



IMAX China Reports Full-Year 2016 Results

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GREATER CHINA HIGHLIGHTS

- Signed agreements for a record 238 new theatres in 2016, more than the previous two years combined, resulting in a year-end backlog of 334 theatres
- Installed a record 117 new theatre systems, a 56% increase over 2015, which brings the commercial China network to 407 screens across 149 cities
- IMAX China together with IMAX Corporation completed the first phase of a \$50 million Virtual Reality ("VR") fund alongside several strategic investors to help finance the creation of at least 25 interactive VR content experiences for use across all VR platforms, including IMAX VR centres
- Heightened pace of installation activity is expected to continue as IMAX China sets current-year install guidance at levels similar to 2016

IMAX China Holding, Inc. ("IMAX China," HKG: 1970) today reported full-year 2016 revenue of \$118.5 million and gross profit of \$69.3 million, or 58.5% of revenues. Adjusted profit for the year came in at \$37.6 million, down 13% from the prior year, primarily reflecting weaker box office and the installation of 34 additional revenue-sharing theatres in 2016 versus 2015, which carry one-time upfront marketing and launch costs. For adjustments to net profit and a full detail of our financial results, please refer to our corporate filing posted with the Hong Kong Stock Exchange or to our earnings results posted on the Investor Relations section of the IMAX China website (<http://www.imax.cn/investor>).

"We achieved a number of exciting accomplishments in 2016 that we believe will continue to facilitate meaningful growth in IMAX China for years to come," said Richard L. Gelfond, Chairman of IMAX China. "The IMAX network reached an astounding 407 commercial screens across 149 cities – with another 334 theatres in backlog. In 2016 alone, we expanded the network by more than 40% and saw record-level signings activity, most of which came from existing partners looking to further expand their existing IMAX footprint. This is particularly encouraging as these metrics not only serve as a key barometer for future growth, they also come ahead of what has already been a strong start to the robust 2017 film slate, with hit titles such as *Journey to the West: The Demons Strike Back* and *xXx: Return of Xander Cage*."

Network Update

The IMAX® theatre network in Greater China has reached 424 systems as of Dec. 31, 2016, of which 407 were in commercial multiplexes. Currently, 261 of these theatres are operating under revenue-sharing arrangements and 163 are operating under sales and sales-type lease arrangements. There were also 334 theatres in backlog as of Dec. 31, 2016, of which 275 are for revenue sharing arrangements. The Company also installed 117 new theatres systems and two laser GT upgrades in 2016, which is up from the 75 installations and two upgrades recognized in 2015.

"In terms of new business opportunities in China, we've already taken significant first steps towards our premium, location-based VR initiative – we completed the first phase of a \$50 million virtual reality fund with several leading strategic partners, including China Media Capital and Enlight Media. IMAX Corporation also announced the first pilot IMAX VR Centre in China with JinYi, which should be open in the coming months. While the company's VR venture is still in its pilot phase, we are extremely encouraged by the initial results and we will continue pursuing efforts like VR and original content to further establish IMAX as a leader in the entertainment industry."

Greater China Key Metrics

| | <u>Twelve Months ended December 31</u> | |
|-------------------------------|--|---------------|
| | <u>FY2016</u> | <u>FY2015</u> |
| Greater China Signings | | |
| Sales | 37 | 29 |
| Revenue Share | 201 | 45 |
| Total | 238 | 74 |

the possibility of constrained film supply; risks related to the Company's implementation of a new enterprise resource planning system; risks related to the Company's prior restatements and the related litigation; and other factors, many of which are beyond the control of the Company. These factors, other risks and uncertainties and financial details are discussed in IMAX's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

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