



Welcome to Clearfield's Annual Meeting

2/19/2015

1

Annual Meeting



CLEARFIELD

February 19, 2015

Call to Order



This meeting was called by a
notice and proxy statement first mailed on
January 9, 2015
to all shareholders of record on
December 26, 2014

We have received proxies to vote more than a majority
of the outstanding shares of common stock.

Therefore, this meeting has been duly called and a
quorum is present.

Agenda



- Elect six (6) directors to serve until the next Annual Meeting of the Shareholders or until their respective successors have been elected and qualified;
- Ratify the appointment of Baker Tilly Virchow Krause LLP as the independent registered public accounting firm for Clearfield, Inc. for the fiscal year ending September 30, 2015.

Voting



Adjournment



Forward Looking Statements



Forward-looking statements contained in this presentation are made pursuant to the safe harbor provisions of the Private Litigation Reform Act of 1995. These statements are based upon our current expectations and we undertake no obligation to update such statements to reflect actual events.

Certain important factors could have a material impact on the Company's performance, including, without limitation: 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; dependence on third-party manufacturers and the availability of raw materials, particularly fiber; 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 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, 2014 as well as other filings with the Securities and Exchange Commission.



LIFE IS
UNCHARTED TERRITORY.
IT REVEALS ITS STORY
ONE MOMENT
AT A TIME.

