CLARKE

Halifax, Canada

Quarterly Report
September 30, 2014 and 2013

Management's Discussion & Analysis

Clarke Inc.

September 30, 2014 and 2013

MANAGEMENT'S DISCUSSION & ANALYSIS

Management's Discussion & Analysis ("MD&A") presents management's view of the financial position and performance of Clarke Inc. ("Clarke" or the "Company") for the three and nine months ended September 30, 2014 compared with the three and nine months ended September 30, 2013. The following disclosures and associated unaudited interim condensed consolidated financial statements are presented in accordance with IAS 34, *Interim Financial Reporting*. This interim MD&A should be read in conjunction with the information disclosed within the interim condensed consolidated financial statements and notes thereto for the three and nine months ended September 30, 2014. The MD&A is prepared as at November 5, 2014 (unless otherwise stated). All dollar amounts are shown in millions of Canadian dollars unless otherwise indicated.

OVERVIEW & STRATEGY

Clarke is an investment company. Our objective is to maximize shareholder value. While not the perfect metric, we believe that Clarke's book value per share, together with the dividends paid to shareholders, is an appropriate measure of our success in maximizing shareholder value over time.

We attempt to maximize shareholder value by allocating capital to investments that we believe will generate high returns and reallocating capital over time as needed. In doing this, Clarke's goal is to identify investments that are either undervalued or are underperforming and may be in need of positive change. These investments may be companies, securities or other assets such as real estate, and they may be public entities or private entities. We do not believe in limiting ourselves to specific types of investments. From time to time, Clarke will invest passively in a security where it believes the security is undervalued and there is no need for change or where it believes the security is undervalued but that the management team in place at the underlying company is doing an appropriate job to reduce the undervaluation. More often, Clarke will seek active involvement in the governance and/or management of the company in which it invests. In these cases, Clarke will have acquired the security with a view of changes that could be made to improve the underlying company's performance and maximize the company's value. When Clarke believes that an investee company has implemented appropriate changes and/or the value of the investee company has reached or exceeded its intrinsic value, Clarke may sell its investment. Clarke generally invests in industries that have hard assets, including manufacturing, industrial and real estate businesses.

We view our investments as businesses. The rules applicable to the drafting of this MD&A may require us to call these investments "reportable segments", combine multiple investments together in a single "reportable segment" and discuss these investments as if we operated them ourselves. While we are sometimes involved in the management of our investee companies, we rather speak of them as owners and not as operators. From time to time, we will exclude certain details for competitive reasons.

KEY EVENTS – Q3 2014

In the third quarter, the Company grew book value per share by $0.80 (7%) and returned $0.10 per share to shareholders in the form of dividends. In addition, the Company spent $1.8 million during the quarter repurchasing shares, all at a discount to book value. Our book value per share at the end of the third quarter was $12.99 while our share price was $9.80.

The following were certain key events during the third quarter:

- The Company's investment portfolio increased in value by $13.2 million (excluding purchases and sales) and is included in net gains on investments.

- The Company sold the remainder of its investment in Sherritt International Corporation ("Sherritt") at $4.75 per share. In total, our Sherritt investment generated a profit of $17.5 million for the nine months ended September 30, 2014 and an Internal Rate of Return ("IRR") of 68%. Clarke no longer has any investment in Sherritt.

- Holloway Lodging Corporation ("Holloway") acquired all of the outstanding shares of Royal Host Inc. ("Royal Host"). As a shareholder of Royal Host, Clarke received cash of $6.1 million and 610,977 Holloway shares on closing of the acquisition. Following the completion of this transaction, Clarke acquired an additional 6,263,839 shares of Holloway and now owns approximately 36% of Holloway's outstanding shares.

- Clarke was added to the S&P/TSX SmallCap Index.

Subsequent to the end of the third quarter, the Company's Board of Directors announced the fourth quarter dividend of $0.10 per Common Share payable on January 13, 2015 to shareholders of record at the end of business on December 31, 2014.

OUTLOOK

Throughout 2013 and 2014 Clarke sold several investments with a view to realizing the value that exists in the Company's assets. These transactions provided the Company with considerable value, allowed the Company to eliminate substantially all of its debt and started to unlock the significant shareholder value that exists at Clarke but which the capital markets do not adequately recognize.

We intend to continue working with our investee companies to maximize their business values. As an example, during the quarter Terravest Capital Inc. ("Terravest") announced the acquisition of an Alberta-based manufacturer of wellhead processing equipment, which complements RJV Gas Services, one of Terravest's existing businesses. We expect this business to improve Terravest's product offering, cost structure and financial performance. Over time, we believe transactions such as this one will increase the value of our investments.

We currently have approximately $40.0 million of cash on hand and only a minimal amount of term debt. While we believe corporate valuations in general continue to be elevated, the stock market selloff in mid-October has prompted us to consider more seriously new investment opportunities. Our focus is to acquire securities or companies that are significantly undervalued; we will remain disciplined in deploying our capital as that capital retains option value while it is in our hands.

We believe our shares continue to be undervalued by the public markets and we will continue to work hard to close this value gap. We repurchased shares throughout the third quarter and we intend to continue repurchasing our shares depending on market conditions, market prices and other investment opportunities.

RESULTS OF OPERATIONS

Highlights of the interim condensed consolidated financial statements for the three and nine months ended September 30, 2014 compared to the three and nine months ended September 30, 2013 are as follows:

(in millions, except per share amounts)	**Three months ended September 30, 2014 $**	Three months ended September 30, 2013 $	**Nine months ended September 30, 2014 $**	Nine months ended September 30, 2013 $
Realized and unrealized gains on investments	**13.2**	16.5	**38.7**	24.5
Dividend income	**1.8**	1.5	**5.6**	4.0
Revenue and other income*	**5.6**	6.1	**16.7**	9.2
Income from continuing operations	**16.4**	17.4	**49.6**	21.8
Income from discontinued operations attributable to equity holders of the Company**	**—**	4.1	**59.7**	10.0
Net income attributable to equity holders of the Company	**16.4**	21.5	**109.3**	31.8
Comprehensive income attributable to equity holders of the Company	**17.4**	23.1	**106.3**	35.7
Basic earnings per share ("EPS")				
Income from continuing operations	**0.83**	1.05	**2.57**	1.32
Income from discontinued operations	**—**	0.25	**3.09**	0.60
Net income	**0.83**	1.30	**5.66**	1.92
Diluted EPS				
Income from continuing operations	**0.83**	0.73	**2.09**	0.96
Income from discontinued operations	**—**	0.16	**2.46**	0.40
Net income	**0.83**	0.89	**4.55**	1.36
Total assets	**271.1**	297.0	**271.1**	297.0
Long-term financial liabilities	**2.6**	90.5	**2.6**	90.5
Cash dividends declared per share	**0.10**	0.10	**0.40**	0.24
Book value per share	**12.99**	7.07	**12.99**	7.07

**Revenue and other income includes pension recovery/expense, interest income, gains on sale of fixed assets, foreign exchange gains/losses, gains on convertible debenture redemptions and repurchases and revenue from the Transportation segment. **Non-IFRS measure determined by deducting non-controlling interest from income from discontinued operations. Income from discontinued operations includes the results and the gain on sale of the Freight Transport Business and Jerico.*

Net income attributable to equity holders of the Company for the three and nine months ended September 30, 2014 was $16.4 million and $109.3 million, respectively, compared with net income of $21.5 million and $31.8 million for the same periods in 2013. This represents the highest net income generated in a nine month period in the Company's history. During the three and nine months ended September 30, 2014, the Company had unrealized gains on its investments of $25.6 million and $42.0 million, respectively, compared to unrealized gains of $15.3 million and $20.2 million for the same periods in 2013. The Company had realized losses on its investments of $12.4 million and $3.3 million for the three and nine months ended September 30, 2014, respectively, compared with realized gains of $1.2 million and $4.3 million for the same periods in 2013. Further discussion on these unrealized and realized gains/losses is below in the "Investment Segment" section of this MD&A.

