UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)
[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2006

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _________ to _________

Commission File Number: 0-24277

CLARUS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	58-1972600
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

One Landmark Square
Stamford, Connecticut 06901
(Address of principal executive offices)
(Zip code)

(203) 428-2000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES [X] NO [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. Large accelerated filer [ ] Accelerated filer [X] Non-accelerated filer [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) YES [ ] NO [X]

As of August 1, 2006, there were outstanding 17,113,622 shares of Common Stock, par value $0.0001.

INDEX

CLARUS CORPORATION
<TABLE>
<CAPTION>
PART I FINANCIAL INFORMATION
- --------- -------------------------------------

</TABLE>

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CLARUS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

<TABLE>
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	JUNE 30, 2006	DECEMBER 31, 2005
ASSETS		
<S>	<C>	<C>
CURRENT ASSETS:		
Cash and cash equivalents	$ 6,282	$ 23,270
Marketable securities	77,218	61,601
Interest receivable	306	320
Prepaids and other current assets	254	135
Total current assets	84,060	85,326
PROPERTY AND EQUIPMENT, NET	1,827	1,996
OTHER ASSETS:		
Deposits and other long-term assets	--	956
TOTAL ASSETS	$ 85,887	$ 88,278
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 270	$ 1,461
Total current liabilities	270	1,461
LONG-TERM LIABILITIES:		
Deferred rent	244	208

Total liabilities	514	1,669
STOCKHOLDERS' EQUITY:		
Preferred stock, $.0001 par value; 5,000,000 shares authorized; none issued	--	--
Common stock, $.0001 par value; 100,000,000 shares authorized; 17,188,622 and 17,187,170 shares issued and 17,113,622 and 17,112,170 outstanding in 2006 and 2005, respectively	2	2
Additional paid-in capital	367,792	370,704
Accumulated deficit	(282,353)	(280,947)
Treasury stock, at cost	(2)	(2)
Accumulated other comprehensive income	(66)	(88)
Deferred compensation	--	(3,060)
Total stockholders' equity	85,373	86,609
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 85,887	$ 88,278

</TABLE>

SEE ACCOMPANYING NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

CLARUS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
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	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2006	2005	2006	2005
<S>	<C>	<C>	<C>	<C>
REVENUES:	$ --	$ --	$ --	$ --
Total revenues	--	--	--	--
OPERATING EXPENSES:				
General and administrative	826	1,001	1,707	1,787
Transaction costs	108	--	1,388	--
Depreciation and amortization	85	81	173	166
Total operating expenses	1,019	1,082	3,268	1,953
OPERATING LOSS	(1,019)	(1,082)	(3,268)	(1,953)
OTHER INCOME(EXPENSE)	1	(2)	--	(2)
INTEREST INCOME	994	568	1,862	1,049
NET LOSS	$ (24)	$ (516)	$ (1,406)	$ (906)
Loss per common share:				
Basic	$ (0.00)	$ (0.03)	$ (0.08)	$ (0.06)
Diluted	$ (0.00)	$ (0.03)	$ (0.08)	$ (0.06)
Weighted average shares outstanding:				
Basic	16,614	16,292	16,613	16,292
Diluted	16,614	16,292	16,613	16,292

