CLARKE

Clarke Inc. Reports 2017 Second Quarter Results and Declares $2.00 per Common Share Special Dividend

Halifax, Nova Scotia – August 3, 2017 – Clarke Inc. ("Clarke" or the "Company") (TSX: CKI) today announced its results for the three and six months ended June 30, 2017.

Second Quarter Results

Net income of the Company for the three and six months ended June 30, 2017 was nil and $4.2 million, respectively, compared with $6.4 million and $1.8 million, respectively, for the same periods in 2016. During the three and six months ended June 30, 2017, the Company had unrealized losses of $0.6 million and unrealized gains of $3.3 million on its investments compared to unrealized gains of $3.7 million and unrealized losses of $0.5 million for the same periods in 2016. The Company had realized gains on its investments of $0.2 million and $0.6 million, respectively, for the three and six months ended June 30, 2017 compared with $0.3 million and $0.1 million for the same periods in 2016.

The Company's equity holdings generated dividends of $1.0 million and $1.8 million, respectively, in the three and six months ended June 30, 2017 compared to $0.9 million and $1.8 million for the same periods in 2016. The Company's debt and cash holdings generated interest income of $0.2 million and $0.5 million, respectively, in the three and six months ended June 30, 2017 compared to $0.5 million and $1.0 million for the same periods in 2016. This decrease is due to the sale of debentures and the decrease in cash holdings.

Second Quarter Review and Outlook

In the second quarter of 2017, the Company's book value per share increased by $0.05 or 0.4%. In the first half of 2017, the Company's book value per share increased by $0.37 or 3.2%. Our book value per share at the end of the second quarter was $11.98 and our share price was $11.16.

While our book value per share increased only nominally during the quarter, there were several notable developments during the period. First, during the quarter, Clarke received approval from the applicable regulatory authorities to terminate and wind-up one of Clarke's three pension plans. Subsequent to the second quarter, Clarke received a distribution of this pension plan's surplus in the amount of $29.6 million. This distribution will not be included in Clarke's income. Second, negotiations during the second quarter resulted in the extension of the contract for Clarke's passenger/car ferry which operates on the St. Lawrence River. The term of this contract now extends to 2022. Third, during the second quarter, Clarke sold its remaining Holloway Lodging Corp. ("Holloway") 6.25% debentures maturing February 2020 as their price rose close to par value.

The value of Clarke's securities portfolio remained essentially the same from the first quarter to the second quarter, registering a $0.6 million decline during the period (net of purchases and sales). Behind the headline numbers, however, Clarke witnessed a decline in the value of its energy securities of $7.0 million, offset almost entirely by increases in the value of its Holloway and Terravest Capital Inc. investments. We continue to expect the value of our energy securities to increase throughout the remainder of the year. Our expectation has clearly not been met to date.

One final highlight worth mentioning comes from Holloway. During the second quarter, Holloway completed a major debt refinancing that materially reduced the company's cost of debt and aggregate debt service. This should result in Holloway generating more cash flow which can be reinvested in its business or returned to shareholders. Additionally, Holloway now has considerably more liquidity and financial flexibility to pursue opportunities as they arise.

Clarke's cash balance at the end of the second quarter was $15.8 million. As of the date of this press release, Clarke's cash balance is $37.8 million reflecting the pension surplus distribution received, net of withholding tax, most of which Clarke expects to recover in due course. As Clarke's energy and other investments are monetized, Clarke will be in a position to either reinvest that capital in new opportunities should they present themselves or to return that capital to shareholders should we not see attractive investment opportunities or the prospect of such opportunities in an appropriate time frame. At present, our bias is to continue returning capital to shareholders, including by way of share repurchases should attractive opportunities arise.

Declaration of Special Dividend

Following the pension distribution referred to above, Clarke is holding a considerable amount of cash on hand. The Company continues to see limited investment opportunities. Accordingly, Clarke's board of directors has declared a special dividend in the amount of $2.00 per Common Share, payable on August 22, 2017 to shareholders of record at the end of business on August 14, 2017. The aggregate amount of this dividend is approximately $29.5 million and represents approximately 78% of Clarke's current cash on hand.

