



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

Clarke Inc. Reports 2010 First Quarter Results

Halifax, Nova Scotia – May 14, 2010 – Clarke Inc. (“Clarke” or the “Company”) today announced its results for the three months ended March 31, 2010.

Clarke had net income for the three months ended March 31, 2010 of \$3.0 million compared to a net loss of \$10.1 million for the three months ended March 31, 2009.

The first quarter of 2009 offered a slight improvement in the operating environment facing our Freight Transportation segment, and efficiencies established throughout 2009 have begun to generate improved performance in a sector that continues to be highly competitive. We continued to build on the momentum generated in 2009 in the Steel Tanks segment, improving on the levels of profitability from the first quarter of 2009. Clarke has continued to work closely with management in place at its core businesses, achieving cost savings and executing strategic transactions that are expected to improve the future prospects of these businesses. While public equity markets continued to recover in 2010, certain of our marketable securities were impacted by significant negative events that sharply reduced the carrying value of our investment. However, these were not comparable to the other-than-temporary-impairments of \$12.9 million on available for sale and significantly influenced investments in the same quarter of 2009.

RESULTS OF OPERATIONS

Highlights of the interim consolidated financial statements for the three months ended March 31, 2010 compared to the three months ended March 31, 2009 are as follows:

<i>(in millions, except per share amounts)</i>	For the three months ended March 31, 2010	For the three months ended March 31, 2009
	\$	\$
Revenue and other income	51.4	46.5
Net income (loss)	3.0	(10.1)
Other comprehensive loss	(7.6)	(14.3)
Comprehensive loss	(4.6)	(24.4)
Basic EPS – continuing operations	0.12	(0.48)
Diluted EPS – continuing operations	0.11	(0.48)
Basic EPS – net income (loss)	0.12	(0.38)

QUARTER ENDED MARCH 31, 2010

Revenue and other income in the Investment segment has decreased in the current year, with income of \$7.4 million compared to \$12.5 million for the same period in 2009, a difference of \$5.1 million. This difference is largely attributable to a decrease in the income portion of trust distributions in the amount of \$2.1 million compared to the same period in 2009. Several portfolio companies have reduced or eliminated their distributions and certain holdings were divested throughout 2009. This decrease was also attributable to smaller intercompany dividends declared in the current year. These intercompany dividends are eliminated upon consolidation. This decrease was partially offset by the increase in realized/unrealized gains on marketable securities during the first quarter of 2010 of \$2.3 million compared to gains in the same period in 2009 of \$0.3 million, a difference of \$2.0 million.

The Company’s Freight Transportation segment showed slightly improved operating results as economic conditions have begun to improve. The segment continued to manage costs, generating net income of \$0.5 million for the three

months ended March 31, 2010 compared to a net loss of \$1.4 million for the same period in 2009, an increase of \$1.9 million.

The Steel Tanks segment continues to improve plant efficiencies and demonstrate strong gross margins. Although revenues were down slightly for the quarter in comparison to the fourth quarter of 2009, cost reduction initiatives have continued, allowing the segment to deliver positive results during the first quarter of 2010. Net income for the first quarter of 2010 was \$0.2 million, compared to net income of \$0.3 million for the same period in 2009, a decrease of \$0.1 million. This reduction was primarily driven by increased interest costs of \$0.3 million. This increase is primarily due to the amortization of discount on other long-term debt. During the current period, the Company made accelerated repayments of principal on this debt resulting in increased amortization of discount relating to this debt.

For the three months ended March 31, 2010, Clarke's basic EPS from continuing operations was \$0.12, compared to a loss of \$0.48 for the same quarter in 2009.

OUTLOOK

In the coming quarters, management will continue to focus its efforts and the Company's capital on core investments. Clarke will remain actively involved at the board level with these businesses, participating in their development and strategic direction. 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, IT and legal services, particularly in the context of corporate transactions.

Given the opportunity, we will continue to repurchase the Company's own securities 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. In 2010, 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 March 31, 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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