LEO BUSCAGLIA

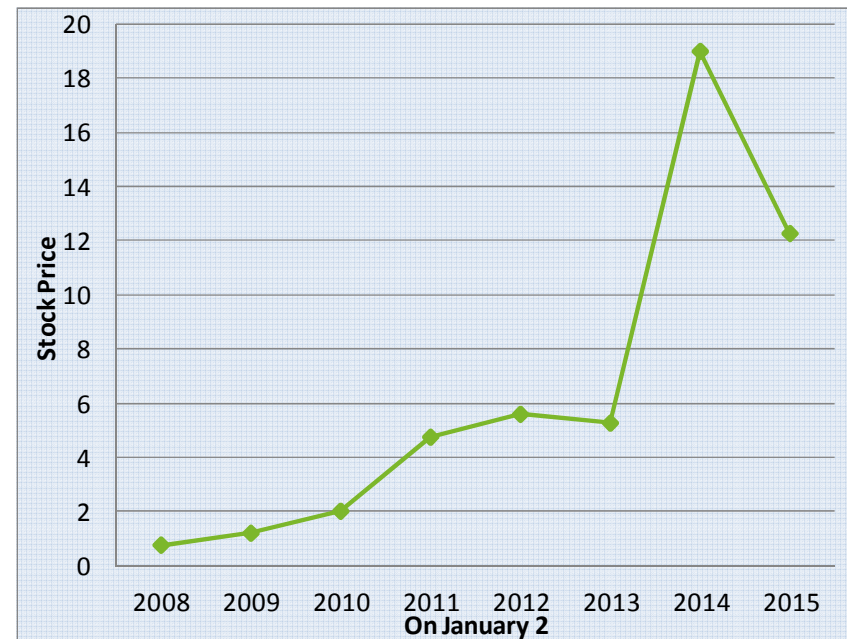


We are an even stronger company
today than a year ago

Stock Price: One of Many Measures



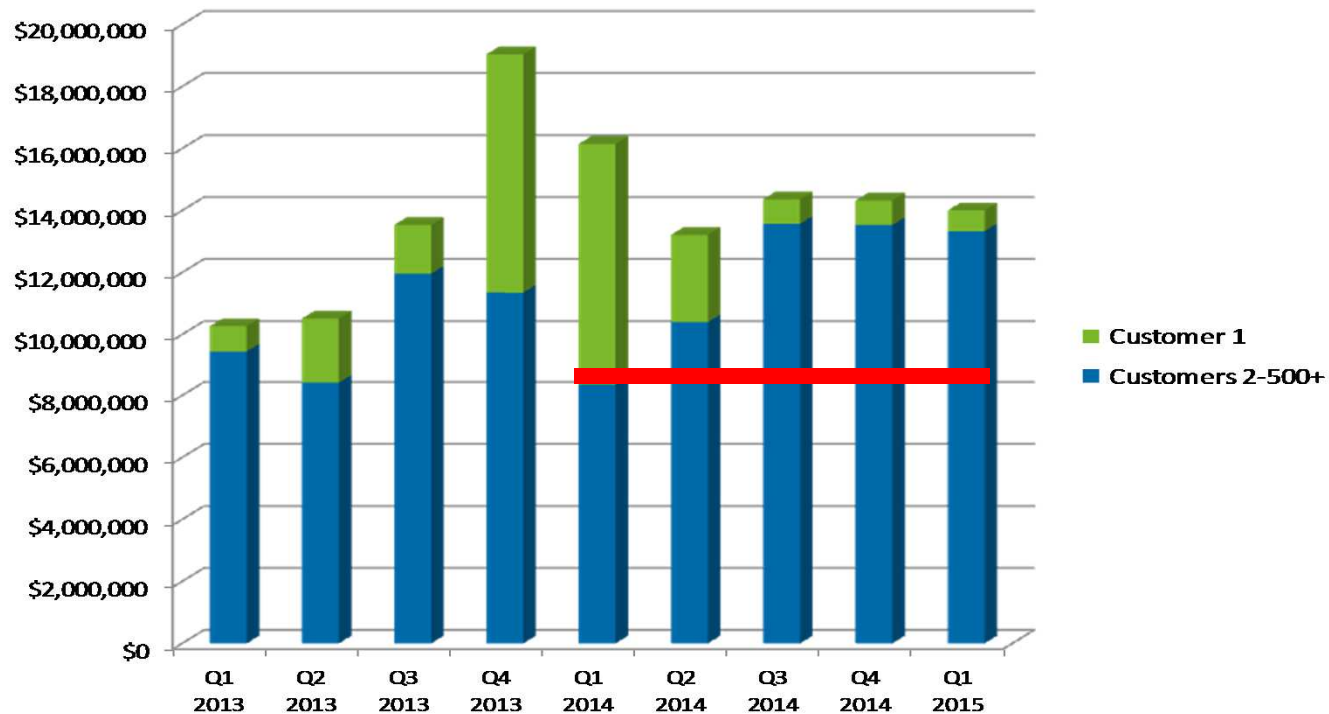
We are an even stronger company today than a year ago



Clearfield Core Growth



	2008	2014	Outlook for FY15
Revenue	\$23.5	\$58.0	Achieve our 5 yr. CAGR of approximately 17%
Gross Profit	33.4%	42.4%	Protect our margins



