $9.3 million, or 43.2% of revenue, in the third fiscal quarter of 2016. The decrease in gross profit was due to decreased volume. The decrease in gross profit percent was primarily due to a lower percentage of sales associated with optical component solutions, which typically have higher gross margins.

Operating expenses were $6.6 million, an increase of 13% compared to $5.9 million in the same year-ago quarter. Among the operating expense increases were expenses related to additional sales and marketing professionals, enhancements to the Company's current product line-up and an acceleration of the Company's investments in product certification testing to successfully compete in the Tier 1 market.

Income from operations decreased 62% to $1.3 million for the third quarter of fiscal 2017 from $3.5 million in the same year-ago quarter. Income tax expense decreased 48% to $593,000 for the third quarter of fiscal 2017 from $1.1 million in the same year-ago quarter. The Company recognized a net tax benefit of $80,000 for the quarter ended June 30, 2016 as a result of the adoption in the fourth quarter of fiscal 2016 of a new accounting pronouncement related to the income tax accounting for stock-based compensation. This net tax benefit and related effects are reflected in the table above and the accompanying financial statements. Net income decreased 66% to $803,000 for the third quarter of fiscal 2017, or $0.06 per diluted share, from $2.4 million, or $0.17 per diluted share, in the same year-ago quarter.

At quarter-end, cash, cash equivalents and investments remained consistent at $42.6 million when compared to the end of the prior quarter. The Company had no debt at quarter end.

During the quarter, the Company repurchased 164,842 shares of its common stock under its stock repurchase program. In April 2017, the Company's board of directors increased the previously approved stock repurchase program by an additional $4 million to $12 million.

Order backlog (defined as purchase orders received but not yet fulfilled) at June 30, 2017 decreased 26% to $4.4 million from $6.0 million at March 31, 2017, and decreased 35% from $6.7 million at June 30, 2016.

Fiscal Nine Month 2017 Financial Results
Revenue increased 2% to a record $55.5 million for the nine-month period ending June 30, 2017 from $54.2 million during the same period in fiscal 2016. Revenue from customers outside of the alternative carrier business increased 9% for the first nine months of fiscal 2017 compared to the same period in fiscal 2016.

Gross profit was $22.6 million, or 40.7% of revenue, for the nine-month period ending June 30, 2017, a decrease of 3% from $23.3 million, 43.0% of revenue, during the same period in fiscal 2016.

Operating expenses increased 20% to $18.8 million for the nine-month period ending June 30, 2017 from $15.7 million during the same period in fiscal 2016.

Income from operations totaled $3.8 million, or 6.8% of revenue, for the nine-month period ending June 30, 2017 compared to $7.6 million, or 14.0% of revenue, during the same period in fiscal 2016.

Net income totaled $2.6 million, or $0.19 per diluted share, for the nine-month period ending June 30, 2017, a decrease of 52% from $5.3 million, or $0.39 per diluted share, during the same period in fiscal 2016.

FieldReport
Clearfield issued its FieldReport for fiscal Q3 2017, 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, protection and delivery products for communications networks. Our "fiber to the anywhere" platform serves the unique requirements of leading incumbent local exchange carriers (traditional carriers), competitive local exchange carriers (alternative carriers), and MSO/cable TV companies, while also catering to the broadband needs of the utility/municipality, enterprise, data center and military markets.

Clearfield offers the industry's only fiber management and delivery platform that simplifies the fiber to the 'x' (FTTx) equation with the promise of a design methodology that addresses each network's unique requirements, while building simplicity into the design and delivering the lowest total cost of ownership.

