



Clarke Inc. Reports 2016 Third Quarter Results

Halifax, Nova Scotia – November 4, 2016 – Clarke Inc. (“Clarke” or the “Company”) (TSX: CKI) today announced its results for the three and nine months ended September 30, 2016.

Results for the Three and Nine Months Ended September 30, 2016

Net income of the Company for the three and nine months ended September 30, 2016 was \$14.2 million and \$16.0 million, respectively, compared with a net loss of \$19.3 million and \$17.7 million for the same periods in 2015. During the three and nine months ended September 30, 2016, the Company had unrealized gains on its investments of \$11.1 million and \$10.6 million, respectively, compared to unrealized losses of \$22.2 million and \$21.6 million for the same periods in 2015. The Company had realized gains on its investments of nil and \$0.1 million for the three and nine months ended September 30, 2016, respectively, compared with realized gains of nil and \$0.8 million for the same periods in 2015.

Third Quarter Review and Outlook

In the third quarter, the Company’s book value per share increased by \$1.03 or 10%, driven primarily by an increase in the value of our securities portfolio. Our book value per share at the end of the quarter was \$10.86 and our share price was \$9.13.

During the quarter, Clarke received proceeds of \$3.1 million from the sale of security holdings. Clarke also paid \$1.5 million of dividends and spent \$5.3 million repurchasing 572,400 Common Shares. At September 30, 2016, our cash balance was \$8.1 million.

In June 2015, the Company entered into a loan agreement to finance the construction of a 17-unit townhome development in Atlanta, Georgia. During the third quarter, this loan was repaid in full and the royalty agreement linked to the sale of each townhome was terminated. The Company generated a total return on this loan of 30% and an IRR of 27%.

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 Lodging Corporation and TerraVest Capital Inc. this exposure is partial only. While the prices of our energy-related securities generally increased in the third quarter, we believe these securities remain substantially undervalued.

We expect to continue repurchasing Common Shares as opportunities arise, whether under our normal course issuer bid or otherwise.

Other Information

Further information about Clarke, including Clarke’s Interim Condensed Consolidated Financial Statements and Management’s Discussion & Analysis for the three and nine months ended September 30, 2016, is available at www.sedar.com and www.clarkeinc.com.

Highlights of the interim condensed consolidated financial statements for the three and nine months ended September 30, 2016 compared to the three and nine months ended September 30, 2015 are as follows:

<i>(in millions, except per share amounts)</i>	Three months ended September 30, 2016 \$	Three months ended September 30, 2015 \$	Nine months ended September 30, 2016 \$	Nine months ended September 30, 2015 \$
Realized and unrealized gains (losses)				
on investments	11.1	(22.2)	10.7	(20.8)
Dividend income	0.9	1.0	2.6	2.7
Interest income	0.5	0.5	1.5	2.2
Revenue and other income*	3.9	4.0	5.8	7.1
Net income (loss)	14.2	(19.3)	16.0	(17.7)
Comprehensive income (loss)	14.9	(20.8)	11.9	(18.1)
Basic earnings (loss) per share (“EPS”)				
Net income (loss)	0.93	(1.24)	1.03	(1.04)
Diluted EPS				
Net income (loss)	0.93	(1.24)	1.03	(1.04)
Total assets	165.4	191.8	165.4	191.8
Long-term financial liabilities	1.3	1.9	1.3	1.9
Cash dividends declared per share	—	0.10	2.2	0.30
Book value per share	10.86	11.71	10.86	11.71

*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 MD&A 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 MD&A 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, Interim CFO, at (902) 442-0328.