</TABLE>

SEE ACCOMPANYING NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

CLARUS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	SIX MONTHS ENDED JUNE 30, 2006	SIX MONTHS ENDED JUNE 30, 2005
OPERATING ACTIVITIES:		
Net loss	$ (1,406)	$ (906)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization on property and equipment	173	166
Amortization of deferred employee compensation	148	157
Amortization of premium and discount on securities, net	1,927	3
Changes in operating assets and liabilities:		
Accrued interest receivable, prepaids and other current assets	(105)	104
Accounts payable and accrued liabilities	(1,191)	(682)
Deferred rent	36	56
Deposits and other long-term assets	956	1
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	538	(1,101)
INVESTING ACTIVITIES:		
Purchases of marketable securities	(77,257)	(35,688)
Proceeds from maturity of marketable securities	59,735	17,270
Additions to property and equipment	(4)	(8)
NET CASH USED IN INVESTING ACTIVITIES	(17,526)	(18,426)
FINANCING ACTIVITIES:		
Proceeds from the exercises of stock options	--	628
NET CASH PROVIDED BY FINANCING ACTIVITIES	--	628
CHANGE IN CASH AND CASH EQUIVALENTS	(16,988)	(18,899)
CASH AND CASH EQUIVALENTS, Beginning of Period	23,270	48,377
CASH AND CASH EQUIVALENTS, End of Period	$ 6,282	$ 29,478
SUPPLEMENTAL DISCLOSURE:		
Deferred compensation	$ --	$ 325
Cash paid for taxes	418	611

SEE ACCOMPANYING NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

CLARUS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements of Clarus Corporation and subsidiaries ("Clarus" or the "Company," which may be referred to as "we," "us," or "our") as of and for the three and six months ended June 30, 2006 and 2005, have been prepared in accordance with accounting principles generally accepted in the United States of America and instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information in notes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the unaudited condensed consolidated financial statements have been included. The results of the three and six months ended June 30, 2006 are not necessarily indicative of the results to be obtained for the year ending December 31, 2006. These interim financial statements should be read in conjunction with the Company's audited consolidated financial statements and footnotes thereto included in the Company's Form 10-K for the fiscal year ended December 31, 2005, filed with the Securities and Exchange Commission.

NOTE 2. SIGNIFICANT EVENTS

As part of our previously announced strategy to limit operating losses and enable the Company to redeploy its assets and use its substantial cash, cash equivalent assets and marketable securities to enhance stockholder value, on December 6, 2002, we sold substantially all of our electronic commerce business, which represented substantially all of our revenue-generating operations and related assets. During January 2003, we sold the assets relating to our Cashbook product representing the remainder of our operating assets.

The Company recognized approximately $108,000 of transaction expenses in the second quarter of 2006, arising out of an acquisition negotiation and due diligence process that terminated in June 2006 without the consummation of the acquisition. Transaction expenses represent the costs incurred during due diligence and negotiation of potential acquisitions, such as legal, accounting, appraisal and other professional fees and related expenses.

We are currently working to identify suitable merger partners or acquisition opportunities. Although we are not targeting specific business industries for potential acquisitions, we plan to seek businesses with substantial cash flow, experienced management teams, and operations in markets offering substantial growth opportunities.

NOTE 3. EARNINGS (LOSS) PER SHARE

Basic net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding for each period. Diluted net loss per share attributable to common stockholders is computed by giving effect to all potentially dilutive securities, including options, warrants and redeemable convertible preferred stock. Potentially dilutive securities are excluded from the computation of diluted net loss per share attributable to common stockholders if their effect is anti-dilutive. For the periods ended June 30, 2006 and 2005, basic net loss per share attributable to common stockholders is the same as diluted net loss per share attributable to common stockholders because all potentially dilutive securities were anti-dilutive in computing diluted net loss per share for these periods.

Options to acquire 1,010,000 and 435,000 shares of common stock during the period ended June 30, 2006 and 2005, respectively, were outstanding, but not included in the calculation of weighted average number of diluted shares outstanding because the option exercise prices were higher than the average market price of the Company's common stock during that period. In addition, diluted net loss per share attributable to common stockholders excludes the potentially dilutive effect of options to purchase 663,750 and 1,396,250 shares of the Company's common stock whose exercise prices were lower than the average market price of the Company's common stock during the periods ended June 30, 2006 and 2005, respectively, as their inclusion would have been anti-dilutive because the Company incurred losses during those periods.