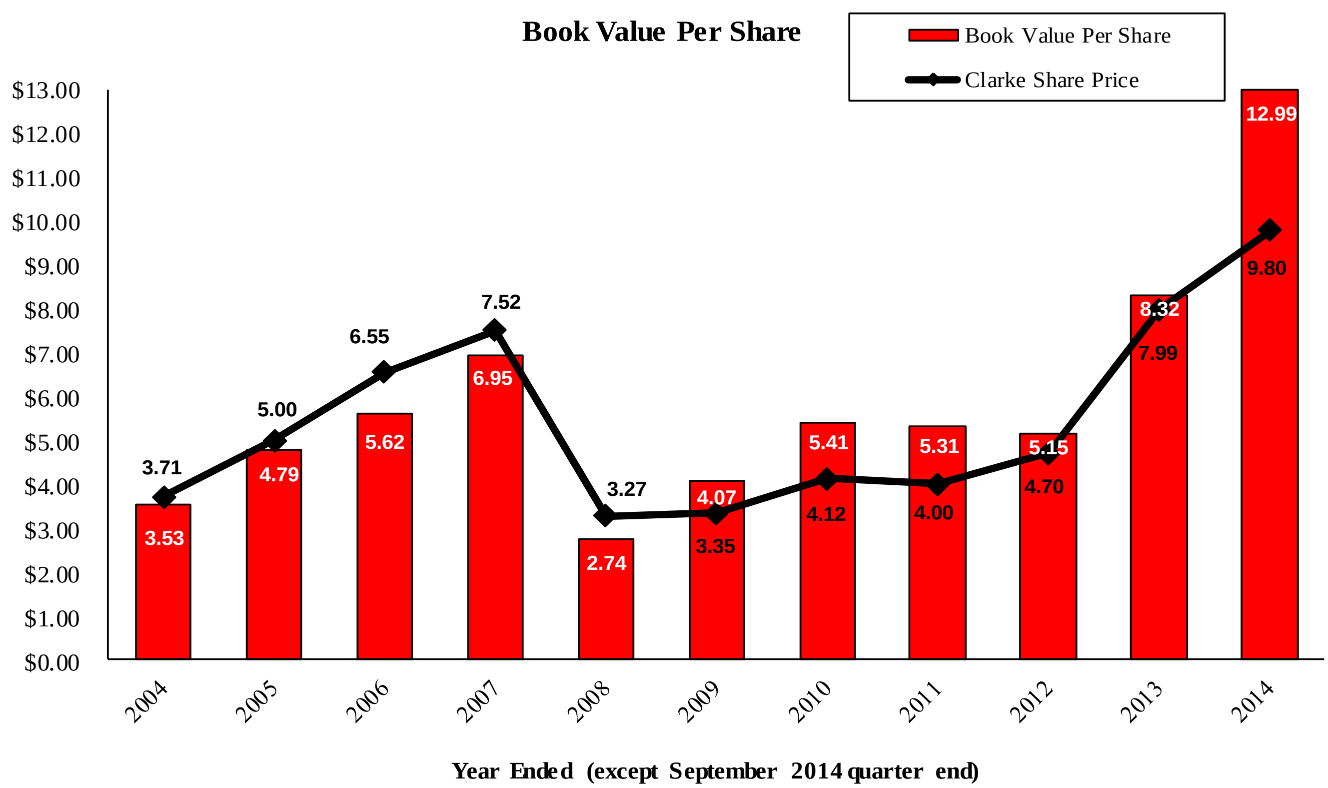
During the nine months ended September 30, 2014, the Company completed the sale of its truckload, less-than-truckload and freight logistics businesses (the "Freight Transport Business") and Gestion Jerico Inc. ("Jerico") resulting in gains on sale of subsidiaries of $71.1 million, included in income from discontinued operations.

On January 1, 2014, upon the sale of the Freight Transport Business, all active members of the Pension Plan for the Employees of Clarke Inc. and of the Clarke Group Pension Plan who were employees of that business stopped accruing service and salary increases for future periods which resulted in a curtailment gain of $3.3 million and is included in the interim consolidated statements of earnings for the nine months ended September 30, 2014.

The Company's book value per share as at September 30, 2014 was $12.99, an increase of $4.67, or 56%, per share since December 31, 2013. This increase was due to the gain recognized on the sale of the Freight Transport Business, the significant increases in the market value of the Company's marketable securities and the realized gain on the sale of our investment in Sherritt. Although the Company's book value has increased significantly in recent years and in large part consists of cash and marketable securities, the Company's shares continue to trade at a meaningful discount to their tangible book value.

The following graph represents the Company's book value per share and trading price for the ten years ended December 31, 2013 and as at September 30, 2014.

SUMMARY OF QUARTERLY RESULTS



Key financial information for the current and preceding seven quarters is as follows:

Three months ended	**Dec. 2012 $**	**Mar. 2013 $**	**June 2013 $**	**Sept. 2013 $**	**Dec. 2013 $**	**Mar. 2014 $**	**June 2014 $**	**Sept. 2014 $**
Revenue and other income	(4.9)	6.1	7.6	24.1	15.2	16.0	24.4	20.6
Income (loss) from continuing operations	(9.2)	0.8	3.6	17.4	15.4	13.3	19.9	16.4
Income from discontinued operations *	5.2	2.5	3.6	4.5	6.3	59.7	—	—
Net income (loss)	(4.0)	3.3	7.2	21.9	21.7	73.0	19.9	16.4
Other comprehensive income (loss)	0.6	2.3	—	1.6	2.4	(3.8)	(0.2)	1.0
Comprehensive income (loss)	(3.4)	5.6	7.2	23.5	24.1	69.2	19.7	17.4
Basic EPS from continuing operations (in dollars)	(0.47)	0.08	0.24	1.12	1.06	0.73	1.00	0.83
Diluted EPS from continuing operations (in dollars)	(0.47)	0.08	0.19	0.78	0.73	0.57	0.94	0.83
Basic EPS (in dollars)	(0.27)	0.19	0.43	1.30	1.25	4.01	1.00	0.83
Diluted EPS (in dollars)	(0.27)	0.16	0.31	0.89	0.87	3.03	0.94	0.83

* *Income from discontinued operations mainly consists of the results from the Freight Transport Business and Jerico and the gain on sale of both subsidiaries in the first quarter of 2014.*

As seen in the table above, our results can fluctuate significantly from quarter to quarter, mainly as a result of certain accounting standards the Company follows. Under IFRS, realized and unrealized gains and losses on our publicly-traded securities are recorded in "revenue" on our consolidated statements of earnings. The Company does not believe that quarterly fluctuations in the stock prices of our investee companies necessarily reflect a change in the value of the underlying businesses in which we are invested. The value of the underlying businesses are often more stable than their stock prices reflect and often worth more than the public markets give them credit for (as evidenced by some of our recent sales). Clarke views its investments on a longer-term basis as opposed to on a quarter-to-quarter basis. These fluctuations, however, often provide us with an opportunity to invest more capital in particular investments that we like or vice-versa.

SEGMENT REPORTING

Investment segment

The Investment segment represents the Company's marketable securities portfolio as well as long-term private investment funds and debt investments. Results of operations for the three and nine months ended September 30, 2014, compared to the three and nine months ended September 30, 2013 in the Company's Investment segment are as follows:

	Three months ended September 30, 2014 $	Three months ended September 30, 2013 $	**Nine months ended September 30, 2014 $**	Nine months ended September 30, 2013 $
Revenue and other income:				
Investment and other income	**15.9**	16.9	**46.6**	27.6
Intercompany management revenue*	**—**	0.3	**—**	0.8
	15.9	17.2	**46.6**	28.4
Expenses	**0.1**	0.2	**1.0**	0.4
Net income before income taxes	**15.8**	17.0	**45.6**	28.0
Net income before intercompany revenue and income taxes	**15.8**	17.3	**45.6**	28.8

**Intercompany management revenue is eliminated upon consolidation.*

The Investment segment performed very well in the three and nine months ended September 30, 2014 due to the continued increase in market prices of the publicly-traded securities we own and gains earned upon the sale of various investments, most notably Sherritt. During the nine months ended September 30, 2014, we sold our shares of Sherritt and our remaining shares of Vitran Corporation ("Vitran") upon the completion of TransForce Inc.'s acquisition of Vitran. These two sales generated realized gains on investments of $18.5 million. This was offset by a realized loss on the sale of our Royal Host shares in the amount of $21.6 million. While we sold our Royal Host shares at a premium to their market price in recent quarters, the sale price was substantially below the Company's acquisition cost in 2007. The breakdown of the change in the Company's marketable securities portfolio is as follows:

	Nine months ended September 30, 2014 $
Marketable securities – beginning of period	**129.4**
Purchases	**42.6**
Proceeds on sale	**(77.5)**
Realized and unrealized gains on marketable securities	**38.1**
Marketable securities – end of period	**132.6**

The Company received dividends of $1.8 million and $5.6 million for the three and nine months ended September 30, 2014, respectively, compared to $1.5 million and $4.0 million for the same periods in 2013. This increase is mainly due to an increase in dividends paid by Supremex Inc. ("Supremex") and Terravest.

At September 30, 2014, Clarke owned securities in four publicly-traded companies, as follows:

	September 30, 2014				December 31, 2013			
	Shares or face value	**Market Price $**	**Market value $'000**	**%**	Shares or face value	Market Price $	Market value $'000	%
Holloway	**6,874,815**	**6.00**	**41,249**	**31.1**	—	—	—	—
Holloway 6.25% Convertible Debentures (DB.B) *†	**3,986,000**	**0.920**	**3,667**	**2.8**	3,989,000	0.897	3,578	2.8
Holloway 7.50% Convertible Debentures (DB.C) *	**6,232,000**	**0.970**	**6,045**	**4.6**	6,232,000	0.910	5,671	4.4
Holloway 6.25% Convertible Debentures (DB.D) *†	**7,618,000**	**0.915**	**6,970**	**5.3**	7,358,000	0.898	6,607	5.1
Spyglass Resources Corp. ("Spyglass")	**6,742,727**	**1.38**	**9,305**	**7.0**	6,000,000	1.81	10,860	8.4
Supremex	**12,895,100**	**2.73**	**35,204**	**26.5**	13,094,200	2.07	27,105	20.9
Terravest	**5,000,000**	**6.03**	**30,150**	**22.7**	4,021,008	4.53	18,215	14.1
Sherritt	—	—	—	—	12,420,000	3.72	46,202	35.7
Royal Host	—	—	—	—	6,109,768	1.35	8,248	6.4
Vitran	—	—	—	—	418,837	6.87	2,877	2.2
Carrying value of marketable securities			**132,590**	**100.0**			129,363	100.0

**The convertible debentures were in the name of Royal Host as at December 31, 2013. On July 29, 2014 Holloway assumed the debentures at a meeting held by the debenture holders.*
† Subsequent to the end of the quarter, Holloway's two series of 6.25% convertible debentures were consolidated into a single series of convertible debentures.

Summary of investee performance

Holloway**:** In our second quarter MD&A, we noted that while our Holloway equity investment was a small one, we believed that Holloway's acquisition of Royal Host would be a material positive for Holloway. As a result, during the third quarter, we increased our equity investment in Holloway and presently own 35.5% of the outstanding shares. Despite the run-up in Holloway's trading price following our acquisition of additional shares, we believe the company remains materially undervalued. We believe Holloway will generate significant cost savings as a result of the acquisition and that Holloway has the cash flow and financial flexibility to invest strategically in the Royal Host properties to improve their performance. The consequence of this, in our view, will be significantly higher net operating income and cash flow in coming quarters.

