

August 18, 2016
For Immediate Release

**POLLARD BANKNOTE WINS CONTRACT
AS PRIMARY SCRATCH GAME SUPPLIER TO THE MINNESOTA STATE LOTTERY**

WINNIPEG, Manitoba, August 18, 2016 /CNW/ – Pollard Banknote Limited (TSX: PBL) (“Pollard Banknote”) is pleased to announce that following a competitive procurement process, it has been awarded a four-year contract to serve as the primary scratch game supplier to the Minnesota State Lottery (“Minnesota Lottery”). Under this agreement, Pollard Banknote will continue as the Lottery’s primary scratch game vendor, but expects to increase ticket volumes supplied, with a guarantee in the new contract of at least 70% of all scratch games purchased for every year of the contract. The new contract runs until June 30, 2020 with the potential for two one-year contract extensions. The contract value is estimated to be approximately \$11.2 million (USD) over the four years.

Pollard Banknote was first awarded a secondary scratch game contract for the Minnesota Lottery in 2007 and was elevated to primary supplier in 2010. This speaks to the Lottery’s confidence in Pollard Banknote’s ability to help drive sales with innovative products and strategic recommendations, a client-focused approach, and an in-depth understanding of the Minnesota market. By focusing on industry innovations and winning strategies, the scratch game category generated 69% of total Lottery sales for FY2015. The Lottery chose Pollard Banknote for the expertise of its marketing team to ensure that this important product category continues to grow sales for good causes the Lottery supports.

To date, the forward-thinking Lottery has brought many of Pollard Banknote’s innovative products and licensed brands to market, including the PlayBook®, Scratch FX® and Spectrum Scratch FX®. It was also the first Lottery to launch Scratch FX® at the \$20 price point. Most recently, the Lottery’s launch of a \$5 *Frogger* game (a licensed brand offered exclusively by Pollard Banknote) had five-week average sales that were 82% higher than all other \$5 games launched in Minnesota since 2013. It was the Lottery’s best-selling ticket at this price point.

Over the course of this new contract, Pollard Banknote will continue to offer the Lottery design, marketing and strategic leadership. The Lottery will also have access to exciting brands from Pollard Banknote’s licensed portfolio and will benefit from the company’s extensive collection of primary research projects.

“We are very excited to continue our strong partnership with Pollard Banknote,” said Michael Vekich, Acting Director, Minnesota Lottery. “We rely heavily on our primary printing partner for design, marketing and strategy leadership—a partner proven to help the Lottery drive its scratch sales. Pollard Banknote offers everything we seek from a scratch game printer—guidance and expertise in research, marketing and product innovation. We are always intrigued by the new concepts presented and look forward to launching a variety of new initiatives in the years to come, ultimately increasing revenue for good causes in the state of Minnesota.”

“Leveraging Pollard Banknote’s experience working with a variety of lottery jurisdictions worldwide, our strategies incorporate the best of the best in utilizing innovations to maximize scratch ticket sales that

raise money for good causes,” said Byron Peterson, Director, Sales & Marketing, Pollard Banknote, noting that “the Minnesota State Lottery does a fantastic job of executing those strategies.”

The Minnesota Lottery has been supporting good causes throughout the state since 1989. Over the years the Lottery has raised over \$2.6 billion that is directed to the General Fund and the Minnesota environment. The General Fund supports education, health care, local governments and public safety. The funds also help the environment in many ways through the Environment and Natural Resources Trust Fund. For more information about the Lottery, please visit www.mnlottery.com.

About Pollard Banknote

Pollard Banknote is a leading lottery partner to more than 60 lotteries worldwide, providing high quality instant ticket products, licensed games, and strategic marketing and management services for both traditional instant games and the emerging iLottery space of web, mobile and social channels. The company is a proven innovator and has decades of experience helping lotteries to maximize player engagement, sales, and proceeds for good causes. Pollard Banknote also plays a major role in the charitable pull-tab and bingo markets in North America. Established in 1907, Pollard Banknote is owned approximately 73.5% by the Pollard family and 26.5% by public shareholders, and is publicly traded on the TSX (PBL). For more information, please visit our website at www.pollardbanknote.com.

Forward-looking Statements

Certain statements in this press release may constitute “forward-looking” statements and information, which involve known and unknown risks, uncertainties, and other factors that may cause actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. When used in this document, such statements include such words as “may,” “will,” “expect,” “believe,” “plan,” and other similar terminology. These statements reflect management’s current expectations regarding future events and operating performance and speak only as of the date of this document. There should not be an expectation that such information will in all circumstances be updated, supplemented, or revised whether as a result of new information, changing circumstances, future events, or otherwise.

-30-

FOR MORE INFORMATION CONTACT:

Doug Pollard
Co-Chief Executive Officer
Telephone: (204) 474-2323
E-mail: dpollard@pbl.ca

John Pollard
Co-Chief Executive Officer
Telephone: (204) 474-2323
E-mail: jpollard@pbl.ca

Rob Rose
Chief Financial Officer
Telephone: (204) 474-2323
E-mail: rrose@pbl.ca