NOTE 4. STOCK-BASED COMPENSATION PLAN

The Company adopted the 2005 Stock Incentive Plan (the "2005 Plan"), which was approved by stockholders at the Company's annual meeting in June 2005. Under the 2005 Plan, the Board of Directors has flexibility to determine the type and amount of awards to be granted to eligible participants, who must be employees of the Company or its subsidiaries, directors, officers or consultants to the Company. The 2005 Plan provides for grants of incentive stock options, nonqualified stock options, restricted stock awards, stock appreciation rights, and restricted units. As of June 30, 2006, the number of shares authorized and reserved for issuance under the 2005 Plan is 3.5 million, subject to an automatic annual increase equal to 4% of the total number of shares of Clarus' common stock outstanding. The aggregate number of shares of common stock that may be granted through awards under the 2005 Plan to any employee in any calendar year may not exceed 500,000 shares. The 2005 Plan will continue in effect until June 2015 unless terminated sooner. As of June 30, 2006, 170,000 stock options awarded under the plan are vested and eligible for exercise.

On January 1, 2006, the Company adopted Statement of Financial Accounting Standards No. 123 (revised 2004), "Share-Based Payments" ("SFAS 123R"), requiring recognition of expense related to the fair value of stock option awards. The Company recognizes the cost of the share-based awards on a straight-line basis over the requisite service period of the award. Prior to January 1, 2006, the Company accounted for stock option plans under the recognition and measurement provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25") and related interpretations, as permitted by Statement of Financial Accountant Standard No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"). Under SFAS 123R, compensation cost recognized during the second quarter of 2006 includes: (a) compensation cost for all share-based payments granted prior to, but not yet vested as of January 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of SFAS 123, and (b) compensation cost for all share-based payments granted subsequent to January 1, 2006, based on the grant-date fair value estimated in accordance with the provisions of FAS 123R.

On December 30, 2005, the Board of Directors of Clarus Corporation accelerated the vesting of unvested stock options previously awarded to employees, officers and directors of the Company under its Amended and Restated Stock Incentive Plan of Clarus Corporation (as amended and restated effective as of June 13, 2000) and the Clarus Corporation 2005 Stock Incentive Plan, subject to such optionee entering into lock-up, confidentiality and non-competition agreements. As a result of this action, options to purchase 676,669 shares of common stock that would have vested over the next one to three years became fully vested.

As of January 1, 2006, the Company had no unvested stock options that would have been affected by the implementation of FAS 123R. For this reason, the implementation of this standard had no effect on the Company's income statement or earnings per share for the three- and six-month periods ended June 30, 2006.

We will continue to estimate the fair value of our option awards granted after January 1, 2006, using a Black-Scholes option pricing model. No options were granted during the three and six month periods ended June 30, 2006 or the three month period ended June 30, 2005. The expected life of the options granted is management's estimate and represents the period of time that options granted are expected to be outstanding. We currently do not pay dividends. Volatility is based on the historical volatility of our stock price. The risk-free interest rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The fair value of each option grant during the six months ended June 30, 2005 is estimated on the date of grant with the following weighted-average assumptions:

	June 30, 2005
Expected life of option	4.0 years
Dividend yield	0%
Volatility	57%
Risk free interest rate	4.04%

The weighted average fair value of options granted during the six months ended June 30, 2005 are as follows:

	June 30, 2005
Fair value of each option grant	$4.13
Total number of options granted	5,000
Total fair value of all options granted	$21,000

Outstanding options, consisting of incentive and non-qualified stock options, generally vest and become exercisable over a three- to five-year period from the date of grant. Other options granted are immediately vested, but are subject to lock-up provisions that do not permit the recipient from selling the shares until the lock-up expires, which is generally staggered over a three- to five-year period. The outstanding options generally expire ten years from date of grant or upon retirement from the Company, respectively, and are contingent upon continued employment during the applicable ten-year period.

The following table shows what the effect on net loss and loss per share if the fair value recognition provisions of SFAS 123, were applied to options granted under our stock option plans during the three- and six-month periods ended June 30, 2005. For purposes of this pro forma disclosure, the value of the options is amortized to expense on a straight-line basis over the vesting period and forfeitures are recognized as they occur.