Other Information

Further information about Clarke, including Clarke's Interim Condensed Consolidated Financial Statements and Management's Discussion & Analysis for the three and six months ended June 30, 2017, is available at www.sedar.com and www.clarkeinc.com.

Highlights of the interim condensed consolidated financial statements for the three and six months ended June 30, 2017 compared to the three and six months ended June 30, 2016 are as follows:

(in millions, except per share amounts)	**Three months ended June 30, 2017 $**	Three months ended June 30, 2016 $	**Six months ended June 30, 2017 $**	Six months ended June 30, 2016 $
Realized and unrealized gains (losses) on investments	**(0.4)**	4.0	**3.9**	(0.4)
Dividend income	**1.0**	0.9	**1.8**	1.8
Interest income	**0.2**	0.5	**0.5**	1.0
Revenue and other income*	**1.1**	1.9	**1.3**	1.9
Net income	**—**	6.4	**4.2**	1.8
Comprehensive income (loss)	**0.7**	3.2	**5.6**	(3.0)
Basic and diluted earnings per share ("EPS")				
Net income	**—**	0.41	**0.28**	0.12
Total assets	**182.9**	157.8	**182.9**	157.8
Long-term financial liabilities	**0.9**	1.5	**0.9**	1.5
Cash dividends declared per share	**—**	2.10	**—**	2.20
Book value per share	**11.98**	9.83	**11.98**	9.83

**Revenue and other income includes pension recovery, gains on sale of fixed assets, foreign exchange gains/losses, and service revenue.*

About Clarke

Halifax-based Clarke invests in a variety of private and publicly-traded businesses and participates actively where necessary to enhance the performance of such businesses and increase its return. Clarke's securities trade on the Toronto Stock Exchange (CKI); for more information about Clarke Inc., please visit our website at www.clarkeinc.com.

Cautionary Statement Regarding Use of Non-IFRS Accounting Measures

This press release makes reference to the Company's book value per share as a measure of the performance of the Company as a whole. Book value per share is measured by dividing shareholders' equity at the date of the statement of financial position by the number of Common Shares outstanding at that date. Clarke's method of determining this amount may differ from other companies' methods and, accordingly, this amount may not be comparable to measures used by other companies. This amount is not a performance measure as defined under IFRS and should not be considered either in isolation of, or as a substitute for, net earnings prepared in accordance with IFRS.

Note on Forward-Looking Statements and Risks

This press release may contain or refer to certain forward-looking statements relating, but not limited, to the Company's expectations, intentions, plans and beliefs with respect to the Company. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "does not expect", "is expected", "budgets", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or equivalents or variations of such words and phrases, or state that certain actions, events or results, "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements include, without limitation, those with respect to the future or expected performance of the Company's investee companies, the future price and value of securities held by the Company, changes in these securities holdings, the future price of oil and value of securities held in the Company's energy basket, changes to the Company's hedging practices, currency fluctuations and requirements for additional capital. Forward-looking statements rely on certain underlying assumptions that, if not realized, can result in such forward-looking statements not being achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others, the Company's investment strategy, legal and regulatory risks, general market risk, potential lack of diversification in the Company's investments, interest rates, foreign currency fluctuations, the sale of Company investments, the fact that dividends from investee companies are not guaranteed, reliance on key executives, commodity market risk, risks associated with investment in derivative instruments and other factors. With respect to the Company's investment in a ferry operation, such risks and uncertainties include, among others, weather conditions, safety, claims and insurance, labour relations, and other factors.

Although the Company has attempted to identify important factors that could cause actions, events or results not to be as estimated or intended, there can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Other than as required by applicable Canadian securities laws, the Company does not update or revise any such forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements.

For further information, please contact Michael Rapps, President and CEO, at (416) 855-1925 or Kim Langille, CFO, at (902) 442-0328.