2/19/2015

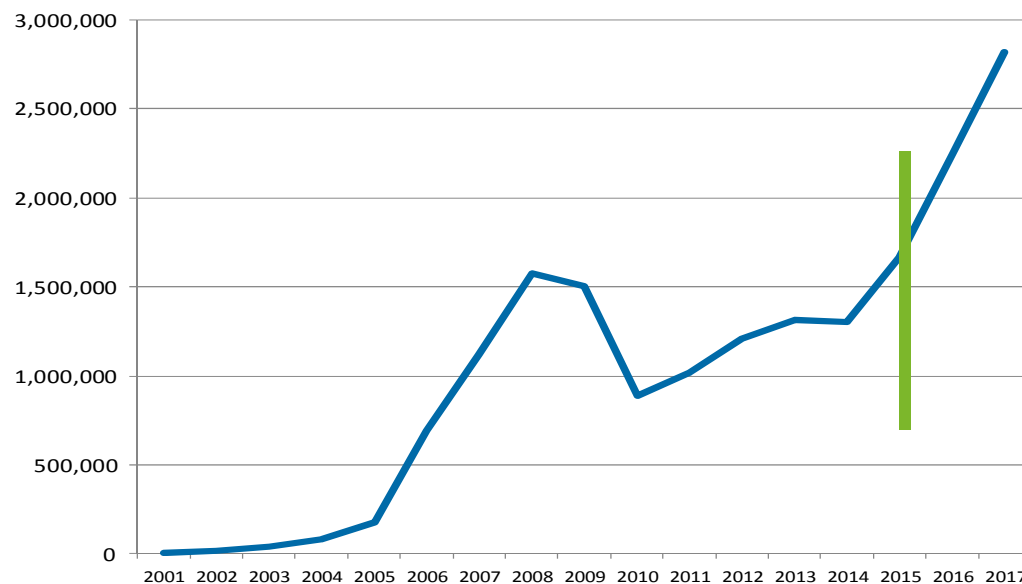
Building Shareholder Value



- Continued growth of revenue and EPS
 - Fiber management/delivery platform of choice for Gigabit FTTP Broadband providers
 - Take optical fiber into environments previously not economically feasible
 - No debt and strong cash balance gives us flexibility for growth considerations
- Expanded Investor Relations
 - Enhanced institutional ownership
 - Research coverage: Ladenburg Thalman
 - Investor Conferences: Ladenburg, Piper Jaffray, Northland Capital
 - FieldReport
- Share buy-back
 - \$8M announced 11/13/14 (\$7.8M remaining as of 12/31/14)

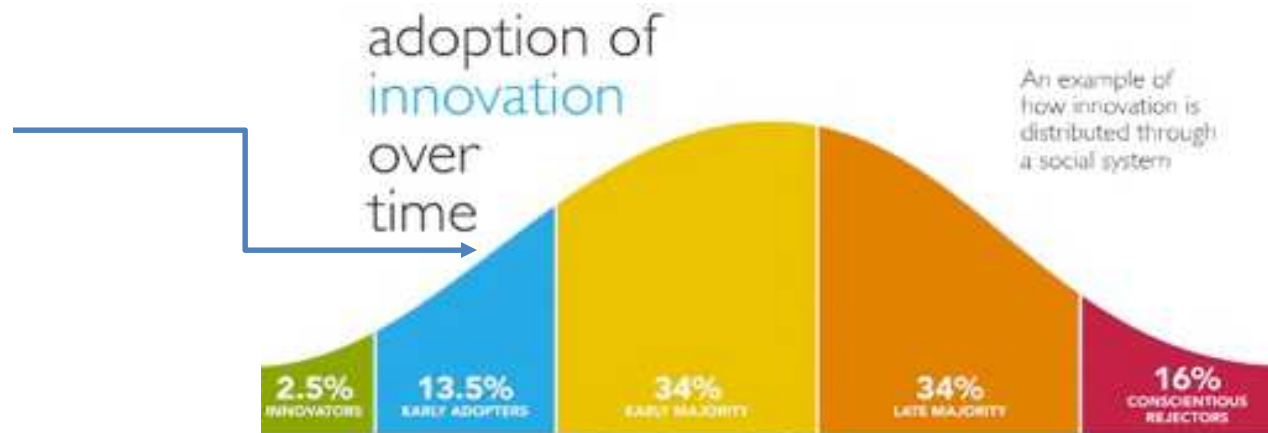
Our high insider ownership (18%) has us aligned with you.