<TABLE>
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<S>	Three months ended June 30, 2005 <C>	Six months ended June 30, 2005 <C>
	(in thousands, except per share amounts)	
Net loss, as reported	$ (516)	$ (906)
Add stock-based employee compensation expense included in reported net loss, net of tax	142	157
Deduct total stock-based employee compensation expense determined under fair-value based method for all awards, net of tax	(354)	(701)
Pro forma net loss	$ (728)	$ (1,450)

</TABLE>

<TABLE>
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<S>	Three months ended June 30, 2005 <C>	Six months ended June 30, 2005 <C>
	(in thousands, except per share amounts)	
Basic and diluted net loss per share:		
As reported	$ (0.03)	$ (0.06)
Add stock-based employee compensation expense included in reported net loss, net of tax	0.01	0.01
Deduct total stock-based employee compensation expense determined under fair-value based method for all awards, net of tax	(0.02)	$ (0.04)
Pro forma basic and diluted net loss per share	$ (0.04)	$ (0.09)

</TABLE>

A summary of the status of stock option grants as of June 30, 2006, and changes during the six months ended June 30, 2006, is presented below:

	Options	Weighted Average Exercise Price
Outstanding at December 31, 2005	1,681,250	$ 7.36
Granted	--	--
Exercised	--	--
Forfeited	(7,500)	$ 5.41
Outstanding at June 30, 2006	1,673,750	$ 7.36
Options exercisable at June 30, 2006	1,673,750	$ 7.36

The following table summarizes information about stock options outstanding as of June 30, 2006:

<TABLE>
<CAPTION>

Exercise Price Range <S>	Outstanding <C>	Remaining Life Exercisable <C>	Weighted Average In Years <C>	Exercise Price <C>
$5.35 - $ 6.06	663,750	663,750	6.0	$5.42
$7.30 - $10.00	1,010,000	1,010,000	6.6	$8.64
Total	1,673,750	1,673,750	6.4	$7.36

</TABLE>

The fair value of unvested shares is determined based on the market price of our shares on the grant date. As of June 30, 2006, there were no unvested shares and no unrecognized compensation cost related to unvested stock options.

In April 2003, the Company granted 500,000 shares of restricted stock to Warren B. Kanders, the Executive Chairman of the Board. The shares vest over ten years or earlier upon the satisfaction of various conditions including performance based conditions relating to the price of the Company's common stock. Under the provisions of APB Opinion 25, the Company recognized compensation expense for this award over the vesting period. Compensation expense was re-measured on a quarterly basis based upon the current market value of the underlying stock at the end of the period. Under the provisions of FAS 123R, compensation expense is measured based on the fair value of the award at the date of grant and is recognized over the requisite service period of ten years resulting in a charge of $67,000 and $134,000, respectively, for the three-and six-month periods ended June 30, 2006, respectively.

NOTE 5. COMPREHENSIVE INCOME (LOSS)

The Company utilizes SFAS No. 130 "Reporting Comprehensive Income." SFAS No. 130 establishes standards for reporting and presentation of comprehensive income (loss) and its components of net income (loss) and "Other Comprehensive Income (Loss)." "Other Comprehensive Income (Loss)" refers to revenues, expenses and gains and losses that are not included in net income (loss) but rather are recorded directly in stockholders' equity. The components of comprehensive loss for the three and six months ended June 30, 2006 and 2005 were as follows:

<TABLE>
<CAPTION>

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2006	2005	2006	2005
<S>	<C>	<C>	<C>	<C>
(in thousands)				
Net loss	$ (24)	$ (516)	$ (1,406)	$ (906)
(Increase)/decrease in unrealized loss on marketable securities	(15)	54	22	16
Comprehensive loss	$ (39)	$ (462)	$ (1,384)	$ (890)

</TABLE>

NOTE 6. CONTINGENCIES

We are not a party to nor are any of our properties subject to any pending legal, administrative or judicial proceedings other than routine litigation incidental to our business.

In the normal course of business, we are subjected to claims and litigations in the areas of general liability. We believe that we have adequate insurance coverage for most claims that are incurred in the normal course of business. In such cases, the effect on our financial statements is generally limited to the amount of our insurance deductibles. At this time, we do not believe any such claims will have a material impact on the Company's consolidated financial position or results of operations.