Based on the patented Clearview™ Cassette, Clearfield's unique single-architected, modular fiber management platform is designed to further lower the cost of broadband deployment and maintenance by consolidating, protecting and distributing incoming and outgoing fiber circuits, enabling 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 FTTx markets, 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 success depends upon adequate protection of our patent and intellectual property rights and our ability to successfully defend against claims of infringement; 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; 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, 2016 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 June 30		Nine Months Ended June 30	
	2017	2016	2017	2016
Revenues	$ 19,611,297	$ 21,598,720	$ 55,529,230	$ 54,235,622
Cost of sales	11,674,047	12,258,523	32,940,446	30,938,180
Gross profit	7,937,250	9,340,197	22,588,784	23,297,442
Operating expenses				
Selling, general and administrative	6,614,693	5,878,352	18,794,395	15,712,319
Income from operations	1,322,557	3,461,845	3,794,389	7,585,123
Interest income	73,759	41,608	186,378	114,316
Income before income taxes	1,396,313	3,503,453	3,980,767	7,699,439
Income tax expense	593,000	1,141,392	1,393,000	2,356,945
Net income	$ 803,316	$ 2,362,061	$ 2,587,767	$ 5,342,494
Net income per share:				
Basic	$ 0.06	$ 0.18	$ 0.19	$ 0.40
Diluted	$ 0.06	$ 0.17	$ 0.19	$ 0.39
Weighted average shares outstanding:				
Basic	13,522,755	13,397,509	13,559,704	13,331,632
Diluted	13,598,582	13,806,928	13,730,945	13,654,476

CLEARFIELD, INC.
CONDENSED BALANCED SHEETS

	(Unaudited) June 30, 2017	(Audited) September 30, 2016

Assets		
Current Assets		
Cash and cash equivalents	$ 19,748,097	$ 28,014,321
Short-term investments	5,737,150	5,527,075
Accounts receivable, net	8,052,829	7,999,210
Inventories	9,338,613	8,373,155
Other current assets	869,150	1,198,917
Total current assets	43,745,839	51,112,678
Property, plant and equipment, net	5,511,450	5,780,814
Other Assets		
Long-term investments	17,153,000	10,703,000
Goodwill	2,570,511	2,570,511
Other	484,989	428,310
Total other assets	20,208,500	13,701,821
Total Assets	$ 69,465,789	$ 70,595,313
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	$ 2,196,152	$ 2,573,292
Accrued compensation	2,077,040	4,697,138
Accrued expenses	60,222	75,306
Total current liabilities	4,333,414	7,345,736
Other Liabilities		
Deferred taxes – long-term	411,779	411,779
Deferred rent	266,228	243,755
Total other liabilities	678,007	655,534
Total Liabilities	5,011,421	8,001,270
Commitment and contingencies		
Shareholders' Equity		
Common stock	139,611	141,263
Additional paid-in capital	56,594,725	57,320,515
Retained earnings	7,720,032	5,132,265
Total Shareholders' Equity	64,454,368	62,594,043
Total Liabilities and Shareholders' Equity	$ 69,465,789	$ 70,595,313

CLEARFIELD, INC.
CONDENSED STATEMENTS OF CASH FLOWS
UNAUDITED

	Nine Months Ended June 30, 2017	Nine Months Ended June 30, 2016
Cash flows from operating activities:		
Net income	$ 2,587,767	$ 5,342,494
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	1,205,769	1,068,297
Impairment of long-lived assets	643,604	-
Deferred income taxes	-	2,185,534
(Gain) loss on disposal of assets	(5,100)	1,135
Stock-based compensation expense	1,774,330	843,658
Changes in operating assets and liabilities:		
Accounts receivable, net	(53,619)	(2,716,263)

Inventories	(965,458)	(923,530)
Other current assets	324,206	(399,662)
Accounts payable and accrued expenses	(2,989,849)	1,526,993
Net cash provided by operating activities	2,521,650	6,928,656
Cash flows from investing activities:		
Purchases of property, plant and equipment and intangible assets	(1,631,127)	(982,245)
Proceeds from sale of property, plant and equipment	5,100	-
Purchase of investments	(13,279,075)	(5,508,075)
Proceeds from maturities of investments	6,619,000	5,761,000
Net cash used in investing activities	(8,286,102)	(729,320)
Cash flows from financing activities:		
Repurchase of common stock	(2,403,062)	(333,761)
Proceeds from issuance of common stock under employee stock purchase plan	334,692	254,426
Proceeds from issuance of common stock	28,718	473,651
Tax withholding related to vesting of restricted stock grants and exercise of stock options	(462,120)	(77,291)
Net cash (used in) provided by financing activities	(2,501,772)	317,025
(Decrease) increase in cash and cash equivalents	(8,266,224)	6,516,361
Cash and cash equivalents at beginning of period	28,014,321	18,071,210
Cash and cash equivalents at end of period	$ 19,748,097	$ 24,587,571
Supplemental cash flow information		
Cash paid during the year for income taxes	$ 893,483	$ 338,616
Non-cash financing activities		
Cashless exercise of stock options	$ 34,268	$ 541,016

