

TSX: CKI, CKI.DB; CKI.DB.A

Clarke Inc. Reports 2010 Second Quarter Results

Halifax, Nova Scotia – August 3, 2010 – Clarke Inc. (“Clarke” or the “Company”) today announced its results for the three and six months ended June 30, 2010.

Clarke had net income for the three and six months ended June 30, 2010 of \$2.8 million and \$5.8 million respectively, compared to net income of \$16.8 million and \$6.7 million respectively, for the three and six months ended June 30, 2009. During the three and six months ended June 30, 2010, the Company incurred other-than-temporary-impairments on available for sale and significantly influenced investments of \$3.2 million, compared to nil and \$12.9 million for the three and six months ended June 30, 2009. Clarke also incurred income tax expense of \$1.3 million and \$3.0 million for the three and six months ended June 30, 2010 compared to an income tax recovery of \$8.2 million and \$9.8 million for the same respective periods in 2010.

The first half of 2010 offered improved income from continuing operations, which increased to \$6.0 million compared to \$4.4 million for the same period in 2009. The Company experienced a slight improvement in the operating environment facing its Freight Transportation segment, and efficiencies established throughout 2009 have begun to generate improved performance in a sector that continues to be highly competitive. Although we continued to build on the momentum generated in 2009 in the Steel Tanks segment, appreciation in the value of the Canadian dollar has led to reduced earnings on a year over year comparative basis.

RESULTS OF OPERATIONS

Highlights of the interim consolidated financial statements for the three and six months ended June 30, 2010 compared to the three and six months ended June 30, 2009 are as follows:

<i>(in millions, except per share amounts)</i>	Three months ended June 30, 2010	Three months ended June 30, 2009	Six months ended June 30, 2010	Six months ended June 30, 2009
	\$	\$	\$	\$
Revenue and other income	53.3	63.8	104.6	110.3
Net income	2.8	16.8	5.8	6.8
Other comprehensive income (loss)	(0.1)	13.3	(7.7)	(1.1)
Comprehensive income (loss)	2.7	30.1	(1.9)	5.7
Basic EPS – continuing operations	0.12	0.65	0.24	0.17
Diluted EPS – continuing operations	0.11	0.42	0.23	0.17
Basic EPS – net income	0.12	0.64	0.23	0.25

THREE AND SIX MONTHS ENDED JUNE 30, 2010

Revenue and other income decreased by \$10.5 million, or 16% for the three months ended June 30, 2010 compared to the same period last year. The decrease is primarily attributable to the following: (i) the Entertainment segment had revenue and other income of \$3.2 million less than the same period in 2009, as the segment continued to face a difficult operating environment; (ii) realized/unrealized gains on marketable securities during the second quarter of 2010 were \$0.2 million, compared to gains in the same period in 2009 of \$2.6 million, a difference of \$2.4 million; and (iii) the income portion of trust distributions decreased by \$2.0 million when compared to the same period in 2009. Several portfolio companies and trusts have reduced or eliminated their distributions and certain holdings were divested throughout 2009. The decrease in the income portion of trust distributions is also attributable to the reclassification of an investment and a change in the accounting treatment of the trust distributions received from that investment.

Revenue and other income decreased by \$5.7 million, or 5% for the six months ended June 30, 2010 compared to the same period last year. The decrease is mainly attributable to a decrease in the income portion of trust distributions of \$4.1 million when compared to the same period in 2009.

Other comprehensive income (loss) decreased by \$13.4 million to a loss of \$0.1 million for the three months ended June 30, 2010 compared to other comprehensive income of \$13.3 million for the same period in 2009. This decrease was mainly due to fewer unrealized gains and more unrealized losses on our portfolio of marketable securities.

Other comprehensive income (loss) decreased by \$6.6 million to a loss of \$7.7 million for the six months ended June 30, 2010 compared to other comprehensive loss of \$1.1 million for the same period in 2009. This decrease was mainly due to fewer unrealized gains and more unrealized losses on our portfolio of marketable securities.

Basic EPS from continuing operations for the three months ended June 30, 2010 was \$0.12, compared to \$0.65 per share for the same period in 2009, a decrease of \$0.53 per share.

Basic EPS from continuing operations for the six months ended June 30, 2010 was \$0.24, compared to \$0.17 per share for the same period in 2009, an increase of \$0.07 per share.

OUTLOOK

Clarke has improved and will, in the coming quarters, continue to improve its focus by reducing the number of businesses in which it is invested, and increasing the level of time and energy spent on each remaining investment. During the quarter, the Company monetized its investment in Sure-Gro, realizing a gain of \$5.2 million. During the course of the Company's investment, Clarke management worked with Sure-Gro employees and equity partners to improve performance, return capital to investors and ultimately position the business for a successful sale. The approach taken is illustrative of the Clarke methodology and the results achieved are consistent with our goals. In the future, we intend to continue identifying underperforming businesses with meaningful net assets and existing or potential competitive strengths, and investing in these businesses in a way that best protects our capital. We will seek to identify, incentivize and retain strong management teams that can develop and implement effective business plans. We will also augment many of the functions performed by these management teams, by drawing upon our training and experience to deliver treasury, tax, real estate, valuations, accounting and IT services, particularly in the context of corporate transactions.

Given the opportunity, we will continue to repurchase the Company's convertible debentures at prices below par and the Company's Common Shares at prices that management feels are below their intrinsic value. We will also constantly review the Company's portfolio of investments, divesting of mature investments and increasing Clarke's position where there is an opportunity to build long-term value.

Clarke will continue to seek out investment opportunities that, in management's view, will deliver attractive returns in the long-term. We will, where possible, invest alongside experienced operators and strategic partners in businesses that demonstrate growth or turnaround potential. Clarke will remain very active on its shareholders' behalf, utilizing the Company's investment experience and strategic relationships to build businesses that are expected to deliver long-term shareholder value.

Further information about Clarke, including Clarke's Consolidated Financial Statements and Management's Discussion & Analysis for the quarter ended June 30, 2010, is available at www.sedar.com and www.clarkeinc.com.

About Clarke

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

Note on Forward-Looking Statements and Risks

This press release may contain or refer to certain forward-looking statements relating, but not limited to, the Company's expectations, intentions, plans and beliefs with respect to the Company. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "does not expect", "is expected", "budget", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or equivalents or variations, including negative 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 price of securities held by the Company, changes in these securities holdings, changes to the Company's hedging practices, currency fluctuations, requirements for additional capital, changes to government regulations and the timing and possible outcome of pending litigation. 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.

With respect to the Company's Investment segment, such risks and uncertainties include, without limitation, the Company's investment strategy, legal and regulatory risks, general market risk, potential lack of diversification in the Company's investments, reliance on certain key executives, interest rates and foreign currency fluctuations and other factors. With respect to the Company's Freight Transportation segment, such risks and uncertainties include, without limitation, competition, fuel costs, expiry of certain leases, labour relations, the use of third party service providers, dependence on certain personnel, fuel costs, weather conditions, customer relationships, claims, litigation and insurance, government regulation of the transport industry and other factors. With respect to the Company's Steel Tanks segment, such risks and uncertainties include, without limitation, the costs of housing and major consumer products, energy costs, alternative energy sources, foreign exchange risk, and other factors. Other general risks and uncertainties include, without limitation, environmental considerations, use of information technology and information systems, safety issues, concentration of sales among a small number of customers, the seasonality of business cycles for certain segments, commodity market risk, risks associated with investment in derivative instruments and other factors.

Although the Company has attempted to identify important factors that could cause actual actions, events or results or cause actions, events or results not to be 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.

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