banknote limited

NEWS RELEASE

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For Immediate Release

IDAHO LOTTERY EXTENDS INSTANT TICKET CONTRACT WITH POLLARD BANKNOTE

WINNIPEG, Manitoba, January 4, 2017 /CNW/ – Pollard Banknote Limited (TSX: PBL) ("Pollard Banknote") is pleased to announce that it has received a two-year contract extension from the Idaho Lottery for the supply of Scratch Game™ tickets and related services. This agreement begins in May 2017 and marks the second of three potential two-year contract extensions.

Since 2013, Pollard Banknote has partnered with the Idaho Lottery to help strengthen its Scratch Game™ portfolio. Pollard Banknote prints a broad range of games for the Idaho Lottery, including extended play, licensed games, and holiday offerings.

In 2013, the Idaho Lottery became the first U.S. lottery to launch a $5 *Frogger* scratch game. A second version of Frogger—a licensed brand available to lotteries exclusively through Pollard Banknote—appeared in 2015. Each of these games were complemented with an interactive game to enhance player engagement. The games were very popular with Idaho players—ranking as the Idaho Lottery's two best-selling $5 games based on 10-week average sales.

The Idaho Lottery has leveraged some of Pollard Banknote's innovative print products. The Lottery's first $25 game, *25th Anniversary*, showcased Scratch FX®, a patented Pollard Banknote printing feature that added festive, sparkling effects to the ticket's design. The Idaho Lottery is currently employing Pollard Banknote's Eco Scratch™ for its $2 holiday game, *Santa Paws*. Eco Scratch™ stock resembles brown kraft paper, giving instant tickets a hand-crafted, nostalgic feel that is perfect for the holiday season.

"Like Pollard Banknote, the Idaho Lottery embraces and promotes innovation, making us great partners. Due to their desire to keep ahead of industry trends and willingness to introduce new products, the Idaho Lottery continues to incorporate successful, innovative products into its Scratch Game™ portfolio," said Byron Peterson, Director, Sales & Marketing, Pollard Banknote. "We are eager to continue to work with Idaho to identify new opportunities to drive growth and revenue that supports Idaho's public schools and the State's Permanent Building Fund."

"Pollard Banknote has demonstrated their responsiveness and willingness to dedicate the necessary resources required to assist the Idaho Lottery to improve the products and services we provide to our players. This commitment has been met with marketplace acceptance and success, which translates into meaningful dividends for the State of Idaho," said Jeff Anderson, Idaho Lottery Director. "The Lottery strives to be at the forefront of industry innovation and we look forward to continuing our partnership with Pollard Banknote to help strengthen our Scratch Game™ portfolio."

About Idaho Lottery

The Idaho Lottery responsibly provides a variety of entertaining games featuring Powerball, Mega Millions, Scratch Games™, and PullTabs, with a high degree of integrity to maximize the dividend for Idaho public schools and the permanent building fund. Since their inception in 1989, the Idaho Lottery has sold over $3.1 billion in products, awarded over $1.9 billion in prizes to players, returned $186.5 million in retail commissions, and distributed $744 million in Lottery dividends to Idaho public schools and the Permanent Building Fund. To learn more, please visit www.idaholottery.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.

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