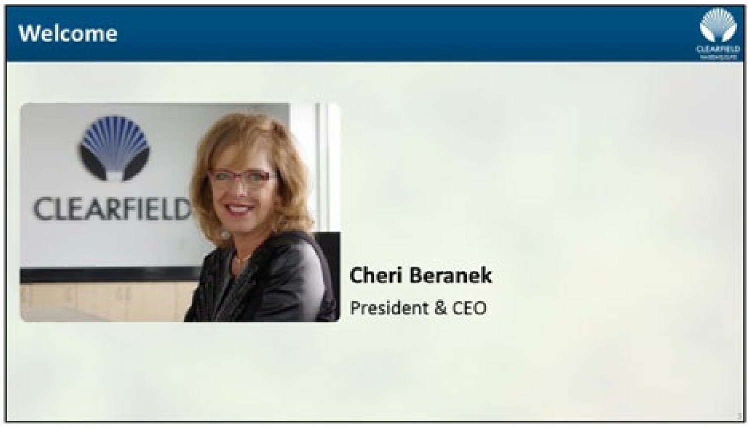
Investor Relations Contact:

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 third quarter 2017 FieldReport. Before we begin today, I'd like to provide some important cautions regarding forward-looking statements made during today's presentation.

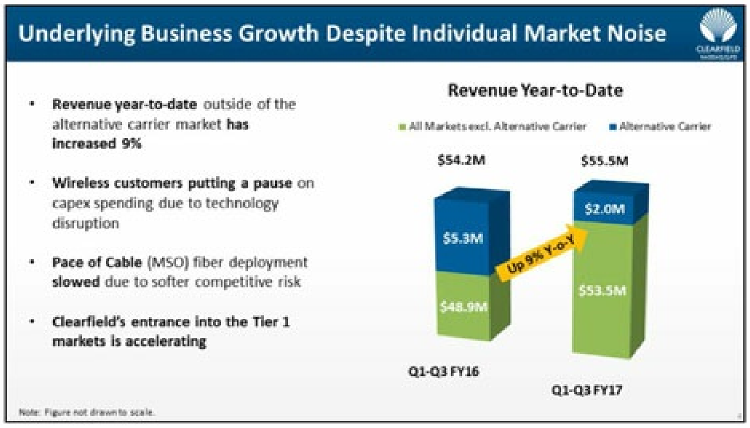
Certain important factors could have a material impact on the Company's performance, including those set forth in the slide entitled "Important Cautions Regarding Forward-Looking Statements," as well as the factors set forth in Clearfield's Annual Report on Form 10-K for the fiscal year ended September 30, 2016 and other filings with the Securities and Exchange Commission.

I also would like to add that we will be answering questions previously submitted by investors and analysts at the conclusion of this FieldReport.



The results for this fiscal third quarter are lower than our expectations, driven primarily by volatility within several significant customers. While third quarter revenue is disappointing, we are pleased with the overall progress we're seeing in the business as a whole, especially at the national carrier level.

In a moment, I'll demonstrate the traction we're gaining in our key growth markets, which has been masked by temporary subpar performance in other markets. However, before I do so, I'd like to spend some time outlining the individual factors that led to our softer results for Q3.



Clearfield's traditional business year-to-date has grown 9% compared to the same year-ago period. Much of this underlying business is performing according to plan. However, the market we serve continues to experience a lot of noise.

In our last FieldReport, we talked about how this noise manifested itself primarily in the alternative carrier, wireless and cable TV markets. Fiber is widely recognized as the highest performing medium with the best long-term ROI metrics. Yet, it is also recognized as carrying a significant high first cost of deployment which can stretch a carrier's cap/ex budget. This is especially true with those broadband providers who are reducing the spend on legacy investments to prepare for the new network builds better suited for 5G or for those environments in which the sense of urgency has waned as competitive pressures have declined.

Though it remains difficult to predict when the demand from these markets will rebound, we believe growth drivers, including next generation cell services driven by 5G and the Internet of Things, will pave the way for these service providers to reignite and scale their purchases in the future.

This noise further masks our success in the expansive Tier 1 market; and to provide some context to the progress we've seen with this initiative thus far, I'd like to share where we believe we are in our growth trajectory today.

