Clarke Inc. Reports 2016 First Quarter Results and Declares Quarterly Dividend

Halifax, Nova Scotia – May 5, 2016 – Clarke Inc. ("Clarke" or the "Company") (TSX: CKI) today announced its results for the three months ended March 31, 2016.

<u>First Quarter Results</u>

In the first quarter, the Company's book value per share decreased by $0.49 or 4.0%, mainly the result of unrealized losses on our investment holdings of $4.2 million. The Company returned $0.10 per share to shareholders in the form of dividends. Our book value per share at the end of the quarter was $11.72 and our share price was $9.10.

Net loss of the Company for the three months ended March 31, 2016 was $4.6 million compared with net income of $3.6 million for the same period in 2015. During the three months ended March 31, 2016, the Company had unrealized losses on its investments of $4.2 million compared to unrealized gains of $3.8 million for the same period in 2015. The Company had realized losses on its investments of $0.2 million for the three months ended March 31, 2016 compared with realized gains of $0.6 million for the same period in 2015.

<u>Second Quarter Dividend</u>

Clarke also announced today that its Board of Directors declared a quarterly dividend of $0.10 per Common Share payable on July 15, 2016 to shareholders of record at the end of business on June 30, 2016.

<u>First Quarter Review and Outlook</u>

During the quarter, Clarke invested $4.0 million in existing security holdings and received proceeds of $2.5 million from the sale of security holdings and $3.6 million from the sale of a property. Clarke also paid $1.6 million of dividends. At March 31, 2016, our cash balance was $40.6 million representing 29% of Clarke's market capitalization.

The decline in our book value per share during the first quarter was due to three factors: the payment of dividends; a decline in the value of our pension plan asset; and unrealized losses on our investment portfolio. The decline in our pension asset was mainly due to a change in the discount rate used to calculate our pension obligation coupled with an increase in the impact of the asset ceiling. The assets held by our pension plans remained at similar levels during the quarter. The unrealized losses on our investment holdings can be attributed to lower share prices for TerraVest Capital Inc. ("Terravest") ($4.0 million) and Holloway Lodging Corporation ("Holloway") ($2.2 million) offset by an increase in the value of our energy basket ($2.2 million). We believe the securities we own remain undervalued.

Most of the companies we have invested in are exposed to the oil and gas industry in some manner. In the case of our energy basket companies, this exposure is complete whereas in the case of other companies such as Holloway and Terravest, this exposure is partial only. While the prices of many energy securities have improved recently, they still reflect a considerable amount of stress. This situation is transitory in nature in our view as the amount of oil the world needs simply cannot be produced indefinitely at recent prices without bankrupting the producing entities. The increasing frequency and size of bankruptcies in the oil and gas industry (both producers and services companies) is evidence of this and will help the stronger, better and more efficient industry participants thrive in an eventual recovery. The share prices of these types of good companies should increase significantly as the oil and gas markets improve.

As we expect that our investment holdings will appreciate in value in coming years (particularly as the oil and gas markets normalize), we will continue to repurchase our shares. We continue to see limited investment opportunities outside of the oil and gas industry due to generally high valuations, although valuations appear to have moderated somewhat in recent months. We will remain disciplined in deploying our capital as that capital retains option value while it is in our hands.

Other Information

Further information about Clarke, including Clarke's Interim Condensed Consolidated Financial Statements and Management's Discussion & Analysis for the three months ended March 31, 2016, is available at www.sedar.com and www.clarkeinc.com.

Highlights of the interim condensed consolidated financial statements for the three months ended March 31, 2016 compared to the three months ended March 31, 2015 are as follows:

(in millions, except per share amounts)	**March 31, 2016** **$**	March 31, 2015 $
Realized and unrealized gains (losses) on investments	**(4.4)**	4.4
Dividend income	**0.8**	0.8
Interest income	**0.5**	1.1
Revenue and other income*	**0.1**	1.1
Net income (loss)	**(4.6)**	3.6
Comprehensive income (loss)	**(6.2)**	4.8
Basic earnings (loss) per share ("EPS")		
Net income (loss)	**(0.29)**	0.19
Diluted EPS		
Net income (loss)	**(0.29)**	0.19
Total assets	**190.7**	252.7
Long-term financial liabilities	**1.6**	2.3
Cash dividends declared per share	**0.10**	0.10
Book value per share	**11.72**	12.87

**Revenue and other income includes pension recovery/expense, 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", "budget", "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, Interim CFO, at (902) 442-0328.