NOTE 7. RELATED PARTY TRANSACTIONS

In September 2003, the Company and Kanders & Company, Inc. ("Kanders & Company"), an entity owned and controlled by the Company's Executive Chairman, Warren B. Kanders, entered into a 15-year lease with a five-year renewal option, as co-tenants to lease approximately 11,500 square feet in Stamford, Connecticut. The Company and Kanders & Company have initially agreed to allocate the total lease payments of $33,542 per month on the basis of Kanders & Company renting 2,900 square feet for $8,386 per month, and the Company renting 8,600 square feet for $25,156 per month, which are subject to increases during the term of the lease. Rent expense is recognized on a straight line basis. The lease provides the co-tenants with an option to terminate the lease in years eight and ten in consideration for a termination payment. The Company and Kanders & Company agreed to pay for their proportionate share of the build-out construction costs, fixtures, equipment and furnishings related to preparation of the space. In connection with the lease, the Company obtained a stand-by letter of credit in the amount of $850,000 to secure lease obligations for the Stamford facility. Kanders & Company reimburses the Company for a pro rata portion of the approximately $5,000 annual cost of the letter of credit.

The Company provides certain telecommunication, administrative and other office services as well as accounting and bookkeeping services to Kanders & Company that are reimbursed by Kanders & Company. Such services aggregated $10,500 during the quarter ended June 30, 2006 and $28,000 during the quarter ended June 30, 2005. For the six month periods ended June 30, 2006 and 2005, respectively, such services aggregated $20,700 and $61,000, respectively.

As of June 30, 2006, the Company had a receivable of $20,600 from Kanders & Company. The amount due from Kanders & Company is included in prepaids and other current assets in the accompanying consolidated balance sheet. The outstanding amount was paid in July 2006. As of June 30, 2005, the Company had an outstanding payable of $8,000 to Kanders & Company. The outstanding amount was paid in July 2005.

The Company provides certain telecommunication, administrative and other office services to Net Perceptions, Inc. ("Net Perceptions") that are reimbursed by Net Perceptions. Warren B. Kanders, our Executive Chairman, also serves as the Executive Chairman of Net Perceptions. Such services aggregated $5,300 during the quarter ended June 30, 2006 and $5,300 during the quarter ended June 30, 2005. For the six month period ended June 30, 2006 and 2005, respectively, such services aggregated $5,700 and $9,700, respectively.

As of June 30, 2006, the Company had outstanding a receivable of $5,300 from Net Perceptions. The amount due from Net Perceptions is included in prepaids and other current assets in the accompanying consolidated balance sheet. The outstanding amount was paid in July 2006. As of June 30, 2005, the Company had outstanding a receivable of $9,700 from Net Perceptions. The outstanding amount was paid by Net Perceptions in September 2005.

During the quarter ended June 30, 2006, the Company incurred charges of approximately $42,300 for payments to Kanders Aviation LLC, an affiliate of the Company's Executive Chairman, Warren B. Kanders, relating to aircraft travel by directors and officers of the Company for potential redeployment transactions, pursuant the Transportation Services Agreement, dated December 18, 2003 between the Company and Kanders Aviation LLC. For the same period ended June 30, 2005, the Company incurred charges of approximately $12,000 for payments to Kanders Aviation LLC. For the six month periods ended June 30, 2006 and 2005, respectively, the Company incurred charges of approximately $42,300 and $12,000, respectively.