Market Growth is on the Horizon

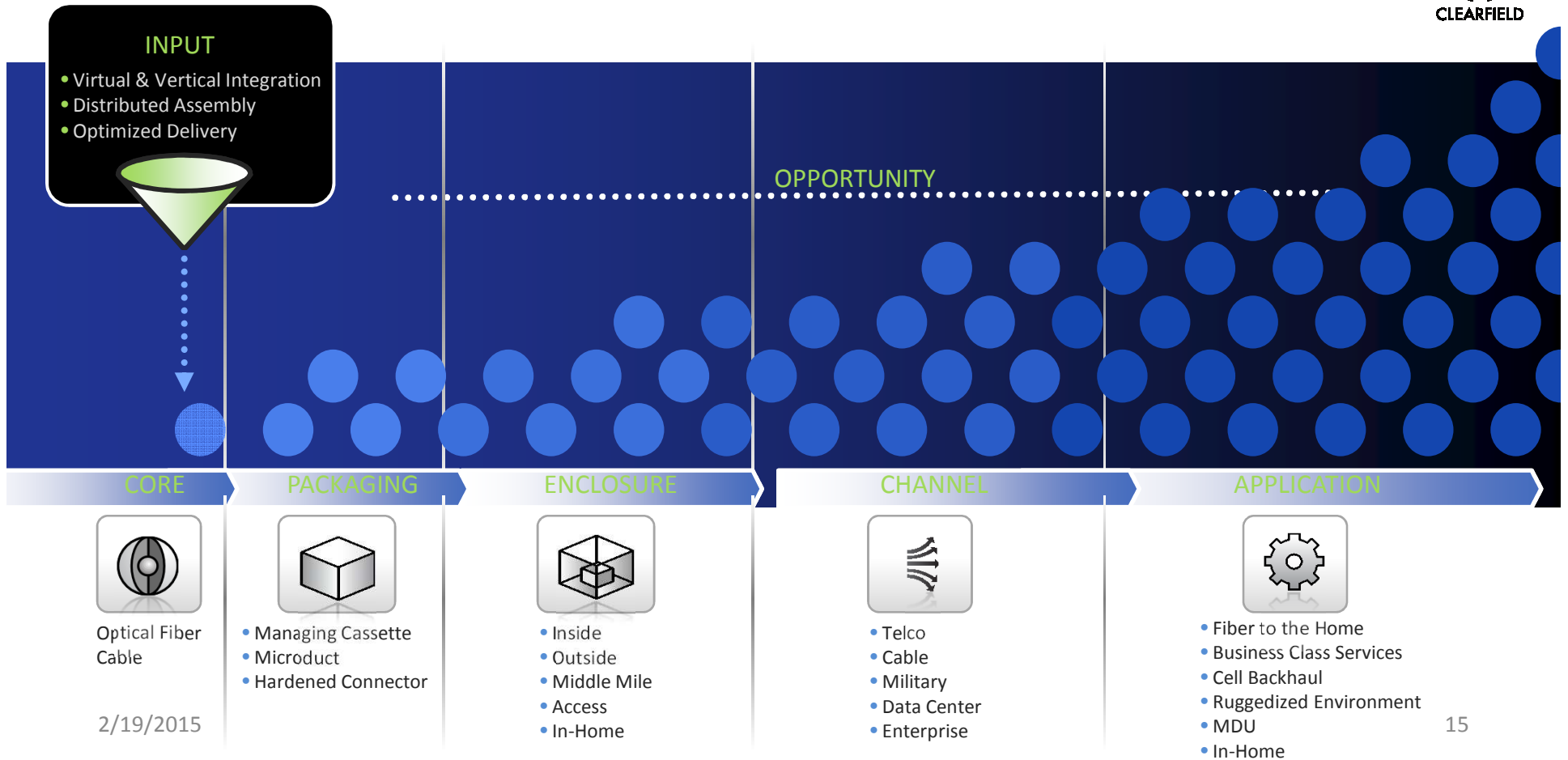


- Business Dynamics have been proven
- Competitive factors to prevent churn
- FCC regulations projected to favor pole access
- Changes is USF to CAF favor build versus operate

Where are we at in the Telecom FTTH Lifecycle?



We believe the fiber segment is entering the *Growth Phase* of its Life Cycle.





The Need: Consumers and businesses are demanding faster and bandwidth-intensive communication

The Technology: Gigabit Broadband

The Enabler: Optical Fiber

The Challenge: Cost of deployment

The Opportunity: Only 10% of the U.S. market has access to optical fiber today

Our Promise: Optical fiber delivery platform that reduces the cap/ex and op/ex cost of broadband deployment



Flexible configuration for grow-as-you-grow



Superior access while reducing installation costs



Maximum fiber density for reduced real estate costs

It is no longer a question of IF, it is a question of WHEN.