By way of background, we believe that most publicly-traded hotel companies in Canada have a flawed model in that they deploy almost all of their free cash flow to paying dividends. When corporate performance or economic conditions weaken, these companies lack a sufficient cash flow cushion and often resort to financing their dividends if not reducing their dividends altogether; in either case, the companies' share prices tend to decline. As well, when these companies wish to grow their businesses (usually by acquiring new hotels), they must access the capital markets in order to finance such acquisitions. If the capital markets are challenged at such a time, these companies cannot access the necessary capital to grow, and if the capital markets are open to these companies, the acquisitions often end up being dilutive to shareholders. We believe Holloway's business model is superior to that of their publicly-traded peers in that Holloway has a low payout ratio and aims to devote the majority of its free cash flow to growing its free cash flow. The benefit to shareholders is that the capital they invested in the business compounds over time.

Finally, during the third quarter Holloway formally assumed Royal Host's convertible debentures. These debentures now benefit from greater asset coverage as a result of having the assets of both Holloway and Royal Host supporting them. There is no reason in our view for these debentures to trade at their current levels; they should trade at par.

***Sherritt*:** In the third quarter we sold our remaining shares of Sherritt at $4.75 per share. Our investment resulted in a gain of $17.5 million and an IRR of 68% including all proxy related expenses. We began purchasing shares of Sherritt in the third quarter of 2013 with the view that the share price did not reflect the true value of the company's asset base. We engaged in discussions with the company and ultimately undertook a proxy contest to replace certain of Sherritt's board members. Following our unsuccessful attempt to reconstitute Sherritt's board we elected to sell our shares of the company. In our view, Sherritt has showed little progress controlling its costs and the company's recent debt restructuring was completed on near-punitive terms. The recent decline in nickel prices and Sherritt's increased capital spending requirements in its Oil and Gas division will seriously constrain the company's cash flow going forward. Put more simply, we have no faith in Sherritt's board or management to run the company properly. We currently do not have any investment in Sherritt.

***Spyglass*:** Spyglass is an Alberta-based intermediate oil and gas producer focused on owning and operating assets with low-decline rates. During the quarter, we increased our investment in Spyglass slightly as we believe the company's assets are worth more than the current share price implies. Above, we discussed the sustainability of various hotel companies' operating models. It is worth touching upon the same subject in the oil and gas industry. We do not believe that Spyglass' dividend-paying model is sustainable. At the most basic level, Spyglass does not generate sufficient cash flow to both sustain its production and to pay its dividend. In order to pay its dividend, Spyglass must do (and has been doing) one of the following: (1) reduce its sustaining capex thereby causing its production to decline; or (2) borrow money to fund its dividend; or (3) sell assets to fund its dividend. None of these alternatives are sustainable and the company cannot pursue them indefinitely. We are not alone in our view of Spyglass' business model; since the company's formation in 2013, it has traded at an extremely high dividend yield implying that investors generally recognize the unsustainability of the business model. With that stated, we still believe Spyglass' assets are materially undervalued by the market. It is our view that business models can be changed with relative ease, but finding undervalued assets is more difficult.

***Supremex*:** Our commentary regarding Supremex may start to sound repetitive; Supremex continues to experience many positive changes. While envelope volumes are declining at moderate rates, we believe the company's cash flow will increase nonetheless. The company continues to reduce its operating costs, has lowered its interest expense as a result of paying down debt and has minimal pension funding obligations since it eliminated its pension deficit last year. The company's increasing cash flow can be deployed in numerous ways, including additional dividend increases, further debt reduction and accretive acquisitions. To that end, during the third quarter, Supremex increased its dividend by 12.5% and we would not be surprised by additional dividend increases in coming quarters.

Additionally, Supremex has started to transition its business into non-envelope packaging products, winning a nine-year $81 million contract (assuming all renewal options are exercised) for paperboard packaging products during the third quarter. Given its excellent balance sheet and expertise in the paper and paperboard converting businesses, we believe Supremex has the opportunity to become a consolidator within the Canadian packaging industry. Doing so, in our view, would result in Supremex generating higher earnings and cash flow over time and would also result in the capital markets rewarding Supremex with a higher multiple on such earnings and cash flow.

We would be remiss if we did not point out the positive impact Supremex's new CEO is having at the company. Stewart Emerson assumed the position of CEO during the third quarter and his performance to date has been outstanding. We believe Supremex is in very capable hands.

***TerraVest*:** During the quarter we purchased an additional 978,992 shares of TerraVest at $6.30 per share. We currently own 27.6% of the company. TerraVest's stock price has increased considerably during the year and we feel the company is well-positioned to continue creating value due to the niche markets in which it operates and through its acquisition strategy.

2014 has been a transformational year for TerraVest thus far. The company completed two acquisitions and an equity offering and we do not see the company slowing down. The acquisition of Jerico in February doubled the size of the company and provided a less cyclical cash flow stream. In the third quarter, Terravest completed the acquisition of NWP Industries, a direct competitor to one of TerraVest's subsidiaries – RJV Gas Services. We expect the company will extract significant synergies between the two businesses over the coming year. TerraVest now has three platforms to focus its growth: tank and vessel manufacturing, oil and gas processing equipment fabrication, and oil well servicing. We believe there remain many opportunities for TerraVest to expand its presence in these niche markets and extract efficiencies through consolidation.

One aspect of Terravest that we find attractive is management's disciplined approach to acquisitions. The company does not pursue acquisitions for the sake of growing. Rather, the company pursues businesses with long operating histories, strong industry reputations, management teams that are willing to remain engaged and where there is an opportunity to extract substantial synergies following an acquisition.

Transportation segment

The Transportation segment consists of the Company's ferry and international shipping operations. Previously, this segment also included the Freight Transport Business which was sold on January 1, 2014.

Results of operations for the three and nine months ended September 30, 2014 compared to the three and nine months ended September 30, 2013 in the Company's Transportation segment are as follows:

	Three months ended September 30, 2014 $	Three months ended September 30, 2013 $	**Nine months ended September 30, 2014 $**	Nine months ended September 30, 2013 $
Revenue	**3.9**	3.9	**6.2**	6.2
Expenses	**1.5**	1.6	**4.2**	4.1
Adjusted EBITDA*	**2.4**	2.3	**2.0**	2.1
Impairment of fixed assets	**1.2**	—	**1.2**	—
Depreciation and amortization	**0.2**	0.3	**0.7**	0.7
Interest expense	**—**	0.1	**0.2**	0.2
Net income (loss) before income taxes	**1.0**	1.9	**(0.1)**	1.2

** Non-IFRS measure. See definitions of non-IFRS measures on page 14.*

Revenue and Adjusted EBITDA generated by the ferry and international shipping operations was consistent with the same periods last year with no material changes in either enterprise's operations.

Subsequent to the end of the quarter, the Company entered into an agreement to sell the *MV Shamrock*, the vessel used in its international shipping operations. We expect to receive net proceeds from the sale of US$4.8 million during the fourth quarter. As a result of the expected sale, we have impaired the value of the assets used in the Company's international shipping operations by $1.2 million which is included on the interim consolidated statements of earnings for the three and nine months ended September 30, 2014. The Company acquired the *MV Shamrock* at a tax lien auction in 2004 in the belief that (i) the vessel's replacement cost was substantially higher than the Company's purchase price, and (ii) the day rates for the vessel were attractive and were likely to generate an attractive cash flow yield. Following the financial crisis, day rates for the vessel were halved and have never fully recovered. While the vessel's replacement cost remains higher than the price the Company paid for the vessel, day rates have remained weak and the vessel's cash flow contribution to the Company is minimal. We believe that we are best served by selling the vessel and redeploying the funds generated from its sale to other investments.

Other segment

The Other segment consists of owned real estate, our treasury and executive functions, our pension plans and the interest payable on our Debentures (which were fully redeemed in 2014). In previous periods, this segment included two wholly owned subsidiaries that were sold in early 2014.

During the nine months ended September 30, 2014, the Company sold a property in Kitchener, Ontario for net proceeds of $2.1 million, resulting in a gain on sale of $1.6 million.

During the first quarter of 2014, one of Clarke's joint venture companies sold real estate that was retained from a prior business. This real estate was sold for $2.5 million of which Clarke's share was $1.3 million. This transaction is disclosed for accounting purposes as *'equity in earnings of joint ventures'*. This resulted in equity in earnings in the amount of $0.5 million and concludes all operations in this entity.

Assets by segment

The table below shows a breakdown by segment of the Company's assets of continuing operations as at September 30, 2014 and December 31, 2013:

	September 30, 2014		December 31, 2013	
	$'000	**%**	$'000	%
Investment	**182.8**	**67.4**	137.2	54.1
Transportation*	**7.2**	**2.7**	8.3	3.3
Commercial Tanks & Home Heating**	**—**	**—**	60.5	23.8
Other	**81.1**	**29.9**	47.7	18.8
Total	**271.1**	**100.0**	253.7	100.0

The December 31, 2013 asset balance in the Transportation segment excludes the Freight Transport Business that was sold during the first quarter of 2014 and is included in assets of discontinued operations for year ended December 31, 2013.
****The company sold its Commercial Tanks & Home Heating segment during the first quarter of 2014*.**

RESULTS OF DISCONTINUED OPERATIONS

On January 1, 2014, Clarke completed the sale of the Freight Transport Business. The Company received proceeds of $100.5 million on the sale which included an estimated net working capital adjustment. As a result of this transaction, included in income from discontinued operations for the nine months ended September 30, 2014, is a gain on sale of subsidiary of $66.4 million. The Company recorded the net assets of the Freight Transport Business as assets and liabilities of discontinued operations for the year ended December 31, 2013 and the results of this business have been reclassified as net income from discontinued operations for the three and nine months ended September 30, 2013.