In the opinion of management, the rates, terms and considerations of the transactions with the related parties described above approximate those that the Company would have received in transactions with unaffiliated parties.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements, including information about or related to our future results, certain projections and business trends. Assumptions relating to forward-looking statements involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. When used in this report, the words "estimate," "project," "intend," "believe," "expect" and similar expressions are intended to identify forward-looking statements. Although we believe that our assumptions underlying the forward-looking statements are reasonable, any or all of the assumptions could prove inaccurate, and we may not realize the results contemplated by the forward-looking statements. Management decisions are subjective in many respects and susceptible to interpretations and periodic revisions based upon actual experience and business developments, the impact of which may cause us to alter our business strategy or capital expenditure plans that may, in turn, affect our results of operations. In light of the significant uncertainties inherent in the forward-looking information included in this report, you should not regard the inclusion of such information as our representation that we will achieve any strategy, objectives or other plans. The forward-looking statements contained in this report speak only as of the date of this report, and we have no obligation to update publicly or revise any of these forward-looking statements.

These and other statements, which are not historical facts, are based largely upon our current expectations and assumptions and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those contemplated by such forward-looking statements. These risks and uncertainties include, among others, our planned effort to redeploy our assets and use our substantial cash and cash equivalent assets and marketable securities to enhance stockholder value following the sale of substantially all of our electronic commerce business, which represented substantially all of our revenue generating operations and related assets, and the risks and uncertainties set forth in the section headed "Factors That May Affect Our Future Results" found in Part I of our Annual Report on Form 10-K, as amended, for the fiscal year ended December 31, 2005 and described below. The Company cannot guarantee its future performance.

OVERVIEW

AS PART OF OUR PREVIOUSLY ANNOUNCED STRATEGY TO LIMIT OPERATING LOSSES AND ENABLE THE COMPANY TO REDEPLOY ITS ASSETS AND USE ITS SUBSTANTIAL CASH, CASH EQUIVALENT ASSETS AND MARKETABLE SECURITIES TO ENHANCE STOCKHOLDER VALUE, ON DECEMBER 6, 2002 WE SOLD SUBSTANTIALLY ALL OF OUR ELECTRONIC COMMERCE BUSINESS, WHICH REPRESENTED SUBSTANTIALLY ALL OF OUR REVENUE-GENERATING OPERATIONS AND RELATED ASSETS. THE INFORMATION APPEARING BELOW, WHICH RELATES TO PRIOR PERIODS, IS THEREFORE NOT INDICATIVE OF THE RESULTS THAT MAY BE EXPECTED FOR ANY SUBSEQUENT PERIOD. THE SIX-MONTH PERIOD ENDED JUNE 30, 2006 PRIMARILY REFLECTS, AND FUTURE PERIODS PRIOR TO A REDEPLOYMENT OF OUR ASSETS ARE EXPECTED TO PRIMARILY REFLECT, GENERAL AND ADMINISTRATIVE EXPENSES AND TRANSACTION EXPENSES ASSOCIATED WITH THE CONTINUING ADMINISTRATION OF THE COMPANY AND ITS EFFORTS TO REDEPLOY ITS ASSETS.

CRITICAL ACCOUNTING POLICIES AND USE OF ESTIMATES

The Company's discussion of financial condition and results of operations is based on the consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting periods. The Company continually evaluates its estimates and assumptions including those related to contingencies and litigation. The Company bases its estimates on historical experience and other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The Company believes the following critical accounting policies include the more significant estimates and assumptions used by management in the preparation of its consolidated financial statements.

The Company accounts for its marketable securities under the provisions of Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities". Pursuant to the provisions of SFAS No. 115, the Company has classified its marketable securities as available-for-sale. Available-for-sale securities have been recorded at fair value and related unrealized gains and losses have been excluded from earnings and are reported as a separate component of accumulated other comprehensive income (loss) until realized.

SOURCES OF REVENUE

Prior to the December 6, 2002 sale of substantially all of the Company's revenue generating operations and assets, the Company's revenue consisted of license fees and services fees. License fees were generated from the licensing of the Company's suite of software products.

Services fees were generated from consulting, implementation, training, content aggregation and maintenance support services. Prior to a redeployment of the Company's assets, the Company's principal income is expected to consist of interest, dividend and other investment income from the short-term investments, which is reported as interest income in the company's consolidated statement of operations.

