



IMAX Corporation Reports Fourth Quarter and Year End Results

March 1, 2002

TORONTO, March 1 /PRNewswire-FirstCall/ -- IMAX Corporation (Nasdaq: [IMAX - news](#); TSE: [IMX - news](#)) today reported its results for the fourth quarter and fiscal year ended December 31, 2001. The Company reported earnings, after extraordinary and unusual items, of \$0.63 per share for the fourth quarter on a fully diluted basis, versus a loss, also after extraordinary and unusual items, of \$1.08 in the prior year period. For the fiscal year ended December 31, 2001, the Company reported losses, after extraordinary and unusual items, of \$4.69 per share on a fully diluted basis. The Company reported cash of \$26.4 million at December 31, 2001.

"Our fourth quarter results reflect the beginning of an upturn in our business and an increasing momentum which we expect to continue in 2002," said IMAX Co-Chief Executive Officers Richard L. Gelfond and Bradley J. Wechsler. "In 2001, we achieved significant objectives, including implementing and completing our restructuring plan, retiring a significant amount of debt and laying the foundation to return IMAX to growth. We expect to be profitable in 2002."

During the fourth quarter the Company signed leases for eight new theatre systems versus four in the first nine months of 2001 and three in the fourth quarter of 2000. These signings include the Company's first theatre system with National Amusements, a third system and a 3D system upgrade with the Smithsonian Institution and an additional two system deal with IT International Theatres.

Messrs. Gelfond and Wechsler continued, "2002 is off to a good start with the strong performance of Disney's Beauty and the Beast. The year should continue to be strong as Beauty is followed by our 3D film SPACE STATION, which has signed more leases prior to release than any other film in our history, Disney's Ultimate-X in the spring and James Cameron's Ghosts of the Abyss in the fall. We are particularly excited by Disney's decision to simultaneously release its 2002 holiday animated film Treasure Planet to 35mm and IMAX® theatres. We believe that this unprecedented film slate coupled with our emergence as a new release window for Hollywood product should lead to significant new theatre system sales in the future."

Shortly after the conclusion of the fourth quarter, the Company retired an additional \$20 million of its 5.75% Convertible Subordinated Notes due April 2003. In total the Company has retired approximately \$90 million of the total \$100 million in principal of these Notes at a cost of less than 24% of face value.

In the fourth quarter, the Company's revenues were \$33.9 million as compared to \$46.3 million in the prior year. Systems revenue was \$24.6 million versus \$32.8 million in the prior year as the Company recognized revenues on six theatre systems in the fourth quarter of 2001 versus eight theatre systems in the fourth quarter of 2000. Film revenue was \$6.6 million versus \$10.3 million in the prior year. Other revenue was \$2.6 million as compared to \$3.3 million in the prior year. The Company had a reported profit of \$0.63 per share for the fourth quarter on a fully diluted basis after extraordinary and unusual items as compared to losses of \$1.08 per share in the fourth quarter of 2000. The Company's sales backlog was approximately \$157 million at December 31, 2001, representing contracts for 60 theatre systems.

For the fiscal year ended December 31, 2001, the Company's revenues were \$118.7 million as compared to \$173.1 million in the prior-year period. Systems revenue was \$76.6 million versus \$113.2 million in the prior-year period as the Company recognized revenues on 15 theatre systems, one of which was an operating lease, as compared to 24 theatre systems in the prior-year period. Film revenue was \$29.9 million as compared to \$41.7 million in the prior year. Other revenue was \$12.2 million versus \$18.2 million in the prior year in part due to the strong Company-owned theatre revenue in the first four months of 2000 as a result of the release of Fantasia/2000: The IMAX Experience®. For the fiscal year ended December 31, 2001, the Company reported a loss of \$4.69 per share on a fully diluted basis after extraordinary and unusual items. The Company's comparative results for the fiscal year ended December 31, 2000 were losses of \$3.11 per share, after giving effect to the cumulative effect of changes in accounting principles related to SAB 101 and SOP 00-2.

The above numbers treat the Company's former subsidiary Digital Projection International as a discontinued operation for all reported periods.