Our Product Arsenal:



The Game Changers



Clearview® Blue Cassette



Hardened Pushable Connectors

Enabling a Superior Fiber Management and Delivery Platform

FieldSmart®



FieldShield®



Industry's only fiber management and delivery platform offering scalability to align capital equipment expenditure alongside subscriber revenue through a single architecture.

Inside our Technology Direction

Johnny Hill,
Chief Operating Officer



Above Grade vs Below Grade

Rural



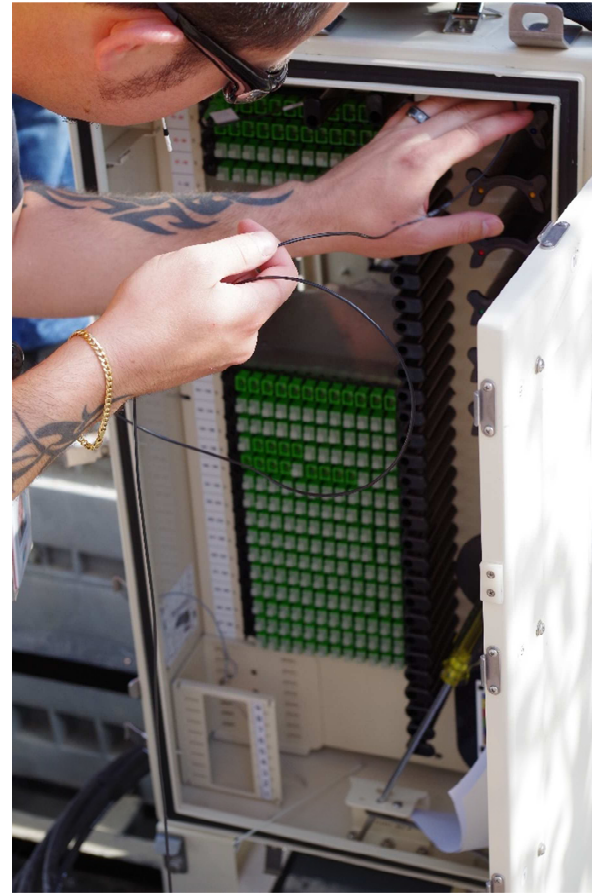
Urban Areas



Most Desirable



Current Options for Below Grade



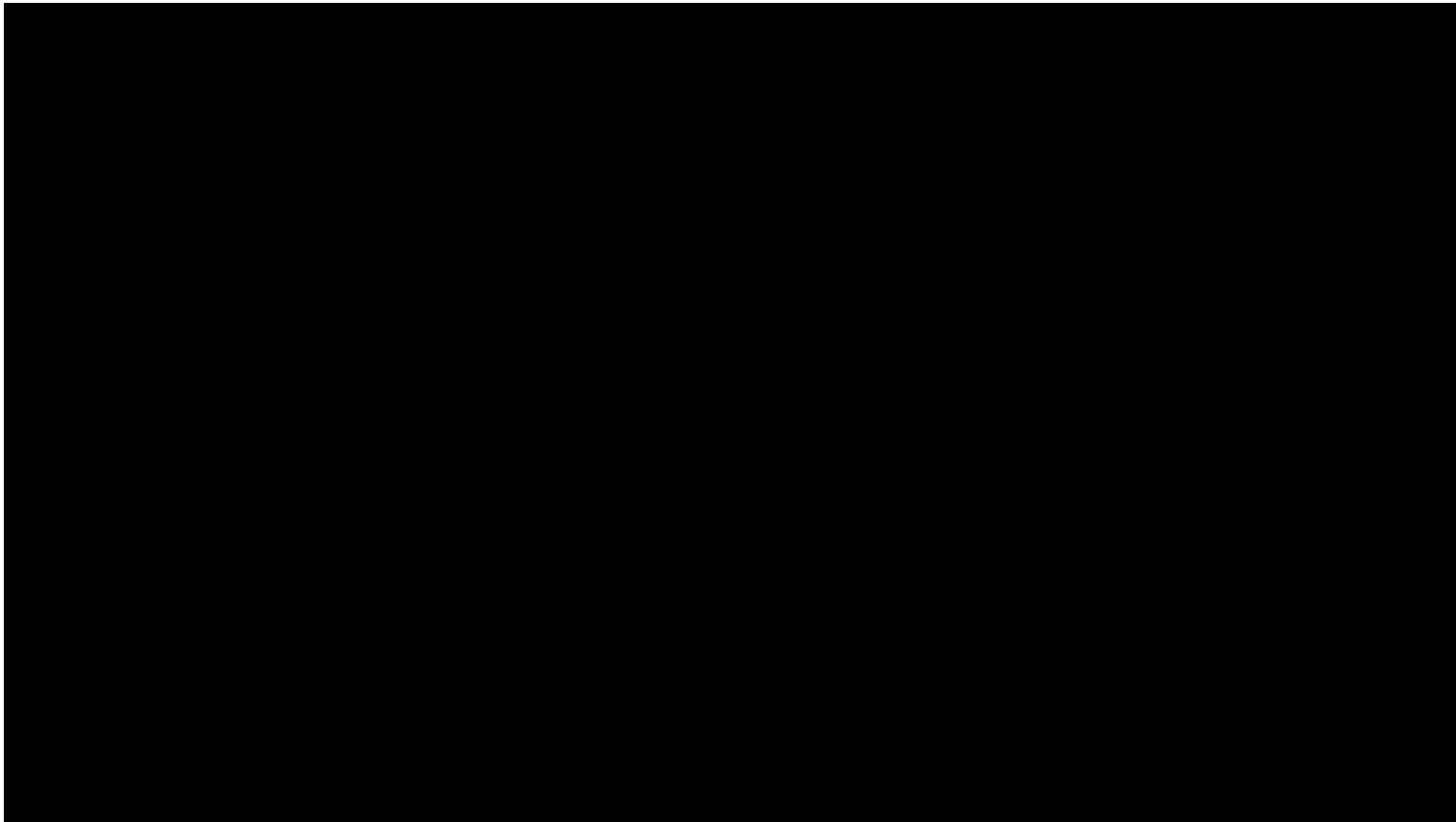


Introducing.....



Clearfield FieldSmart Below Grade Cabinet

Using fiber's advantage – It's Small!



Use of Non-GAAP Financial Measures



This slide presentation contains certain non-GAAP financial measures for 2009, 2011 and 2012: adjusted net income, adjusted diluted earnings per share (EPS), and adjusted net margin. The most directly comparable GAAP measures to these measures are net income, diluted EPS, and net margin, respectively. Clearfield believes that these non-GAAP financial measures provide meaningful additional information about Clearfield to assist investors in evaluating Clearfield's operating results because they exclude the income tax benefit resulting from the reversal of a valuation allowance of the Company's deferred tax assets in 2009, 2011 and 2012, which the Company believes obscures the operating performance in those years and comparability to other periods. These non-GAAP financial measures should not be considered as a substitute for operating results determined in accordance with GAAP and may not be comparable to other similarly titled measures of other companies. The computations of these non-GAAP financial measures used in this slide presentation are set forth in the Appendix to this slide presentation.

