November 11, 2010

# Clearfield, Inc. Reports Fiscal 2010 4th Quarter and Year-End Results

## Company Reports Record Quarterly Revenue and Operating Income

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FY 2010 Net Revenues: $24.4 million

FY 2010 Gross Profit: $ 9.1  million

FY 2010 Income from Operations: $ 1.1  million

FY 2010 Net Income: $ 1.2  million, or 9 cents per share diluted
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MINNEAPOLIS, Nov. 11, 2010 (GLOBE NEWSWIRE) -- Clearfield, Inc. (Nasdaq:CLFD) today announced results for the fourth quarter and fiscal year ended September 30, 2010.

Revenue for the fourth quarter of fiscal 2010 was $7,921,000 in comparison to $6,619,000 for the fourth quarter of fiscal 2009, an increase of 20%. Gross profit was $3,099,000 for the fourth quarter of fiscal 2010 in comparison to $2,354,000 for the prior year fourth quarter, an increase of 32%. Gross profit as a percentage of revenue for quarter ended September 30, 2010 was 39.0%, up 3.6% from the quarter ended September 30, 2009. Income from operations was $832,000 in the quarter ended September 30, 2010, versus $332,000 in the year ago period, an increase of $500,000, or 151%. Net income was $820,000 in the quarter ended September 30, 2010, compared to $2,849,000 in the fourth quarter of fiscal 2009. The fiscal 2009 fourth quarter net income included an income tax benefit of $2,464,000 as a result of a reduction of the valuation allowance against the Company's net deferred tax assets. Income before this income tax benefit for the fourth quarter of 2009 was $378,000. Income before income tax-expense in the fourth quarter of 2010 was 864,000.

Revenue for fiscal year 2010 was $24,367,000 in comparison to $24,945,000 for fiscal year 2009, a decrease of 2%. Gross profit was $9,138,000 for fiscal year 2010 in comparison to $8,871,000 for the prior year, an increase of 3%. Gross profit as a percentage of revenue for the year ended September 30, 2010 was 37.5%, up 1.9% from the year ended September 30, 2009. Income from operations for fiscal 2010 was $1,123,000, versus $1,211,000 in the year ago period, a decrease of 7%. Net income was $1,181,000 in the year ended September 30, 2010, compared to $3,785,000 in fiscal year 2009. Fiscal 2009 net income included the recording of an income tax benefit of $2,464,000 as a result of a reduction of the valuation allowance against the Company's net deferred tax assets. Income before this tax benefit for the fiscal year 2009 was $1,412,000. Income before income tax expense in 2010 was $1,302,000.

Orders in backlog as of September 30, 2010 totaled $2,677,000 in comparison to $1,228,000 as of September 30, 2009, an increase of $1,449,000, or 118%. Cash and investments at September 30, 2010 total $10,287,000 compared to $9,680,000 at September 30, 2009, an increase of $607,000.

"While the weak economy dragged down our efforts during the first half of the year, the Company demonstrated a strong re-bound with record revenue and net income in fourth quarter. Combining our fourth quarter success and our year-end backlog establishes a very positive trend line for the year ahead," commented Cheri Beranek, president and CEO of Clearfield. "As stated in quarterly earnings reports during the past year, the American Recovery and Reinvestment Act slowed business in the first half of our fiscal year but now represents a significant growth opportunity for Clearfield. Over the summer months, moneys have begun to flow, and Clearfield customers are beginning to deploy their networks. Among some of the early "Stimulus Award" winners are Rural Telephone, one of the largest FTTp deployments funded under the federal program and a long-standing Clearfield customer."

"The introduction of new and innovative product technologies, such as the Clearview xPAK, has launched Clearfield into new application environments, including meeting the fiber connectivity needs of cellular back-haul and business-class services among municipal/utility, wireless and cable TV providers. Technology partnerships, such as the launch of pushable fiber from Miniflex into the U.S. marketplace, expands the product suite we can provide to our current and prospective customers," continued Beranek. "Looking ahead, you can expect to see a continued focus from Clearfield to deliver next generation products that continue to reduce our customers' operating costs of delivering fiber connectivity."

About Clearfield, Inc.

Clearfield, Inc. designs and manufactures the FieldSmart Fiber Management Platform, which includes its latest generation FieldSmart Fiber Crossover Distribution System (FxDS), FieldSmart Fiber Scalability Center (FSC) and FieldSmart Fiber Delivery Point (FDP) series. The FxDS, FSC and FDP product lines support a wide range of panel configurations, densities, connectors and adapter options, and are offered alongside an assortment of passive optical components. Clearfield provides a complete line of fiber and copper assemblies for inside plant, outside plant and access networks. Clearfield is a public company, traded on Nasdaq:CLFD. www.ClearfieldConnection.com

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 Company's ability to successfully market and distribute the Miniflex product; dependence on third-party manufacturers; limited experience in manufacturing; 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 asset, 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 Form 10-K for the year ended September 30, 2009 and other filings with the Securities and Exchange Commission. The Company undertakes no obligation to update

such statements to reflect actual events.

Clearfield, Inc.

CONDENSED STATEMENT OF O

| | Three Months Ended September 30, | | |
|---|---|---|---|
| | 2010 | 2009 | 2 |
| Revenues | $ 7,921,129 | $ 6,618,907 | $ 24,366 |
| Cost of sales | 4,821,875 | 4,264,713 | 15,229 |
| Gross profit | 3,099,254 | 2,354,194 | 9,137 |
| Operating expenses | | | |
| Selling, general and administrative | 2,267,208 | 1,991,843 | 8,014 |
| Gain on disposal of assets | -- | 30,794 | |
| | 2,267,208 | 2,022,637 | 8,014, |
| Income from operations | 832,046 | 331,557 | 1,123 |
| Interest income | 31,344 | 41,164 | 143 |
| Interest expense | -- | (925) | ( |
| Other income | 501 | 5,992 | 36 |
| | 31,845 | 46,231 | 179, |
| Income before income taxes | 863,891 | 377,788 | 1,302 |
| Income tax (expense) benefit | (43,899) | 2,471,565 | (121, |
| Net income | $ 819,992 | $ 2,849,353 | $ 1,180 |
| Net income per share Basic | $0.07 | $0.24 | $0 |
| Net income per share Diluted | $0.07 | $0.23 | $0 |
| Weighted average shares outstanding Basic | 12,006,266 | 11,950,071 | 11,992 |
| Weighted average shares outstanding Diluted | 12,419,132 | 12,362,555 | 12,449 |

CONDENSED BALANCE SHEET (unaud

| | September 30, 2010 | September 30, 2009 |
|---|---|---|
| Assets | | |
| Cash and cash equivalents | $ 5,285,719 | |
| Short-term investments | 1,764,868 | |
| Accounts receivable, net | 3,244,379 | |
| Inventories | 1,512,306 | |
| Other current assets | 129,079 | |
| Property, plant and equipment, net | 1,273,107 | |
| Long-term Investments | 3,236,163 | |
| Deferred taxes-long term | 2,145,362 | |
| Other assets | 2,769,978 | |
| Total assets | $ 21,360,961 | |
| Liabilities | | |
| Current liabilities | $ 2,036,309 | |
| Long-term liabilities | 78,585 | |
| Shareholders' equity | | |
| Common stock | 120,153 | |
| Additional paid-in capital | 52,589,034 | |
| Accumulated deficit | (33,463,120) | |
| Total shareholders' equity | 19,246,067 | |
| Total liabilities and shareholders' equity | $ 21,360,961 | |

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