As some of you might know, our initiative to target the national carriers is still a rather new one as it has only been a primary focus of ours for the past two years. Internally, we've been referring to this time period as the beginning stages of "Phase 2" in Clearfield's growth trajectory, with "Phase 1" being the period during which we rebuilt the company, restored the balance sheet, and developed a profitable and cash-flow-generating business. Phase 2 has been—and continues to be—about adopting a fiber to anywhere approach and transcending to the next level of growth by aggressively targeting and penetrating the Tier 1 market, as well as other emerging markets such as wireless and cable TV.

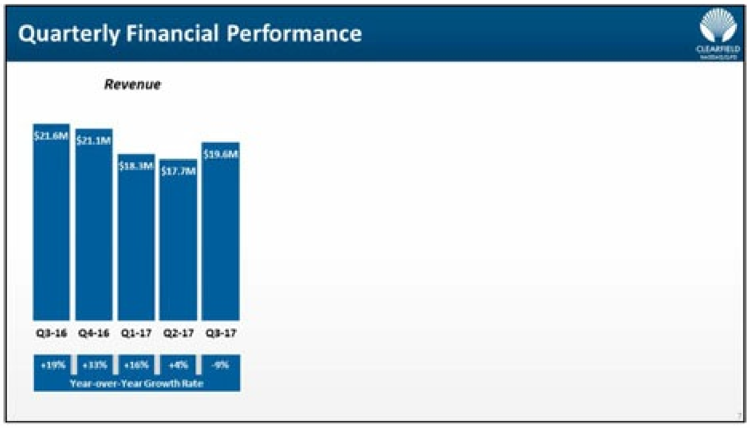
In prior FieldReports, we've talked about the long sales cycles at the Tier 1 level, which typically last anywhere from 18 to 24 months. We've also elaborated on the extensive certifications needed to successfully compete in this space. Yet, it's encouraging to note that in this relatively short amount of time, we've broken significant ground, both from an operational and financial standpoint.

Operationally, we believe we've assembled the right personnel to target and develop deep relationships with these customers. We've also enhanced our balance sheet and manufacturing capacity to meet their purchasing needs, and have begun several certification testing programs, some of which we've already completed or are in the final stages of completing. To put some of this into perspective, our Tier 1 revenue in fiscal 2015 was roughly $1.8 million. Just in the first nine months of this fiscal year, that number has nearly tripled to $5.2 million.

But before I talk more about the traction we're gaining in this market, I'll turn the presentation over to our CFO, Dan Herzog, who will walk us through our full financial performance for the third quarter of fiscal 2017.

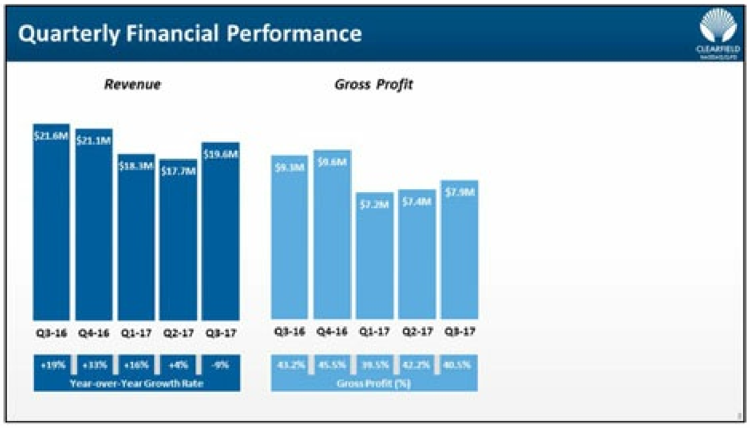
Thank you, Cheri.

Now, looking at our financial results in more detail…



Our revenue in the third quarter of fiscal 2017 decreased 9% to $19.6 million from $21.6 million during the same year-ago period. The decrease was driven primarily by lower sales to our alternative carrier, wireless and cable TV customers. If you remove the impact from the alternative carrier business, our revenue for the quarter is consistent with the same year-ago period. The overall decrease was partially offset by an increase in sales to our domestic and international wireline customers, which was supported by the strong growth in sales to the Tier 1 market.