Continuing to Build a Strong Balance Sheet

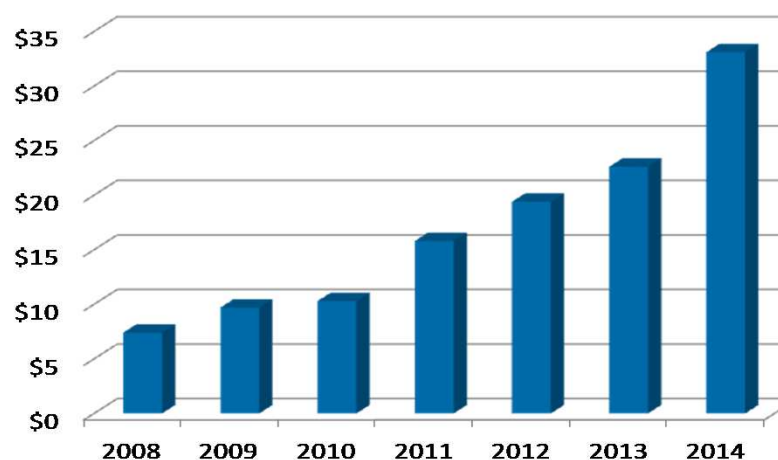


	2008	2009	2010	2011	2012	2013	2014
Cash & Invest	\$7.4	\$9.7	\$10.3	\$15.8	\$19.4	\$22.6	\$33.1
Debt	<\$0.1	<\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Equity	\$13.6	\$17.8	\$19.2	\$26.2	\$34.7	\$40.1	\$46.7
ROE (a)	11.7%	8.4%	6.4%	16.2%	13.7%	12.7%	12.5%

- All amounts in millions

(a) ROE is calculated as net income or adjusted net income for 2009, 2011 and 2012 divided by average shareholders' equity for the year. See Appendix A for a reconciliation of non-GAAP adjusted net income to net income for these periods.

Cash & Investments



Maintain ultimate flexibility with our capital structure

Strong Track Record of P&L Operations

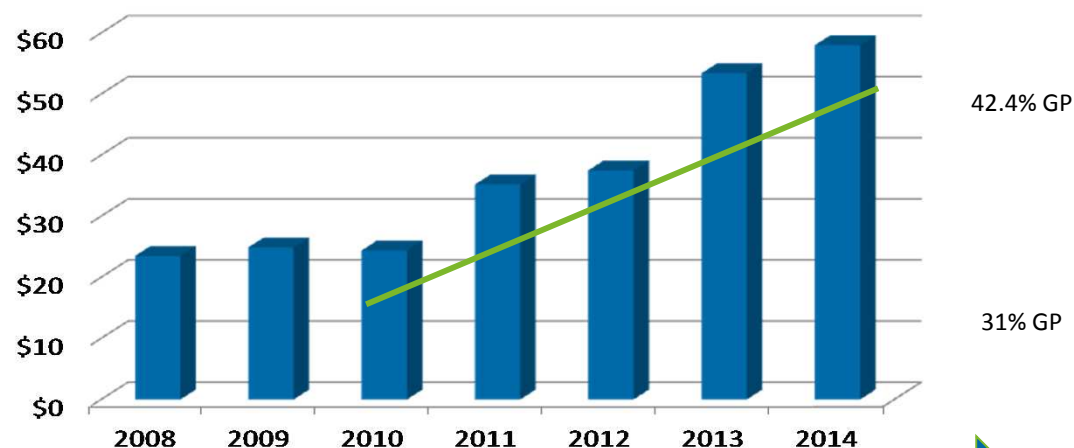


	2008	2009	2010	2011	2012	2013	2014
Revenue	\$23.5	\$24.9	\$24.4	\$35.2	\$37.5	\$53.4	\$58.0
Gross Profit	33.4%	35.6%	37.5%	41.7%	40.8%	41.2%	42.4%
Net Margin (a)	6.4%	5.3%	4.8%	10.5%	11.2%	8.9%	9.4%
Diluted EPS (a)	\$0.13	\$0.11	\$0.09	\$0.29	\$0.33	\$0.36	\$0.40

Revenue and GP %

* All amounts in millions, except Diluted EPS

(a) Adjusted Net Margin and Adjusted Diluted EPS for the years 2009, 2011 and 2012 are based on adjusted net income. See Appendix A for a reconciliation of non-GAAP adjusted net income to net income for these periods.



