

Clarke Inc. enters into agreement to sell freight transportation businesses

Written by Australian Business

HALIFAX, Oct. 31, 2013 /CNW/ - Clarke Inc. ("Clarke") (TSX: CKI, CKI.DB.A) is pleased to announce that it has entered into an agreement for the sale of its truckload, less-than-truckload and freight logistics businesses (the "Freight Transport Business") to Transforce Inc. based on an enterprise value of \$88.0 million excluding net working capital associated with the Freight Transport Business, which will be retained by Clarke. Certain other subsidiaries of Clarke engaged in information technology and human resources functions are also included in the sale. The purchase price is subject to a working capital adjustment and will be satisfied in cash on closing. The transaction is conditional on, among other things, receipt of approval under the *Competition Act* and the *Canada Transportation Act*.

. Clarke expects closing of the transaction to occur before the end of 2013.

George Armoyan, Chief Executive Officer of Clarke, stated: "This is a bittersweet moment for Clarke as we have enjoyed working with Dean Cull and his entire team in the freight transportation business over the last decade. We wish them all the best as they join the Transforce organization." Mr. Armoyan added: "The sale of Clarke's freight transportation business provides the company with good value and helps unlock the significant shareholder value that exists at Clarke which has not been recognized by the capital markets. Following the transaction, Clarke will continue to own its Commercial Tanks and Home Heating segment, its Investment segment and the ferry and container shipping units within its current Freight segment."

Clarke intends to review its business strategy, remaining businesses, investment opportunities, capital structure and dividend policy to determine how best to deploy the proceeds from this transaction and how to continue to maximize value for shareholders going forward. Alternative uses for the sale proceeds include general corporate purposes, redeeming all or part of Clarke's convertible unsecured debentures, funding additional investment opportunities or funding a special dividend to shareholders.

About Clarke

Halifax-based Clarke invests in a variety of private and publicly-traded businesses and

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

Forward-Looking Statements

This press release may contain or refer to certain forward-looking statements relating, but not limited to, Clarke's expectations, intentions, plans and beliefs with respect to Clarke. 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. These forward-looking statements include, but are not limited to, statements regarding the trading price of the Company's securities not fully reflecting the value of the Company's business.

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 Clarke to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. 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, and interest rates and foreign currency fluctuations. Although Clarke 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, Clarke 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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