On February 15, 2014, the Company completed the sale of Jerico. Jerico formed the Company's Commercial Tanks & Home Heating segment. The Company received $24.9 million for its 75% equity interest in Jerico in the form of a 6.50% promissory note with a three year term. We expect the promissory note to be repaid prior to its maturity date. As a result of this transaction, included in income from discontinued operations for the nine months ended September 30, 2014, is a gain on sale of subsidiary of $4.7 million. The results of Jerico have been reclassified as net income from discontinued operations for the nine months ended September 30, 2014 and the three and nine months ended September 30, 2013.

As a result of the above, the Company had net income from discontinued operations of nil and $59.7 million for the three and nine months ended September 30, 2014, respectively, compared to $4.5 million and $10.6 million for the same periods in 2013.

OUTSTANDING SHARE DATA

At November 5, 2014, the Company had:

- An unlimited number of Common Shares authorized and 19,697,591 Common Shares outstanding; and
- An unlimited number of First and Second Preferred Shares authorized and none outstanding.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2014, the Company's net cash position of continuing operations (a non-IFRS measure representing cash and cash equivalents less short-term indebtedness) was $42.6 million compared to a net short-term debt position of $42.3 million at December 31, 2013. This increase in cash is a result of the proceeds received on the sale of the Freight Transport Business during the first quarter of 2014 and net marketable security sales during the first three quarters of 2014. As at November 5, 2014, the Company's net cash position was approximately $40.0 million.

Cash flow from operating activities

Cash provided by operating activities was $5.5 million for the nine months ended September 30, 2014, compared to $8.0 million provided by operations for the nine months ended September 30, 2013. This decrease is mainly due to the increase in net working capital compared to the same period in 2013 offset in part by higher dividends and interest received on our investments. Additionally, the Company has reduced its debt to a minimal amount in the current period which has reduced interest costs from $3.5 million for the nine months ended September 30, 2013 to $1.1 million for the same period in the current year.

At September 30, 2014, working capital excluding marketable securities was $39.0 million, compared to negative $26.4 million at December 31, 2013. The significant improvement in net working capital is due to the sale of the Freight Transport Business and Jerico. With the sale of such businesses, the Company's working capital needs are minimal and the Company has the ability to fund any working capital needs through its cash on hand and its existing credit facilities.

Cash flow from investing activities

Net cash of $20.9 million was provided by investing activities during the nine months ended September 30, 2014, compared to $18.4 million used in the same period in 2013. This was primarily due to proceeds received on net sales of investments (sales less purchases) in the amount of $34.9 million for the nine months ended September 30, 2014, compared to net purchases of investments (purchases less sales) $23.3 million for the same period in 2013. This was partially offset by advances of notes receivable in the amount of $16.0 million in the nine months ended September 30, 2014.

Cash flow from financing activities

Net cash used in financing activities was $82.5 million for the nine months ended September 30, 2014, compared to $1.9 million used in the same period in 2013. Net cash used in financing activities during the period was mainly related to the repayment of short term indebtedness in the amount of $35.9 million, the redemption and repurchase of Debentures in the amount of $30.7 million, the repurchase of shares in the amount of $9.8 million and the payment of dividends in the amount of $5.7 million. Net cash used in financing activities for the nine months ended September 30, 2013 was mainly attributable to the payment of dividends in the amount of $4.0 million partially offset by net proceeds of short term indebtedness received in the amount of $3.7 million.

Available capital under credit facilities

The Company has access to credit facilities where certain of the Company's marketable securities are pledged as collateral. At September 30, 2014, $20.0 million was available under these facilities (subject to the amount of eligible securities pledged as collateral) and nil was drawn on these facilities. Declines in the market value of pledged securities may have an adverse effect on the amount of credit available under these facilities. Funds drawn on these facilities can be transferred by the Company to business units within its corporate structure, provided the Company is in compliance with all covenant requirements under its borrowing facilities; this enables us to allocate capital to its best use.

Cash flow from discontinued operations

Net cash provided by operating activities of discontinued operations was $0.2 million for the nine months ended September 30, 2014 compared to $9.7 million for the same period in 2013. Cash flow provided by operating activities for the current period mainly relates to the cash flow generated from Jerico for the period prior to the sale transaction. Net cash provided by investing activities of discontinued operations was $99.3 million for the nine months ended September 30, 2014, compared to $7.7 million used for the same period in 2013. The amount in the current period was mainly due to the cash proceeds received on the sale of the Freight Transport Business. Net cash used in financing activities of discontinued operations was $2.7 million for the nine months ended September 30, 2014 compared to $9.6 million provided for the same period in 2013. This was primarily due to the repayment of debt in Jerico for the period prior to the sale transaction.

FINANCIAL INSTRUMENTS

In the normal course of operations, the Company uses the following financial and other instruments:

- To generate investment returns, including investment income and capital appreciation, the Company will invest in numerous types of securities, including shares, trust units, loans, private investment funds and cash. These instruments have interest rate, market, credit and foreign exchange risk associated with them.

- To manage foreign exchange, interest rate and general market risk, the Company will use where it sees fit, futures and forward exchange contracts. These instruments may have interest, market, credit and foreign exchange risk associated with them.

As an investment company, Clarke has a significant number of financial instruments. Notes 1, 5, 7, 12, 13, 14, 15, 20 and 26 to the consolidated financial statements for the year ended December 31, 2013 and the Company's AIF dated March 6, 2014, provide further information on classifications in the financial statements, and risks, pertaining to the use of financial instruments by the Company.

SIGNIFICANT EQUITY INVESTMENTS

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company has determined that Holloway, Supremex and Terravest are significant equity investees. Accordingly, we are required to disclose the following summary financial information. The summarized financial information provided is for the most recent year-to-date interim period and the comparative year-to-date period. For those reporting entities that have not yet released their interim consolidated financial statements for the current period, the prior period financial information is provided.

Holloway

Holloway's core businesses are hotel ownership and hotel franchising. Holloway owns 36 hotels comprising 4,260 rooms and franchises over 90 locations in Canada under the Travelodge® and Thriftlodge® banners. As of September 30, 2014, Clarke owned 35.5% of the outstanding shares of Holloway.

Selected Financial Information			**June 30, 2014**	December 31, 2013
			$	$
Total assets			**226.1**	199.4
Total liabilities			**137.3**	114.0
Shareholders' equity			**88.8**	85.4
	Three months ended June 30, 2014	Three months ended June 30, 2013	**Six months ended June 30, 2014**	Six months ended June 30, 2013
	$	$	**$**	$
Total revenue	**14.4**	14.3	**29.7**	29.0
Net income	**0.6**	0.1	**2.2**	0.4

Supremex

Supremex is Canada's largest manufacturer and marketer of envelopes and a growing provider of packaging and related products. As of September 30, 2014, Clarke owned 44.7% of the outstanding shares of Supremex.

Selected Financial Information			**June 30, 2014**	December 31, 2013
			$	$
Total assets			**115.2**	126.7
Total liabilities			**50.4**	61.1
Shareholders' equity			**64.8**	65.6
	Three months ended June 30, 2014	Three months ended June 30, 2013	**Six months ended June 30, 2014**	Six months ended June 30, 2013
	$	$	**$**	$
Total revenue	**30.6**	31.9	**64.5**	65.6
Net income	**2.3**	2.5	**5.7**	7.2

Terravest

Terravest is engaged in (i) the manufacturing of residential and commercial tanks and pressure vessels, (ii) the manufacturing of wellhead processing equipment for the oil and natural gas industry, and (iii) well servicing for the oil and natural gas industry in Southwestern Saskatchewan. As of September 30, 2014, Clarke owned 27.6% of the outstanding shares of Terravest.

Selected Financial Information			**June 30, 2014** **$**	*September 30, 2013 $
Total assets			**162.3**	71.9
Total liabilities			**85.7**	27.0
Shareholders' equity			**76.6**	44.9
	Three months ended June 30, 2014 **$**	Three months ended June 30, 2013 $	**Nine months ended June 30, 2014** **$**	Nine months ended June 30, 2013 $
Total revenue	**29.7**	11.4	**80.6**	48.0
Net income (loss)	**1.8**	0.5	**6.2**	(0.3)

**Terravest changed its fiscal year-end to September 30th in 2013.*

RELATED PARTY TRANSACTIONS

The Company was party to related party transactions during the three and nine months ended September 30, 2014. All related party transactions were in the normal course of operations and occurred at fair value. For full details of the Company's related party transactions, please refer to Note 23 of our consolidated financial statements for the year ended December 31, 2013 and note 13 of the interim condensed consolidated financial statements for the three and nine months ended September 30, 2014.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The implementation of Canadian Securities Administrators National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings represents a continuous improvement process, which has prompted the Company to formalize existing processes and control measures and to introduce new ones. The objective of this instrument is to improve the quality, reliability, and transparency of information that is filed or submitted under securities regulation.

In accordance with this instrument, the Company has filed certificates signed by the President & Chief Executive Officer and the Chief Financial Officer that, among other things, report on the design and effectiveness of disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting.

Management has designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is made known to the President & Chief Executive Officer and the Chief Financial Officer, particularly during the period in which annual filings are being prepared. Management has also designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There have been no changes in the Company's disclosure controls and procedures or internal controls over financial reporting during the three and nine months ended September 30, 2014 that have materially affected, or are reasonably likely to materially affect, the effectiveness of the internal controls over financial reporting.

ENVIRONMENTAL MATTERS

The Company's businesses are exposed to the following environmental risks in conducting regular operations: (i) contamination of owned or leased property; and (ii) contamination of the environment relating to spills or leaks originating from the vessels in its Transportation segment.

The Company's businesses regularly review their operations and facilities to identify any potential environmental contamination or liability. Limited internal reviews, which may include third party environmental assessments, have been conducted at all the Company's wholly-owned real estate within the past three years. These limited reviews identified no material remediation issues and potential risks and there have been no material events arising subsequently that would indicate additional obligations.