Protect Gross Profit while expanding customer base

Grow the Size and Value of the Company



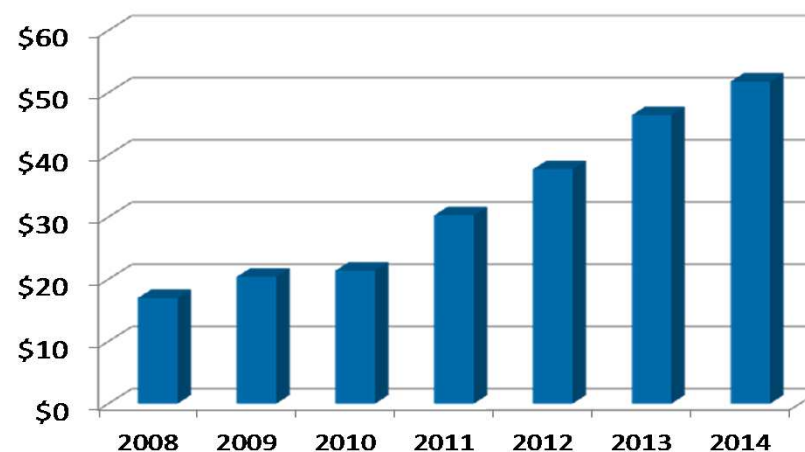
	2008	2009	2010	2011	2012	2013	2014
FYE Stock Price	\$1.16	\$4.45	\$2.93	\$5.90	\$5.11	\$13.43	\$12.73
FYE Mkt Cap	\$13.8	\$53.3	\$35.2	\$72.4	\$65.6	\$174.2	\$174.9
FYE P/E (a)	9x	41x	33x	20x	16x	37x	32x
Total Assets	\$17.0	\$20.4	\$21.4	\$30.3	\$37.7	\$46.4	\$51.8

FYE = Fiscal Year End

* All amounts in millions, except stock price

(a) FYE P/E is calculated as FYE Stock Price divided by Diluted EPS for the year. Diluted EPS for the years 2009, 2011 and 2012 are adjusted to exclude the impact of a reversal of a valuation allowance of the Company's deferred tax assets, which increased the reported net income by \$2.5M, \$2.5M and \$3.5M, respectively. The impact on Diluted EPS was \$0.20, \$0.19 and \$0.27 for 2009, 2011 and 2012, respectively.

Total Assets



Continue to see valuation growth of Clearfield, Inc.

Disciplined Approach

Looking for a Better Way?



Last Mile - Looking for a Better Way?

See Clearfield for optical fiber assemblies that are **easier to install**. Unlike traditional hardened connector technology that is stiff, bulky and difficult to store, FieldShield is flexible. Terminated in the factory yet field-assembled in seconds, you can push or pull SC, LC and MPO fiber assemblies up to 500 feet without concern for slack storage. **Look to Clearfield** for a simple, yet better way to deliver fiber.



See Clearfield for the
industry's first 900 micron drop cable.



2/19/2015

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Appendix A

Appendix A: Non-GAAP Items



- Adjusted net income is net income excluding the impact of a reversal of a valuation allowance of the Company's deferred tax assets which resulted in an income tax benefit.
- Adjusted diluted earnings per share (EPS) is adjusted net income divided by diluted shares outstanding at year-end.
- Adjusted net margin is adjusted net income divided by total net sales.

Appendix A: Non-GAAP Reconciliations



Reconciliation of GAAP to Non-GAAP Measures	2009	2011	2012
GAAP Net Sales	\$24.9	\$35.2	\$37.5
GAAP Net Income	\$3.8	\$6.2	\$7.7
Adjustment for Reversal of Valuation Allowance of Deferred Tax Assets	\$(2.5)	\$(2.5)	\$(3.5)
Adjusted Net Income	\$1.3	\$3.7	\$4.2
Shares used in Diluted EPS	12.0	12.8	12.7
GAAP Net Income Per Diluted Share	\$0.31	\$0.48	\$0.60
Adjusted Net Income Per Diluted Share	\$0.11	\$0.29	\$0.33
GAAP Net Margin (Net Income/Net Sales)	15.2%	17.5%	20.6%
Adjusted Net Margin (Adjusted Net Income/Net Sales)	5.3%	10.5%	11.2%

* All amounts in millions, except Diluted EPS