OPERATING EXPENSES

General and administrative expenses consist primarily of personnel-related expenses for financial, administrative and management personnel, fees for professional services, occupancy charges, insurance, and board of director fees. Occupancy charges include rent, utilities, and maintenance services.

RESULTS OF OPERATIONS - COMPARISON OF SECOND QUARTER 2006 TO SECOND QUARTER 2005

On December 6, 2002, the Company completed the disposition of substantially all its operating assets, and the Company is now evaluating alternative ways to redeploy its assets into new businesses. The discussion below is therefore not meaningful to an understanding of future revenue, earnings, operations, business or prospects of the Company following such a redeployment of its assets.

GENERAL AND ADMINISTRATIVE

General and administrative expenses decreased to $0.8 million during the quarter ended June 30, 2006, compared to $1.0 million during the quarter ended June 30, 2005. General and administrative expenses declined to $1.7 million during the six-month period ended June 30, 2006 compared to $1.8 million during the same period in 2005. This trend is consistent with management's stated strategy to maintain our expenditure rate, to the extent practicable, near the level of our investment income until the completion of an acquisition or merger in connection with our asset redeployment strategy. General and administrative expenses include salaries and employee benefits, franchise taxes, rent, insurance, legal, accounting and other professional fees as well as public company expenses such as transfer agent fees and expenses. The decrease in general and administrative expense for the three and six months ended June 30, 2006, compared to the same periods last year, primarily was attributable to decreased professional fees and the recognition of deferred compensation expense for the restricted stock issued to Warren B. Kanders, our Executive Chairman, in April of 2003.

TRANSACTION EXPENSES

The Company incurred approximately $108,000 of transaction expenses during the quarter ended June 30, 2006, arising out of an acquisition negotiation and due diligence process that terminated in June 2006 without the consummation of the acquisition. There was no comparable expense during the quarter ended June 30, 2005. Transaction expenses increased to $1.4 million during the six-month period ended June 30, 2006. There was no comparable expense during the six-month period ended June 30, 2005. Transaction expenses represent the costs incurred during due diligence and negotiation of potential acquisitions, such as legal, accounting, appraisal and other professional fees and related expenses.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization increased to $85,000 and $173,000, respectively, in the three and six months ended June 30, 2006, compared to $81,000 and $166,000, respectively, in the same periods ended June 30, 2005. The increase is primarily attributable to additional depreciation for office equipment.

OTHER INCOME

For the quarter ended June 30, 2006, the Company had recorded a gain of less than $1,000 as compared to the quarter ended June 30, 2005 when the Company recorded a loss of $2,000 from foreign currency fluctuations. During the six months ended June 30, 2006, the Company recorded gains and losses that offset as compared to the six months ended June 30, 2005 when the Company recorded a loss of $2,000 from foreign currency fluctuations.

INTEREST INCOME

Interest income increased to $994,000 in the quarter ended June 30, 2006 from $568,000 in the same period of 2005. During the six months ended June 30, 2006, interest income increased to $1.9 million from $1.0 million during the six months ended June 30, 2005. The increase in interest income was due to an increase in the yields that we received on our cash, cash equivalent assets and marketable securities.

INCOME TAXES

As a result of the operating losses incurred since the Company's inception, no provision or benefit for income taxes was recorded during the quarters ended June 30, 2006 and 2005, respectively.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents decreased to $6.3 million at June 30, 2006 from $23.3 million at December 31, 2005. Marketable securities increased to $77.2 million at June 30, 2006 from $61.6 million at December 31, 2005. The overall decrease of $1.4 million in cash and cash equivalents and marketable securities is due to the payment of transaction expenses in the first and second quarters of 2006, arising out of acquisition negotiations and due diligence processes that terminated in January and June 2006 without the consummation of the acquisitions.

Cash provided by operating activities was approximately $0.5 million during the six months ended June 30, 2006 compared to cash used by operating activities of approximately $1.1 million during the six months ended June 30, 2005. This increase was primarily attributable to the Company's net loss, a decrease in accounts payable and accrued liabilities and other long term assets, which were more than offset by an increase in current assets and non-cash items.