The Company believes it and its businesses comply in all material respects with all relevant environmental laws and regulations. The Company is not aware of any material uninsured pending or proceeding actions against it or any of its businesses relating to environmental issues.

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS ACCOUNTING MEASURES

This MD&A makes reference to earnings before interest, taxes, depreciation and amortization and impairment charges ("Adjusted EBITDA") and book value per share. Clarke uses Adjusted EBITDA as a measure of the performance of certain of its investee companies and operating subsidiaries as it excludes depreciation, impairments and interest charges, which are a function of the company's specific capital structure, and also excludes entity specific tax expense. Clarke uses 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 attributable to equity holders of the Company at the date of the statement of financial position by the number of Common Shares outstanding at that date. Clarke's method of determining these amounts may differ from other companies' methods and, accordingly, these amounts may not be comparable to measures used by other companies. These amounts are not performance measures 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.

FORWARD-LOOKING STATEMENTS

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", "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, 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, use of information technology and information systems, commodity market risk, risks associated with investment in derivative instruments and other factors. With respect to the Company's Transportation segment, such risks and uncertainties include, among others, competition, seasonality and weather conditions, safety, claims and insurance, government regulation of the transportation industry, reliance on major customers, 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.

Clarke Inc.
September 30, 2014 and 2013

Clarke Inc.

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Unaudited (in thousands of Canadian dollars)

	September 30, 2014 **$**	December 31, 2013 $
ASSETS ***(note 7)***		
Current		
Cash and cash equivalents	**42,600**	1,568
Marketable securities	**132,590**	129,363
Receivables	**2,847**	13,414
Income taxes receivable	**151**	406
Prepaid expenses	**262**	844
Inventories	**—**	15,111
Total current assets	**178,450**	160,706
Notes receivable *(notes 7 and 13)*	**43,915**	3,000
Accrued pension benefit asset *(note 4)*	**30,065**	29,659
Fixed assets and investment properties *(note 5)*	**9,785**	25,957
Investments in joint ventures and other long-term investments *(note 6)*	**4,254**	4,312
Deferred income tax assets	**4,638**	14,953
Goodwill	**—**	9,722
Other assets	**—**	5,384
Total assets of continuing operations	**271,107**	253,693
Assets of discontinued operations *(note 7)*	**—**	44,694
Total assets	**271,107**	298,387
LIABILITIES AND SHAREHOLDERS' EQUITY ***(note 7)***		
Current		
Short-term indebtedness	**—**	43,878
Accounts payable and accrued liabilities	**3,830**	9,847
Dividends payable *(note 9)*	**1,976**	—
Income taxes payable	**393**	280
Current portion of other long-term debt	**644**	3,522
Share-based payment liability	**—**	254
Total current liabilities	**6,843**	57,781
Other long-term debt	**2,578**	13,348
Deferred income tax liabilities	**5,144**	3,314
Convertible debentures *(note 8)*	**—**	52,775
Total liabilities of continuing operations	**14,565**	127,218
Liabilities of discontinued operations *(note 7)*	**—**	16,516
Total liabilities	**14,565**	143,734
Shareholders' equity		
Share capital *(note 9)*	**64,036**	42,701
Retained earnings	**186,013**	91,783
Accumulated other comprehensive income	**6,493**	9,440
Equity portion of convertible debentures *(note 8)*	**—**	2,356
Share-based payments	**—**	580
Total shareholders' equity attributable to equity holders of the Company	**256,542**	146,860
Non-controlling interest	**—**	7,793
Total shareholders' equity	**256,542**	154,653
Total liabilities and shareholders' equity	**271,107**	298,387

See accompanying notes to the interim condensed consolidated financial statements

On behalf of the Board:

/s/ George Armoyan	/s/ Blair Cook
Director	*Director*

Clarke Inc.

INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

Unaudited (in thousands of Canadian dollars, except per share amounts)

	Three months ended September 30, 2014 $	Three months ended September 30, 2013 $	**Nine months ended September 30, 2014 $**	Nine months ended September 30, 2013 $
Revenue				
Unrealized gains on investments	**25,561**	15,289	**41,980**	20,264
Realized gains (losses) on investments	**(12,408)**	1,226	**(3,321)**	4,265
Dividend income	**1,816**	1,477	**5,612**	4,049
Pension recovery (expense) *(note 4)*	**130**	(105)	**3,668**	(933)
Provision of services	**4,121**	3,959	**6,824**	6,596
Other income *(note 10)*	**1,357**	2,207	**6,219**	3,480
	20,577	24,053	**60,982**	37,721
Expenses				
General and administrative expenses	**745**	1,069	**2,642**	2,337
Cost of services provided	**1,493**	1,393	**4,506**	4,066
Impairment of fixed assets *(note 5)*	**1,243**	—	**1,243**	—
Depreciation and amortization	**257**	324	**810**	939
Interest expense	**47**	1,170	**1,089**	3,505
	3,785	3,956	**10,290**	10,847
Income before equity in earnings of associates and joint ventures and income taxes	**16,792**	20,097	**50,692**	26,874
Equity in earnings of associates and joint ventures *(note 6)*	**8**	356	**475**	86
Income before income taxes	**16,800**	20,453	**51,167**	26,960
Provision for income taxes *(note 11)*	**397**	3,062	**1,550**	5,113
Income from continuing operations	**16,403**	17,391	**49,617**	21,847
Income from discontinued operations, net of tax *(note 7)*	**—**	4,535	**59,725**	10,631
Net income	**16,403**	21,926	**109,342**	32,478
Attributable to:				
Equity holders of the Company	**16,403**	21,509	**109,287**	31,811
Non-controlling interest	**—**	417	**55**	667
	16,403	21,926	**109,342**	32,478
Basic earnings per share attributable to equity holders of the Company: *(in dollars) (note 9)*				
Income from continuing operations	**0.83**	1.05	**2.57**	1.32
Income from discontinued operations	**—**	0.25	**3.09**	0.60
Net income	**0.83**	1.30	**5.66**	1.92
Diluted earnings per share attributable to equity holders of the Company: *(in dollars) (note 9)*				
Income from continuing operations	**0.83**	0.73	**2.09**	0.96
Income from discontinued operations	**—**	0.16	**2.46**	0.40
Net income	**0.83**	0.89	**4.55**	1.36

See accompanying notes to the interim condensed consolidated financial statements

Clarke Inc.

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Unaudited (in thousands of Canadian dollars)

	Three months ended September 30, 2014 $	Three months ended September 30, 2013 $	**Nine months ended September 30, 2014 $**	Nine months ended September 30, 2013 $
Net income	**16,403**	21,926	**109,342**	32,478
Other comprehensive income (loss), net of tax				
Items that will not be reclassified to profit or loss				
Actuarial gains (losses) and effect of limit on asset ceiling on defined benefit pension plans *(note 4)*	**693**	1,723	**(3,262)**	3,593
Total items that will not be reclassified to profit or loss	**693**	1,723	**(3,262)**	3,593
Items that may be reclassified subsequently to profit or loss				
Unrealized gains (losses) on translation of net investment in foreign operations	**295**	(147)	**315**	253
Total items that may be reclassified subsequently to profit or loss	**295**	(147)	**315**	253
Other comprehensive income (loss)	**988**	1,576	**(2,947)**	3,846
Comprehensive income	**17,391**	23,502	**106,395**	36,324
Attributable to:				
Equity holders of the Company	**17,391**	23,085	**106,340**	35,657
Non-controlling interest	**—**	417	**55**	667
	17,391	23,502	**106,395**	36,324

See accompanying notes to the interim condensed consolidated financial statements

Clarke Inc.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited (in thousands of Canadian dollars)

	Nine months ended September 30, 2014 $	Nine months ended September 30, 2013 $
OPERATING ACTIVITIES		
Income from continuing operations	**49,617**	21,847
Adjustments for items not involving cash *(note 12)*	**(42,010)**	(20,645)
	7,607	1,202
Net change in non-cash working capital balances *(note 12)*	**(2,090)**	6,807
Net cash provided by operating activities	**5,517**	8,009
INVESTING ACTIVITIES		
Proceeds on disposition of marketable securities and investments in associates	**77,487**	11,641
Purchase of marketable securities	**(42,596)**	(34,909)
Advances of notes receivable *(note 13)*	**(16,000)**	(1,000)
Repayments of notes receivable	**—**	3,000
Proceeds on disposition of fixed assets	**2,117**	3,496
Purchase of fixed assets	**(40)**	(748)
Purchase of other long-term investments net of return of capital	**(107)**	104
Net cash provided by (used in) investing activities	**20,861**	(18,416)
FINANCING ACTIVITIES		
Net proceeds (repayment) of short-term indebtedness	**(35,906)**	3,713
Redemption and repurchase of convertible debt for cancellation *(note 8)*	**(30,718)**	—
Repurchase of shares for cancellation	**(9,806)**	(844)
Dividends paid *(note 9)*	**(5,664)**	(3,987)
Repayment of long-term debt	**(430)**	(430)
Debt issue costs of convertible debentures	**—**	(332)
Net cash used in financing activities	**(82,524)**	(1,880)
Net cash used in continuing operations	**(56,146)**	(12,287)
Net cash provided by operating activities of discontinued operations	**155**	9,712
Net cash provided by (used in) investing activities of discontinued operations	**99,278**	(7,697)
Net cash provided by (used in) financing activities of discontinued operations	**(2,676)**	9,563
Net change in cash during the period	**40,611**	(709)
Cash and cash equivalents, beginning of period	**1,989**	2,092
Cash and cash equivalents, end of period	**42,600**	1,383
Represented by:		
Cash	**42,600**	610
Cash included in assets of discontinued operations	**—**	773

See accompanying notes to the interim condensed consolidated financial statements

Clarke Inc.

INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Unaudited (in thousands of Canadian dollars)

	Nine months ended September 30, 2014	Nine months ended September 30, 2013
	$	$
Share capital		
Common shares:		
Balance at beginning of period	**42,701**	34,249
Common shares issued upon conversion of convertible debt *(note 9)*	**24,434**	—
Common shares repurchased for cancellation *(note 9)*	**(3,099)**	(333)
Balance at end of period	**64,036**	33,916
Retained earnings		
Balance at beginning of period	**91,783**	45,204
Net income attributable to equity holders of the Company	**109,287**	31,811
Dividends declared *(note 9)*	**(7,640)**	(3,987)
Purchase price in excess of the historical book value of common shares repurchased for cancellation	**(6,707)**	(511)
Purchase price in excess of average book value of convertible debentures redeemed or repurchased for cancellation *(note 8)*	**(710)**	—
Balance at end of period	**186,013**	72,517
Accumulated other comprehensive income, net of tax		
Balance at beginning of period	**9,440**	3,246
Other comprehensive income (loss)	**(2,947)**	3,846
Balance at end of period	**6,493**	7,092
Equity portion of convertible debentures		
Balance at beginning of period	**2,356**	2,662
Reduction of share conversion option upon the redemption, repurchase or conversion of convertible debentures *(note 8)*	**(2,843)**	—
Purchase price in excess of average book value of convertible debentures redeemed or repurchased for cancellation *(note 8)*	**(571)**	—
Deferred income tax adjustment on convertible debentures	**1,058**	—
Balance at end of period	**—**	2,662
Share-based payments		
Balance at beginning of period	**580**	526
Share-based payment expense	**—**	41
Sale of subsidiary with share-based payments	**(580)**	—
Balance at end of period	**—**	567
Total shareholders' equity attributable to equity holders of the Company	**256,542**	116,754
Non-controlling interest		
Balance at beginning of period	**7,793**	5,442
Net income attributable to non-controlling interest	**55**	667
Dividend paid by subsidiary to non-controlling interest	**(125)**	—
Sale of subsidiary with non-controlling interest	**(7,723)**	—
Non-controlling interest acquired in business combination	**—**	1,129
Balance at end of period	**—**	7,238
Total shareholders' equity	**256,542**	123,992

See accompanying notes to the interim condensed consolidated financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations

Clarke Inc. (the "Company" or "Clarke") was incorporated on December 9, 1997 pursuant to the Canada Business Corporations Act. The head office of the Company is located at 6009 Quinpool Road, Halifax, Nova Scotia. The Company is an investment holding company with investments in a diversified group of businesses, operating primarily in Canada. The Company continuously evaluates the acquisition, retention and disposition of investments. Changes in the mix of investments should be expected. These interim condensed consolidated financial statements were approved by the Board of Directors on November 5, 2014.

Basis of presentation and statement of compliance

These interim condensed consolidated financial statements for the three and nine months ended September 30, 2014, were prepared in accordance with IAS 34, *Interim Financial Reporting*. The same accounting policies and methods of computation were followed in the preparation of these interim condensed consolidated financial statements as were followed in the preparation of the annual consolidated financial statements for the year ended December 31, 2013, except as described in note 2. Accordingly, these interim condensed consolidated financial statements for the three and nine months ended September 30, 2014 should be read together with the annual consolidated financial statements for the year ended December 31, 2013.

Certain comparative interim condensed consolidated financial statement balances have been reclassified to conform to the current period's interim condensed consolidated financial statement presentation.

Principles of consolidation

The interim condensed consolidated financial statements include the accounts of the Company and its subsidiaries. The significant subsidiaries of the Company are CKI Holdings Partnership and its wholly-owned subsidiary, Clarke Acquisition Corp., Quinpool Holdings Partnership, La Traverse Rivière-du-Loup – St-Siméon Limitée and Clarke Shipping Inc.

All significant intercompany transactions have been eliminated on consolidation. All subsidiaries have the same reporting period end as the Company, and all follow the same accounting policies.

2. APPLICATION OF NEW IFRS

The following IFRS has been applied in the current period. There were no effects to the amounts reported in the interim condensed consolidated financial statements.

IFRIC Interpretation 21 *Levies*

IFRIC 21 addresses the accounting for a liability to pay a levy if that liability is within the scope of IAS 37 *Provisions, contingent liabilities and contingent assets.* The Company has adopted this standard effective January 1, 2014. The Company has assessed this new standard and there has been no significant impact to the interim condensed consolidated financial statements from this adoption.

Unaudited (in thousands of Canadian dollars, except per share amounts)

3. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Company's interim condensed consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

IFRS 9 *Financial Instruments: Classification and Measurement*

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after January 1, 2018. In subsequent phases, the IASB will address hedge accounting and impairment of financial asset. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets but will potentially have no impact on classification and measurement of financial liabilities. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 replaces the previous guidance on revenue recognition and provides a framework to determine when to recognize revenue and at what amount. The new standard is effective for annual periods beginning on or after January 1, 2017. The Company is currently evaluating the impact of the new standard.

4. EMPLOYEE FUTURE BENEFITS

As of January 1, 2014, upon the sale of the Freight Transport Business (note 7), all active members of the Pension Plan for the Employees of Clarke Inc. and of the Clarke Group Pension Plan who were employees of that business stopped accruing service and salary increases for future periods which resulted in a curtailment gain of $3,284 included in the interim consolidated statements of earnings for the nine months ended September 30, 2014.

Defined benefit plan assets

	Pension benefits	
	September 30, 2014	December 31, 2013
	$	$
Fair value of plan assets:		
Balance, beginning of period	**96,224**	79,219
Interest income	**3,376**	3,111
Employee contributions	**25**	138
Benefits paid	**(4,845)**	(3,013)
Non-investment management fees	**(276)**	(369)
Actuarial gains	**3,793**	17,138
Balance, end of period	**98,297**	96,224

Unaudited (in thousands of Canadian dollars, except per share amounts)

4. EMPLOYEE FUTURE BENEFITS (CONT'D)

Defined benefit plan obligations

	Pension benefits	
	September 30, 2014	December 31, 2013
	$	$
Accrued benefit obligation:		
Balance, beginning of period	**48,090**	50,666
Current service cost	**345**	1,141
Past service costs	**(3,284)**	3,202
Employee contributions	**25**	138
Interest cost	**1,552**	2,040
Benefits paid	**(4,845)**	(3,013)
Actuarial losses (gains)	**4,928**	(6,084)
Balance, end of period	**46,811**	48,090

Reconciliation of the funded status of the benefit plans to the amounts recorded in the interim condensed consolidated financial statements is:

	Pension benefits	
	September 30, 2014	December 31, 2013
	$	$
Fair value of plan assets	**98,297**	96,224
Accrued benefit obligation	**46,811**	48,090
Funded status of plans – surplus	**51,486**	48,134
Cumulative impact of asset ceiling	**(21,421)**	(18,475)
Accrued pension benefit asset, net of impact of asset ceiling	**30,065**	29,659

Elements of the defined benefit recovery (expense) recognized in the interim consolidated statements of earnings are as follows:

	Pension benefits			
	Three months ended September 30, 2014	Three months ended September 30, 2013	**Nine months ended September 30, 2014**	Nine months ended September 30, 2013
	$	$	**$**	$
Current service cost	**(115)**	(278)	**(345)**	(834)
Past service cost	**—**	—	**3,284**	(633)
Net interest on surplus	**337**	256	**1,005**	785
Provision for non-investment management fees	**(92)**	(83)	**(276)**	(251)
Defined benefit recovery (expense) recognized	**130**	(105)	**3,668**	(933)

Unaudited (in thousands of Canadian dollars, except per share amounts)

4. EMPLOYEE FUTURE BENEFITS (CONT'D)

Elements of the defined benefit recovery (expense) recognized in other comprehensive income are as follows:

	Pension benefits			
	Three months ended September 30, 2014	Three months ended September 30, 2013	**Nine months ended September 30, 2014**	Nine months ended September 30, 2013
	$	$	**$**	$
Actuarial gains (losses)	**1,402**	5,409	**(1,136)**	16,834
Change in amount of asset ceiling	**(709)**	(3,686)	**(2,126)**	(13,241)
Defined benefit recovery (expense) recognized	**693**	1,723	**(3,262)**	3,593

Significant assumptions

	September 30, 2014	December 31, 2013
	%	%
Accrued benefit obligation:		
Discount rate	**4.00**	4.80
Rate of compensation increase	**4.00**	4.00
Benefit costs for the year:		
Discount rate	**4.80**	4.00
Rate of compensation increase	**4.00**	4.00

5. FIXED ASSETS AND INVESTMENT PROPERTIES

Subsequent to the three and nine months ended September 30, 2014, the Company entered into an agreement to sell the *MV Shamrock*, a container ship included in its Transportation segment (note 14). The expected net proceeds on sale are US$4,821 and the transaction is scheduled to close in the fourth quarter of 2014. This resulted in an impairment of fixed assets in the amount of $1,243 included on the interim consolidated statements of earnings for the three and nine months ended September 30, 2014.

6. INVESTMENTS IN JOINT VENTURES AND OTHER LONG-TERM INVESTMENTS

Included in investments in joint ventures and other long-term investments is SGHI Investments Ltd. ("SGHI"). The Company has a 50% interest in SGHI and is using the equity method to account for this investment. During the nine months ended September 30, 2014, SGHI sold land and a building for net proceeds of $2,389. The Company's portion of the gain realized on sale was $396 and is included in *'equity in earnings of associates and joint ventures'* on the interim consolidated statements of earnings for the nine months ended September 30, 2014. There are no further operations within this joint venture.