International revenue in fiscal Q3 increased to $1.2 million, or 6% of total revenue, compared to $1.1 million, or 5% of total revenue, in the same year-ago period. We continue to see strong international business due to our increased sales efforts and presence in these markets.



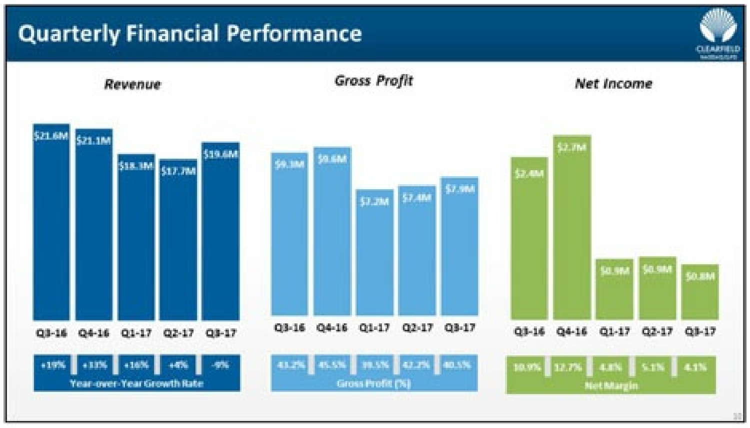
Gross profit for the fiscal third quarter of 2017 decreased 15% to $7.9 million, or 40.5% of total revenue. This compares to $9.3 million, or 43.2% of total revenue, in the same year-ago period. The decrease in gross profit was primarily due to lower volume. The decrease in gross profit percent was primarily due to a lower percentage of sales associated with optical component solutions, which typically have higher margins. Nevertheless, our gross profit percent for the period was consistent with our 40% to 42% target range for the fiscal year.

Earlier this week, we announced that our Mexican operations moved into a new facility, which quadruples our manufacturing capacity in this region, complementing our manufacturing programs in the U.S. and the rest of the world. We are excited about the cost improvements this move offers us, yet we reiterate our 40% to 42% annual target for fiscal 2017 which is consistent with our goal of positioning the company to compete more aggressively at the Tier 1 level.

As we've stated before, gross profit may fluctuate in and around this target on a quarterly basis, not only due to our sales to the Tier 1 market, but also due to our overall mix of products and percentage of sales fulfilled through distribution partners. For these reasons, we encourage you to evaluate gross profit on an annual or trailing twelve month basis.

Our operating expenses for fiscal Q3 were $6.6 million, which was up 13% from the same year-ago quarter. The increase was due in part to additional personnel to support our sales and operational expansion, enhancements to our current product line-up, as well as increased spending on certification programs to position us for further expansion at the Tier 1 level. Year-to-date, investments in our certification programs are outpacing those of last year by more than $600,000.

The year-over-year increase in operating expenses was also attributable to costs associated with the patent infringement lawsuit brought by CommScope at the end of January. As we've mentioned before, we do not believe that the products mentioned in this litigation violate valid intellectual property of CommScope, and will continue to defend our innovative solutions and growing market presence.



Our net income for the fiscal third quarter was $803,000, or $0.06 per diluted share. This compares to $2.4 million, or $0.17 per diluted share in the same year-ago quarter.

Turning now to our balance sheet…

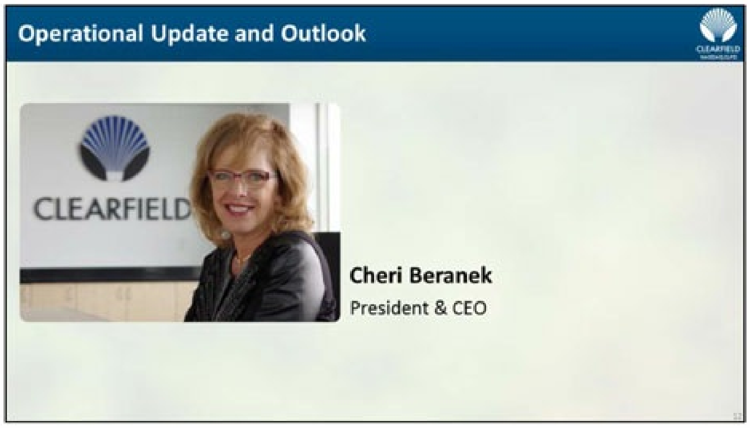
During the fiscal third quarter, our cash and investments were $42.6 million, which was consistent with the prior quarter.

