Clarke Inc. Reports 2017 Third Quarter Results

Halifax, Nova Scotia – November 1, 2017 – Clarke Inc. ("Clarke" or the "Company") (TSX: CKI) today announced its results for the three and nine months ended September 30, 2017.

Third Quarter Results

Net income of the Company for the three and nine months ended September 30, 2017 was nil and $4.1 million, respectively, compared with $14.2 million and $16.0 million, respectively, for the same periods in 2016. During the three and nine months ended September 30, 2017, the Company had unrealized losses of $2.4 million and unrealized gains of $0.9 million on its investments compared to unrealized gains of $11.1 million and $10.6 million, respectively, for the same periods in 2016. The Company had realized gains on its investments of $0.6 million and $1.2 million, respectively, for the three and nine months ended September 30, 2017 compared with nil and $0.1 million for the same periods in 2016.

The Company's equity holdings generated dividends of $0.9 million and $2.7 million, respectively, in the three and nine months ended September 30, 2017 compared to $0.9 million and $2.6 million for the same periods in 2016. The Company's debt and cash holdings generated interest income of $0.1 million and $0.6 million, respectively, in the three and nine months ended September 30, 2017 compared to $0.5 million and $1.5 million for the same periods in 2016. This decrease is due to the sale of debentures.

Third Quarter Review and Outlook

In the third quarter of 2017, the Company's book value per share decreased by $2.04 or 17.0% driven by (i) a $2.00 per share special dividend paid to shareholders and (ii) a negative $0.07 per share impact resulting from the "asset ceiling test" that accounting rules require we impose on our pension surplus. In the first nine months of 2017, the Company's book value per share decreased by $1.67 or 14.4%, also impacted by the $2.00 per share special dividend. Our book value per share at the end of the third quarter was $9.94 and our share price was $9.60.

The most notable occurrence during the third quarter was the previously disclosed wind-up one of Clarke's three pension plans. During the quarter, Clarke received a distribution of this pension plan's surplus in the amount of $29.6 million. More than $20.0 million of this distribution was received in cash during the quarter while approximately $7.3 million is expected to be received following the filing of Clarke's year-end tax return. This distribution is not included in Clarke's income.

Towards the end of the third quarter, we began to sell the shares of one of our energy basket investments. Should the value of our energy securities continue to increase, as we expect they will, we are likely to sell additional energy basket securities.

It remains challenging to find investments that meet our investment criteria. While some investors may choose to alter their investment strategies or dilute their investment criteria at times like these, we are not going to do so. We understand the source of our returns over time and it is largely from investments made at times of market or industry dislocation or from company-specific challenges that we believe we can help rectify. Accordingly, our bias is to continue returning capital to shareholders until such time as more attractive opportunities present themselves. Clarke's cash balance at the end of the third quarter was $10.7 million.

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, 2017, 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, 2017 compared to the three and nine months ended September 30, 2016 are as follows:

(in millions, except per share amounts)	**Three months ended September 30, 2017 $**	Three months ended September 30, 2016 $	**Nine months ended September 30, 2017 $**	Nine months ended September 30, 2016 $
Realized and unrealized gains (losses) on investments	**(1.8)**	11.1	**2.1**	10.7
Dividend income	**0.9**	0.9	**2.7**	2.6
Interest income	**0.1**	0.5	**0.6**	1.5
Revenue and other income*	**3.2**	3.9	**4.5**	5.8
Net income	**—**	14.2	**4.1**	16.0
Comprehensive income (loss)	**(0.6)**	14.9	**5.0**	11.9
Basic and diluted earnings per share	**—**	0.93	**0.28**	1.03
Total assets	**151.1**	165.4	**151.1**	165.4
Long-term financial liabilities	**0.6**	1.3	**0.6**	1.3
Cash dividends declared per share	**2.00**	—	**2.00**	2.20
Book value per share	**9.94**	10.86	**9.94**	10.86

**Revenue and other income includes pension expense/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 Stephen Cyr, CFO, at (902) 442-3415.