Unaudited (in thousands of Canadian dollars, except per share amounts)

7. DISCONTINUED OPERATIONS

On January 1, 2014, the Company completed the sale of its truckload, less-than-truckload and freight logistics businesses (the “Freight Transport Business”) to TransForce Inc. for total consideration of $100,471 including an estimated working capital adjustment. The Freight Transport Business was included in the Company’s former Freight Transportation segment. Certain other subsidiaries of Clarke engaged in information technology and human resources functions were also included in the sale. The significant assets and liabilities of the Freight Transport Business were fixed assets, goodwill, long-term debt and working capital. As a result of this transaction, included in income from discontinued operations for the nine months ended September 30, 2014, is a gain on sale of subsidiary of $66,433.

On February 15, 2014, the Company completed the sale of Gestion Jerico Inc. (“Jerico”) to TerraVest Capital Inc. Jerico formed the Company’s Commercial Tanks & Home Heating segment. The Company received $24,915 for its 75% equity interest in Jerico in the form of a 6.50% promissory note with a three year term. The promissory note is included in *‘Notes receivable’* on the interim consolidated statements of financial position as at September 30, 2014. The significant assets and liabilities of Jerico were fixed assets, goodwill and intangibles, long-term debt, inventory and other working capital. As a result of this transaction, included in income from discontinued operations for the nine months ended September 30, 2014, is a gain on sale of subsidiary of $4,717.

The following tables present the components of the Freight Transport Business and Jerico included in the interim condensed consolidated financial statements as discontinued operations.

	*December 31, 2013 $
Cash	421
Receivables	23,266
Income taxes receivable	255
Prepaid expenses	946
Deferred income tax assets	334
Fixed assets	13,334
Goodwill	6,053
Other assets	85
Total assets of discontinued operations	44,694
Short-term indebtedness	65
Accounts payable and accrued liabilities	14,004
Income taxes payable	157
Long-term debt	1,549
Deferred income tax liabilities	741
Total liabilities of discontinued operations	16,516
Net assets of discontinued operations	28,178

** The assets and liabilities of discontinued operations as at December 31, 2013 are comprised of the Freight Transport Business as they were classified as held for sale at that time. Jerico’s net assets are not included in discontinued operations as at December 31, 2013 as assets and liabilities of disposal groups are not reclassified for prior periods on the statements of financial position.*

Unaudited (in thousands of Canadian dollars, except per share amounts)

7. DISCONTINUED OPERATIONS (CONT'D)

	Three months ended September 30, 2013 $	**Nine months ended September 30, 2014 $**	Nine months ended September 30, 2013 $
Gain on sale of subsidiaries	—	**71,150**	—
Provision of services	45,860	**—**	132,925
Sales of products	17,366	**5,805**	36,738
Other income	132	**(62)**	365
	63,358	**76,893**	170,028
Cost of services provided	41,865	**—**	121,849
Cost of goods sold	12,902	**4,001**	26,923
General and administrative expenses	1,778	**1,034**	5,050
Depreciation and amortization	1,328	**372**	3,649
Interest expense	308	**92**	848
Income before equity in earnings (losses) of associates and income taxes	5,177	**71,394**	11,709
Equity in earnings (losses) of associates	1	**—**	(5)
Income before income taxes	5,178	**71,394**	11,704
Provision for income taxes *	643	**11,669**	1,073
Income from discontinued operations	4,535	**59,725**	10,631

** Included in 'Provision for income taxes' for the nine months ended September 30, 2014 is a deferred tax expense of $11,614 on the utilization of loss carry forwards used against the gain on sale of subsidiaries and resulting in a decrease in deferred income tax assets.*

Unaudited (in thousands of Canadian dollars, except per share amounts)

8. CONVERTIBLE DEBENTURES

On March 3, 2014, the Company completed a partial redemption of its 6% convertible unsecured subordinated debentures maturing December 31, 2018 (the "Debentures") for an aggregate principal amount of $12,000. The Company paid to the holders of redeemed Debentures a redemption price equal to the principal amount of the redeemed Debentures, plus accrued and unpaid interest up to, but excluding the redemption date. For the nine months ended September 30, 2014, this resulted in a gain on redemption included in other income of $757, for the excess of the average book value of the liability over the purchase price allocated to the liability component of the debenture, and a decrease to the equity portion of convertible debentures of $380 for the excess of the purchase price allocated to the share conversion option over the average book value of the share conversion option. Furthermore, this resulted in a reduction in the share conversion option in the equity portion of convertible debentures of $633 for the same period.

On April 25, 2014, the Company completed a partial redemption of its Debentures for an aggregate principal amount of $12,000. The Company paid to the holders of redeemed Debentures a redemption price equal to the principal amount of the redeemed Debentures, plus accrued and unpaid interest up to, but excluding the redemption date. For the nine months ended September 30, 2014, this resulted in a gain on redemption included in other income of $744, for the excess of the average book value of the liability over the purchase price allocated to the liability component of the debenture, a decrease to the equity portion of convertible debentures of $169 and a decrease to retained earnings of $196 for the excess of the purchase price allocated to the share conversion option over the average book value of the share conversion option. Furthermore, this resulted in a reduction in the share conversion option in the equity portion of convertible debentures of $633 for the same period.

On May 22, 2014, the Company completed a redemption of its remaining Debentures for an aggregate principal amount of $6,154. The Company paid to the holders of redeemed Debentures a redemption price equal to the principal amount of the redeemed Debentures, plus accrued and unpaid interest up to, but excluding the redemption date. For the nine months ended September 30, 2014, this resulted in a gain on redemption included in other income of $276, for the excess of the average book value of the liability over the purchase price allocated to the liability component of the debenture, and a decrease to retained earnings of $180 for the excess of the purchase price allocated to the share conversion option over the average book value of the share conversion option. Furthermore, this resulted in a reduction in the share conversion option in the equity portion of convertible debentures of $325 for the same period.

The changes in the Debentures balance are summarized as follows:

	September 30, 2014	December 31, 2013
	$	$
2018 Debentures		
Face value outstanding, beginning of period	**53,884**	62,296
Converted to common shares	**(23,212)**	(8,412)
Redeemed	**(30,154)**	—
Repurchased under NCIB	**(518)**	—
Face value outstanding, end of period	**—**	53,884

* *The unamortized discount and debt issue costs of the Debentures as at September 30, 2014 was nil (December 31, 2013 – $1,109)*

9. SHARE CAPITAL AND EARNINGS PER SHARE

The changes in common share balances are summarized as follows:

	September 30, 2014		December 31, 2013	
	# of shares	**$**	# of shares	$
Common shares				
Outstanding common shares, beginning of period	**17,641,910**	**42,701**	16,682,315	34,249
Common shares issued upon conversion of Debentures during the period	**3,094,913**	**24,434**	1,121,595	8,785
Common shares repurchased for cancellation	**(982,532)**	**(3,099)**	(162,000)	(333)
Outstanding common shares, end of period	**19,754,291**	**64,036**	17,641,910	42,701

Earnings per share

The following table reconciles the basic and diluted per share computations from continuing operations:

	Three months ended September 30, 2014			Three months ended September 30, 2013		
	Earnings **$**	**Weighted average shares (in thousands)** **#**	**Per share amount** **$**	Earnings $	Weighted average shares (in thousands) #	Per share amount $
Basic earnings per share	**16,403**	**19,861**	**0.83**	17,391	16,562	1.05
Interest, net of income taxes, on assumed conversion of Debentures	—	—		690	8,306	
Common shares issued on assumed exercising of stock options	—	—		—	30	
Diluted earnings per share	**16,403**	**19,861**	**0.83**	18,081	24,898	0.73

	Nine months ended September 30, 2014			Nine months ended September 30, 2013		
	Earnings **$**	**Weighted average shares (in thousands)** **#**	**Per share amount** **$**	Earnings $	Weighted average shares (in thousands) #	Per share amount $
Basic earnings per share	**49,617**	**19,320**	**2.57**	21,847	16,604	1.32
Interest, net of income taxes, on assumed conversion of Debentures	**1,204**	**4,943**		2,090	8,306	
Common shares issued on assumed exercising of stock options	—	—		—	20	
Diluted earnings per share	**50,821**	**24,263**	**2.09**	23,937	24,930	0.96

** All potentially dilutive securities issued relate to the Debentures and stock options. The Debentures were dilutive for the nine months ended September 30, 2014. The Debentures and stock options were dilutive for the three and nine months ended September 30, 2013.*

Unaudited (in thousands of Canadian dollars, except per share amounts)

9. SHARE CAPITAL AND EARNINGS PER SHARE (CONT'D)

Dividends

Dividends declared from January 1, 2014 to September 30, 2014 were as follows:

Declaration date	Record date	Payment date	Per share $	Dividend $
January 14, 2014	January 22, 2014	January 31, 2014	**0.10**	**1,787**
March 6, 2014	March 31, 2014	April 15, 2014	**0.10**	**1,869**
June 11, 2014	June 30, 2014	July 11, 2014	**0.10**	**2,008**
August 7, 2014	September 30, 2014	October 10, 2014	**0.10**	**1,976**
Total			**0.40**	**7,640**

Dividends declared from January 1, 2013 to September 30, 2013 were as follows:

Declaration date	Record date	Payment date	Per share $	Dividend $
March 19, 2013	March 28, 2013	April 15, 2013	0.06	1,001
May 14, 2013	May 31, 2013	June 14, 2013	0.08	1,331
August 12, 2013	August 30, 2013	September 13, 2013	0.10	1,655
Total			0.24	3,987

10. OTHER INCOME

Other income is comprised of the following:

	Three months ended September 30, 2014 $	Three months ended September 30, 2013 $	**Nine months ended September 30, 2014 $**	Nine months ended September 30, 2013 $
Interest and finance fees	**1,230**	224	**2,892**	554
Gains on redemption and repurchase of Debentures	**—**	—	**1,808**	—
Gains on disposition of fixed assets	**37**	1,986	**1,570**	2,967
Foreign exchange gains (losses)	**90**	(3)	**(51)**	(41)
	1,357	2,207	**6,219**	3,480

The gains on disposition of fixed assets are from the sale of land and buildings.