Cash used by investing activities was approximately $17.5 million during the six months ended June 30, 2006. The cash was used primarily for the purchase of marketable securities partially offset by the maturity of marketable securities. Cash used by investing activities was approximately $18.4 million during the six months ended June 30, 2005. The cash was used primarily for the purchase of marketable securities partially offset by the maturity of marketable securities.

There was no cash provided by or used in financing activities during the six months ended June 30, 2006, compared to cash provided by financing activities of approximately $628,000 during the six months ended June 30, 2005. The cash provided by financing activities during the six months ended June 30, 2005 was attributable to proceeds from the exercise of stock options. There were no stock option exercises during the six months ended June 30, 2006.

At June 30, 2006, the Company has net operating loss, research and experimentation credit and alternative minimum tax credit carry-forwards for U.S. federal income tax purposes of approximately $229.6 million, $1.3 million and $53,000, respectively, which expire in varying amounts beginning in the year 2009. The Company also has a capital loss carry forward of $15.2 million which expires in varying amounts beginning in the year 2007. The Company's ability to benefit from certain net operating loss carry-forwards is limited under section 382 of the Internal Revenue Code due to a prior ownership change of greater than 50%. Accordingly, approximately $222.3 million of the $229.6 million U.S. net operating loss carryforward is available currently to offset taxable income that the Company may recognize in the future.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We do not hold derivative financial investments, derivative commodity investments, engage in foreign currency hedging or other transactions that expose us to material market risk.

ITEM 4. PROCEDURES AND CONTROLS

Evaluation of Disclosure Controls and Procedures

The Company's management carried out an evaluation, under the supervision and with the participation of the Company's Chief Administrative Officer and Controller, its principal executive officer and principal financial officer, respectively, of the design and operation of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15 (e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act") as of June 30, 2006, pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, the Company's Chief Administrative Officer and Controller concluded that the Company's disclosure controls and procedures as of June 30, 2006 are effective.

Changes in Internal Control over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting that have come to management's attention during the quarter ended June 30, 2006 evaluation that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

We held our annual meeting of stockholders on June 22, 2006. Of the 16,610,718 shares of common stock entitled to vote at the meeting, 15,370,277 shares of common stock were present in person or by proxy and entitled to vote. Such number of shares represented approximately 92.53% of our outstanding shares of common stock. Listed below is the matter voted upon at our annual meeting of stockholders and the voting results:

	FOR	WITHHELD
Election of Directors:		
Burtt R. Ehrlich	15,343,141	27,136
Donald L. House	15,344,191	26,086
Warren B. Kanders	14,592,138	778,139
Nicholas Sokolow	15,344,041	26,236

ITEM 6. EXHIBITS

Exhibit Number	Exhibit
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CLARUS CORPORATION

Date: August 4, 2006

/s/ Nigel P. Ekern,

Nigel P. Ekern,
Chief Administrative Officer
(Principal Executive Officer)

/s/ Susan Luckfield,

Susan Luckfield,
Controller
(Principal Financial Officer)

EXHIBIT INDEX

Number	Exhibit
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EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Nigel P. Ekern, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Clarus Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2006

By: /s/ Nigel P. Ekern

Name: Nigel P. Ekern
Title: Chief Administrative Officer

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Susan Luckfield certify that:

1. I have reviewed this quarterly report on Form 10-Q of Clarus Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2006

By: /s/ Susan Luckfield

Name: Susan Luckfield
Title: Controller

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Nigel P. Ekern, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Clarus Corporation on Form 10-Q for the quarter ended June 30, 2006, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Clarus Corporation.

Date: August 4, 2006 By: /s/ Nigel P. Ekern

Name: Nigel P. Ekern
Title: Chief Administrative Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Susan Luckfield, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Clarus Corporation on Form 10-Q for the quarter ended June 30, 2006, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Clarus Corporation.

Date: August 4, 2006 By: /s/ Susan Luckfield

Name: Susan Luckfield
Title: Controller
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.