In line with our commitment to allocate capital effectively and in the best interests of our shareholders, we repurchased a total of 164,842 shares during the quarter under our stock repurchase program, which was authorized in November 2014. As a reminder, in April, 2017, Clearfield's Board of Directors increased the Company's approved stock repurchase program by an additional $4 million to $12 million.

As of June 30, 2017, we have repurchased an aggregate of 267,012 shares for approximately $3.6 million under the program.

Now with that, I would like to turn the presentation back over to Cheri for her insights into our operations for the fiscal quarter and year-to-date, as well as our outlook and strategic initiatives for the remainder of fiscal 2017 and beyond.

Cheri?

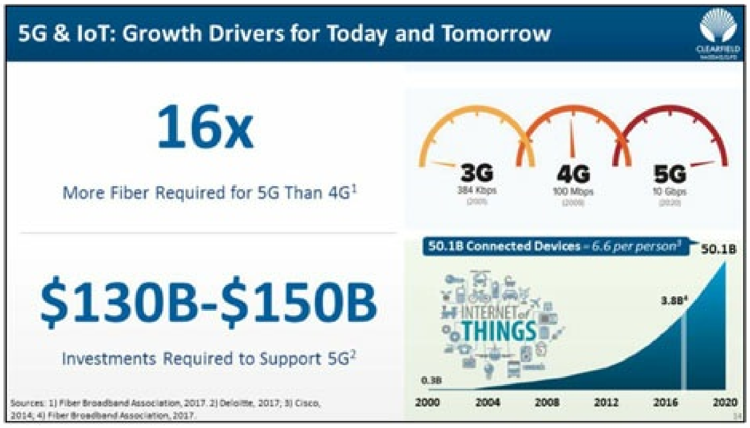

Operational Update and Outlook
CLEARFIELD
Cheri Beranek
President & CEO

Thanks, Dan.

Building off my earlier comments, we've experienced a significant amount of traction at the Tier 1 level so far, especially during fiscal 2017. Year-to-date, revenue from this market has tripled to a record $5.2 million from $1.7 million in the same period a year ago, and nearly doubled from $2.7 million in all of fiscal 2016. While it's imprudent to extrapolate these results into future periods, given the stair-step growth pattern our business has historically shown, we believe this early sign of success demonstrates our strategy and execution can in fact reap very encouraging results, especially as we scale this business to operate at an optimal level.

As Dan had mentioned, we recently moved into a new manufacturing facility in Mexico, which significantly expands our capacity. Along with pursuing additional certifications and positioning ourselves to respond to larger Tier 1 purchase orders with our best-in-class lead times, cost-reducing our solutions will remain a vital component in ensuring our continued success in this market.

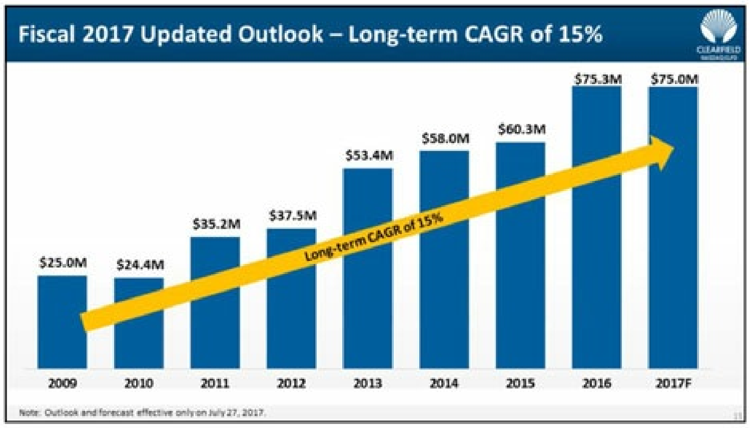
However, time and again, we have reiterated that we are not dependent on any single market to drive our future growth. Our core wireline business is continuing to generate solid results, with revenue up 11% year-to-date compared to the same year-ago period. Internationally, we've also seen strong results for the fiscal year, with revenue up 75% year-to-date. Our international strategy is to continue establishing a reference base with smaller service providers in key, underpenetrated markets outside the U.S. from which we can expand into larger customers—a strategy not too dissimilar from the one we've successfully employed here in the States.