Unaudited (in thousands of Canadian dollars, except per share amounts)

11. INCOME TAXES

The provision for (recovery of) income taxes consists of:

	Three months ended September 30, 2014 $	Three months ended September 30, 2013 $	**Nine months ended September 30, 2014 $**	Nine months ended September 30, 2013 $
Current	**545**	488	**372**	343
Deferred	**(148)**	2,574	**1,178**	4,770
Provision for income taxes	**397**	3,062	**1,550**	5,113

12. SUPPLEMENTAL CASH FLOW INFORMATION

Adjustments for items not involving cash	**Nine months ended September 30, 2014 $**	Nine months ended September 30, 2013 $
Realized/unrealized gains on investments	**(38,659)**	(24,529)
Pension expense (recovery) *(note 4)*	**(3,668)**	933
Gains on disposition of fixed assets *(note 10)*	**(1,570)**	(2,967)
Equity in earnings of associates and joint ventures	**(475)**	(86)
Impairment of fixed assets *(note 5)*	**1,243**	—
Deferred income tax expense *(note 11)*	**1,178**	4,770
Dividends from joint ventures	**1,143**	40
Gains on redemption and repurchase of Debentures *(note 10)*	**(1,808)**	—
Depreciation and amortization	**810**	939
Share-based payment expense net of share-based payments of $391 (2013 – nil)	**(254)**	82
Discount and debt issue cost amortization	**62**	190
Other items	**(12)**	(17)
	(42,010)	(20,645)

Net changes in non-cash working capital balances	**Nine months ended September 30, 2014 $**	Nine months ended September 30, 2013 $
Receivables	**(1,154)**	(366)
Income taxes receivable	**(121)**	200
Prepaid expenses	**(126)**	(113)
Accounts payable and accrued liabilities	**(1,072)**	6,850
Income taxes payable	**383**	236
	(2,090)	6,807

13. RELATED PARTY DISCLOSURES

The Company had, other than those disclosed elsewhere in these interim condensed consolidated financial statements, the following related party transactions in the normal course of operations and measured at fair value, which is the amount of consideration established and agreed to by the related parties:

(i) During the nine months ended September 30, 2014, the Company entered into a term loan agreement with Holloway Lodging Corporation ("Holloway"). Holloway became a marketable security investment of the Company during the three months ended September 30, 2014. The agreement consists of a $17,000 term loan that bears interest at 6.50%. The term loan may be drawn up to three times on or prior to December 31, 2014, and does not require any principal payments until the maturity on March 31, 2016, or March 31, 2017 if the borrower requests an extension. The borrower may prepay all or part of the term loan at any time following the six month anniversary of the first loan draw. During the nine months ended September 30, 2014, the borrower made its first loan draw in the amount of $16,000 on the term loan and is included in *'Notes receivable'* on the interim consolidated statements of financial position. Interest on this note is included in *'Other income'* for the three and nine months ended September 30, 2014 in the amount of $262 and $273, respectively (2013 – nil).

(ii) During the three months ended September 30, 2014, the Company purchased 6,263,839 shares of Holloway through the facilities of the Toronto Stock Exchange from the Company's Executive Chairman and a company owned by an immediate family member of the Company's Executive Chairman. The purchase of the shares was made for investment purposes and the Company paid $4.50 per share.

14. SEGMENTED INFORMATION

The Company operates in three reportable business segments. The Investment segment represents the Company's marketable securities portfolio, consisting of publicly traded equity and fixed income securities, long-term investments at fair value through profit or loss and notes receivable. The Transportation segment (formerly the Freight Transportation segment) consists of the Company's ferry and international shipping businesses. The Freight Transport Business from the former Freight Transportation segment for the three and nine months ended September 30, 2013, has been reclassified to discontinued operations. The Other segment consists of owned real estate, investments in joint ventures, our treasury and executive functions, the results of our pension plans and the interest payable on our Debentures, which were fully redeemed during the nine months ended September 30, 2014. The information technology and human resources functions from the Other segment for the three and nine months ended September 30, 2013, have been reclassified to discontinued operations. Revenue from external customers earned in the Other segment pertains to management service fees and rental income. The Company had previously operated the Commercial Tanks & Home Heating segment but has reclassified this segment to discontinued operations. The Company operates predominantly in Canada.

Transactions between the segments are recorded at fair value, which is the amount of consideration established and agreed to by management of the segments. Reconciling items represent inter-segment eliminations for services provided between segments. Interest and dividend income from subsidiaries is eliminated within each segment.

Unaudited (in thousands of Canadian dollars, except per share amounts)

14. SEGMENTED INFORMATION (CONT'D)

Three months ended September 30, 2014	**Investment $**	**Transportation $**	**Other $**	**Total $**
Revenue:				
Investment and other income	**15,904**	**2**	**550**	**16,456**
Provision of services	**—**	**3,930**	**191**	**4,121**
	15,904	**3,932**	**741**	**20,577**
Expenses	**54**	**1,505**	**679**	**2,238**
Impairment of fixed assets	**—**	**1,243**	**—**	**1,243**
Depreciation and amortization	**—**	**218**	**39**	**257**
Interest expense	**—**	**47**	**—**	**47**
Income before equity in earnings of joint ventures and income taxes	**15,850**	**919**	**23**	**16,792**
Equity in earnings of joint ventures	**—**	**—**	**8**	**8**
Income before income taxes	**15,850**	**919**	**31**	**16,800**
Capital expenditures, intangible asset and goodwill additions	**—**	**—**	**31**	**31**

** There were no eliminations between the segments during the three months ended September 30, 2014 other than interest which is eliminated within each segment.*

Three months ended September 30, 2013	Investment $	Transportation $	Other $	Eliminations $	Total $
Revenue:					
Investment and other income	16,934	—	3,160	—	20,094
Intersegment sales revenue	250	—	217	(467)	—
Provision of services	16	3,854	89	—	3,959
	17,200	3,854	3,466	(467)	24,053
Expenses	182	1,656	633	(9)	2,462
Depreciation and amortization	—	270	54	—	324
Interest expense	—	63	1,107	—	1,170
Income before equity in earnings of associates and joint ventures and income taxes	17,018	1,865	1,672	(458)	20,097
Equity in earnings of associates and joint ventures	—	—	356	—	356
Income before income taxes	17,018	1,865	2,028	(458)	20,453
Capital expenditures, intangible asset and goodwill additions	—	2	2	—	4

Unaudited (in thousands of Canadian dollars, except per share amounts)

14. SEGMENTED INFORMATION (CONT'D)

Nine months ended September 30, 2014	**Investment $**	**Transportation $**	**Other $**	**Eliminations $**	**Total $**
Revenue:					
Investment and other income	**46,592**	**—**	**7,566**	**—**	**54,158**
Intersegment sales revenue	**—**	**—**	**12**	**(12)**	**—**
Provision of services	**46**	**6,204**	**574**	**—**	**6,824**
	46,638	**6,204**	**8,152**	**(12)**	**60,982**
Expenses	**1,026**	**4,239**	**1,883**	**—**	**7,148**
Impairment of fixed assets	**—**	**1,243**	**—**	**—**	**1,243**
Depreciation and amortization	**—**	**664**	**146**	**—**	**810**
Interest expense	**—**	**148**	**941**	**—**	**1,089**
Income (loss) before equity in earnings of joint ventures and income taxes	**45,612**	**(90)**	**5,182**	**(12)**	**50,692**
Equity in earnings of joint ventures	**—**	**—**	**475**	**—**	**475**
Income (loss) before income taxes	**45,612**	**(90)**	**5,657**	**(12)**	**51,167**
Capital expenditures, intangible asset and goodwill additions	**—**	**—**	**40**	**—**	**40**

Nine months ended September 30, 2013	Investment $	Transportation $	Other $	Eliminations $	Total $
Revenue:					
Investment and other income	27,608	(4)	3,521	—	31,125
Intersegment sales revenue	750	—	704	(1,454)	—
Provision of services	52	6,253	291	—	6,596
	28,410	6,249	4,516	(1,454)	37,721
Expenses	425	4,131	1,874	(27)	6,403
Depreciation and amortization	—	776	163	—	939
Interest expense	—	181	3,324	—	3,505
Income (loss) before equity in earnings of associates and joint ventures and income taxes	27,985	1,161	(845)	(1,427)	26,874
Equity in earnings of associates and joint ventures	—	—	86	—	86
Income (loss) before income taxes	27,985	1,161	(759)	(1,427)	26,960
Capital expenditures, intangible asset and goodwill additions	—	745	3	—	748

Unaudited (in thousands of Canadian dollars, except per share amounts)

14. SEGMENTED INFORMATION (CONT'D)

The Company has identifiable assets as follows:

	September 30, 2014 **$**	December 31, 2013 $
Total assets:		
Investment	**182,831**	137,187
Transportation	**7,230**	8,292
Other	**81,046**	47,878
Commercial Tanks & Home Heating	**—**	60,523
Assets of discontinued operations	**—**	44,694
Less: intersegment eliminations	**—**	(187)
	271,107	298,387
Total liabilities:		
Investment	**4,734**	1,214
Transportation	**4,408**	4,437
Other	**5,423**	90,069
Commercial Tanks & Home Heating	**—**	31,685
Liabilities of discontinued operations	**—**	16,516
Less: intersegment eliminations	**—**	(187)
	14,565	143,734
Goodwill (Commercial Tanks & Home Heating segment)	**—**	9,722
Assets located outside of Canada:		
Transportation	**5,667**	7,010
Commercial Tanks & Home Heating	**—**	3,060
Investments in joint ventures (Other segment)	**29**	698
Investments in associates (Commercial Tanks & Home Heating segment)	**—**	39

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