POLLARD banknote limited

NEWS RELEASE

February 1, 2017
For Immediate Release

POLLARD BANKNOTE AWARDED INSTANT TICKET PRINTING CONTRACT EXTENSION FROM THE ARIZONA LOTTERY

WINNIPEG, Manitoba, February 1, 2017 /CNW/ – Pollard Banknote Limited (TSX: PBL) ("Pollard Banknote") is pleased to announce a one-year extension to its Instant Printing and Production Services contract with the Arizona Lottery. Under this agreement, Pollard Banknote will continue to provide the Lottery with instant ticket printing and related services until January 14, 2018.

This extension continues Pollard Banknote's long-standing partnership with the Lottery that began in 1998. This relationship is a testament to the company's ability to foster enduring, cooperative, and mutually beneficial relationships with its lottery partners, together fulfilling the common goal of increasing revenues and profits that support good causes—such as improving the quality of life for the people of Arizona. In addition to providing instant ticket printing to the Arizona Lottery, Pollard Banknote delivers marketing support and strategic planning, research, and design testing.

The year 2016 marked the Arizona Lottery's 35th anniversary. To celebrate, the Lottery launched a 35th anniversary family of instant tickets at the $1, $2, $5, and $10 price points. The tickets featured Pollard Banknote's patented Scratch FX®, an innovative printing process that adds a celebratory holographic shine to the ticket design, making it a perfect way to commemorate three-and-a-half decades of contributing to important programs that benefit Arizona residents. During this momentous year, the Lottery also launched its first ticket on Pollard Banknote's Eco Scratch™ stock. The brown kraft paper effect of Eco Scratch™ on $1 *Letter to Santa* gave the ticket the nostalgic look of a classic brown envelope, which appealed to players. *Letter to Santa*'s 10-week average sales were 34% higher than all other $1 games launched in Arizona since 2013!

"Our relationship with Pollard Banknote began nearly two decades ago, and in that time we have achieved great success implementing many of the company's strategic recommendations," said Gregg Edgar, Executive Director of the Arizona Lottery. "We have worked closely with Pollard Banknote to grow our instants sales and will continue to explore new ways to increase excitement for our players, sales for our retailers, and transfer dollars to our beneficiaries.

"We are very proud of our enduring partnership with the Arizona Lottery," said Brad Thompson, Director, Sales & Marketing, Pollard Banknote. "Through ongoing consultation, the Lottery has taken advantage of many of our print innovations over the years, including Scratch FX® and the recent launch of the Lottery's first Eco Scratch™ ticket. We are excited to have the opportunity to continue working with the Lottery to offer the best games and services in order to generate revenues for a variety of vital state programs."

The Arizona Lottery's mission is to support Arizona programs for the public benefit by maximizing net revenue in a responsible manner. Since 1981, the Lottery and its retail partners have generated more than $3 billion in net funding in support of programs that help to improve the quality of life for the people of

Arizona. Proceeds from Lottery ticket sales—more than $3.7 million per week—help fund arts and education, community enrichment, economic development, environmental conservation, health and human services, and public safety programs. Learn more at www.arizonalottery.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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