Turning now to some of the developments we see unfolding in the fiber industry…

There's been a lot of excitement, speculation, and even fear surrounding the arrival of 5G and how it may impact our business. We've mentioned before that wireless broadband, especially 5G, requires significant fiber and fiber backhaul and fronthaul equipment. According to the Fiber Broadband Association, 5G requires at least 16x more fiber than what is currently required for 4G. To put that incremental investment into a dollar perspective, Deloitte Consulting estimates that roughly $130 billion to $150 billion of investments will need to be made to our current fiber-optic infrastructure to accommodate the four-fold increase in mobile data traffic expected between 2016 and 2021.

Yet, it's not just the significant densification requirements for 5G that we believe has the potential to propel our business to new levels. It's also the increasing network connectivity between once-ordinary devices, or what's more commonly known as the Internet of Things. Analysts estimate the number of connected devices at 3.8 billion in use today, but that number is projected to be anywhere between 25 billion to 50 billion by 2020. To say that fiber is fueling the Internet of Things revolution is an understatement. Given the unprecedented levels of bandwidth required to connect everything from toasters to dishwashers to factories, fiber—and more pertinently, fiber management and pathway solutions—will be the key enabler for a more connected future.



Taking all of this together, we believe we're in a prime position to take advantage of an industry that is just beginning to flourish. Yet, as our results for the quarter—and even historically—suggest, it's hardly a perfect straight-line growth trajectory, because of the unpredictable capex-driven environment in which we operate.

Ongoing M&A activity within the service provider marketplace, has appeared to have changed the cash flow priorities within the broadband service provider place resulting in a strain on many cap/ex budgets. Based on the results we've achieved year-to-date and our outlook for fiscal Q4, we are revising our revenue guidance for fiscal year 2017 to be consistent with last year's total revenue of $75 million. This revenue projection represents our best judgement based upon the current pipeline. We must stress, however, that due to our very short average lead time of only 8 days between receipt of purchase order and delivery of product, there is always risks to any revenue forecast.

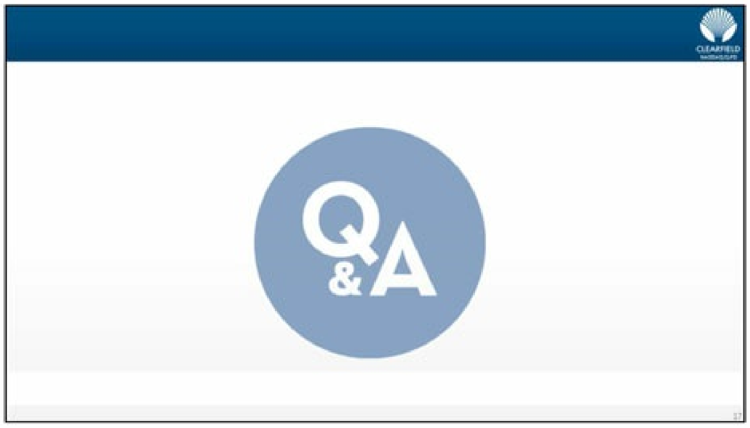
Although our revenue projections are less than originally anticipated, we are reiterating our full year guidance for gross margins, operating expenses, excluding costs associated with defending against the patent infringement claims, and income from operations. Clearfield remains dedicated to aggressive but disciplined investments in our growth. Through the third quarter ending June 30, 2017, we are at 4.7% of sales for net income. For the fiscal year ending September 30, investors can expect similar results.

We recognize that this reduction in income is disappointing to investors. As we continue to make investments to increase our market share, particularly in the Tier 1 market, it's important to keep in mind that while Clearfield has established significant market share in the Tier 3 markets during the first stage of our growth, the market opportunity in front of us as we enter Stage 2 dwarfs the success we have delivered to date.

And with that, I'd like to transition to the Q&A session of the FieldReport.

Over the last couple of weeks, we have received several questions from analysts, investors, and thought leaders in the investment community. Dan and I will now take the time to answer a few of those questions.

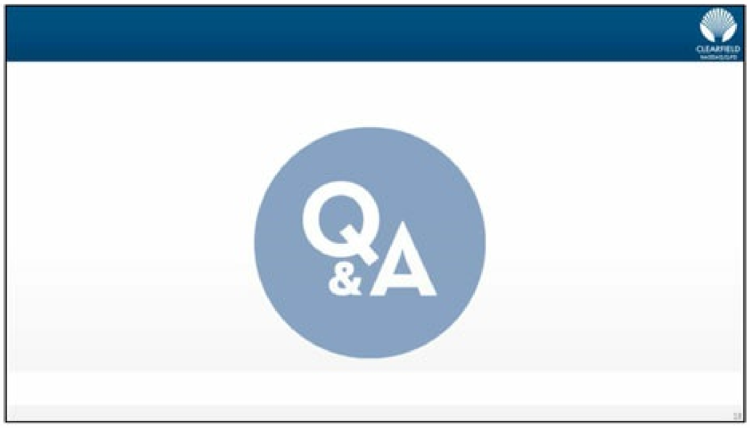
Dan?



Thank you, Cheri.

Our first question is what does the additional capacity in Mexico mean to Clearfield's overall capacity, and can we expect gross margin gains?
You know, Dan, Clearfield's dedicated to establishing a best-cost manufacturing environment as well as the maintenance of our nimble-response manufacturing programs. So the Mexican enhancement plus the capacity of Mexico really puts us on-par with the U.S. operation. This enhancement is about a long-term strategy; it's not specific to any short-term opportunity as I would think that to be irresponsible. It's really our intention to have the Mexican and U.S. operations provide a primary and a secondary source for all of our parts, that will provide us ultimate flexibility and scalability to each plant. I think in addition to these sites, we also use sub-contracting operations, both domestic and globally, to augment what we can do ourselves, so our goal with the plant is to allow us to remain competitive in the marketplace. We're reiterating our gross margin goals of 40 to 42% because we think that is really what allows us to be strategic for Tier 1 competitiveness.

Okay. Our next question is what is the status of the patent lawsuit brought by CommScope?
You know, as we've stated in the past, Clearfield is defending our product lines as we do not believe that any of our products violate any valid patent owned by CommScope or any other party. Unfortunately, patent litigation is a laborious and lengthy series of steps, and that means there's a lot of time and expense associated with the process. Unfortunately, this could take well over a year to proceed. However, we're confident that we are well represented, and we will update our shareholders when there is news to share.



Alright. The next question is how are the certification programs moving forward, and what has been the effect of the NEBS certification?
Certification is meant to allow companies to compete for business on a level playing field; it does not guarantee the order, but NEBS certification has certainly served as a validation to our quality and our performance capabilities. It's served to raise our visibility for that particular product as well as our entire product line as a whole among the national carriers. Shareholders can anticipate additional announcements of certifications in the months ahead. We are dedicated to that process and continue to make significant investments in that regard.

Thanks, Cheri. Our last question is will we be providing guidance for fiscal year 18?
Revenue and profitability guidance is a difficult challenge, especially when you are pursuing significant opportunities with new customers. Our market is so full of noise, with many of these customers currently going through some strategic issues of their own within their own organizations – mergers, management changes, technology disruptions and the like. Notably, we have experienced some headwinds in fiscal year 17, but Clearfield has always been about building a profitable foundation with the demonstrated ability to scale to big project opportunities when they are presented to us, so our outlook is consistent with some of the analyst expectations, but probably delayed a year due to the headwinds that we've experienced this past year. I believe shareholders are best served with a revenue projection that is in line with our long-term compounded annual growth rate which really provides that guidance of about 15% on an annual basis. We as a management team and as a Board are committed to the SG&A investments that are needed to fuel this growth potential. Based upon our run-rate growth in our core markets, the prudent estimate – on an annual basis – with lumpiness quarter to quarter, would be net income percentage levels consistent with fiscal year 17, with some upside potential as those project opportunities come to fruition.

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This wraps up today's FieldReport. If your question was not addressed during the Q&A session or you would like to submit another question, please email Clearfield's investor relations at CLFD@Liolios.com. We will post the most relevant questions and answers in the 'For Investors' section of our website.

In closing, we encourage you to review today's earnings release and filings, and we welcome any additional questions you may have about our financial performance, operations, products or industry.

Thank you again for your interest and support, and we look forward to updating you on our progress soon.