Founded in 1967, IMAX Corporation is one of the world's leading entertainment technology companies. IMAX's businesses include the world's best cinematic presentations together with IMAX, IMAX 3D and the development of the highest quality digital production and presentation. The IMAX brand is recognized throughout the world for extraordinary and immersive family experiences. As of December 2001, there were more than 225 IMAX theatres operating in 30 countries. More than 700 million people have seen an IMAX presentation since the medium premiered in 1970. IMAX Corporation is a publicly traded company listed on both the Toronto and Nasdaq stock exchanges. IMAX® is a registered trademark of IMAX Corporation. More information on the Company can be found at <http://www.imax.com>.

This press release contains forward-looking statements that are based on management assumptions and existing information and involve certain risks and uncertainties which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Important factors that could affect these statements include the timing of theatre system

installations, the mix of theatre systems shipped, the timing of the recognition of revenues and expenses on film production and distribution agreements, the viability of new businesses and fluctuations in foreign currency and in the large format and general commercial exhibition market. These factors and other risks and uncertainties are discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2000 and in the subsequent reports filed by the Company with the Securities and Exchange Commission.

IMAX CORPORATION
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 Amounts in Accordance with United States Generally Accepted Accounting
 Principles □
 (in thousands of U.S. dollars, except per share data)
 (unaudited) □

	Three months ended December 31,		Years ended December 31,	
	2001	2000	2001	2000
Revenue □				
IMAX systems	\$24,628	\$32,753	\$76,582	\$113,226
Films	6,611	10,282	29,923	41,711
Other	2,619	3,289	12,154	18,179
	33,858	46,324	118,659	173,116
Cost of goods and services	24,260	37,165	97,391	112,655
Gross margin	9,598	9,159	21,268	60,461
Selling, general and administrative □				
expenses	12,786	22,911	48,962	53,384
Research and development	376	2,706	3,385	6,497
Amortization of intangibles	733	829	3,005	2,948
Loss (income) from equity-accounted □ investees	(396)	4,320	(73)	4,811
Restructuring costs and asset impairments	189	11,152	59,868	11,152
Loss from operations	(4,090)	(32,759)	(93,879)	(18,331)
Interest income	122	320	847	3,285
Interest expense	(5,523)	(5,686)	(22,020)	(21,961)
Impairment of long-term investments	--	(4,133)	(5,584)	(4,133)
Foreign exchange gain (loss)	(137)	103	(1,357)	(1,781)
Loss from continuing operations before income taxes	(9,628)	(42,155)	(121,993)	(42,921)
Recovery of (provision for) income taxes	(9,809)	13,080	(11,005)	13,139
Net loss from continuing □ operations	(19,437)	(29,075)	(132,998)	(29,782)
Net earnings (loss) from discontinued operations	7,862	(3,471)	(50,850)	(2,055)
Net loss before cumulative effect of changes in accounting principles and extraordinary items	(11,575)	(32,546)	(183,848)	(31,837)
Cumulative effect of changes in accounting principles, net of income tax benefit				

of \$37,286	--	--	--	(61,110)
Extraordinary gain on repurchase of convertible <input type="checkbox"/> subordinated notes, net of income tax expense of \$16,843	31,209	--	38,734	--
Net earnings (loss)	\$19,634	\$(32,546)	\$(145,114)	\$(92,947)
Per share data :				
Earnings (loss) per share - basic and diluted:				
Net loss from continuing operations				
before income taxes	\$ (0.31)	\$ (1.40)	\$ (3.95)	\$ (1.44)
Net loss from continuing <input type="checkbox"/> operations				
	\$ (0.62)	\$ (0.97)	\$ (4.30)	\$ (1.00)
Net earnings (loss) from discontinued operations				
	\$0.25	\$ (0.11)	\$ (1.64)	\$ (0.07)
Net loss before cumulative effect of changes in accounting principles and extraordinary items				
	\$ (0.37)	\$ (1.08)	\$ (5.94)	\$ (1.07)
Cumulative effect of changes in accounting principles				
	\$--	\$--	\$--	\$ (2.04)
Extraordinary items	\$1.00	\$--	\$1.25	\$--
Net earnings (loss)	\$0.63	\$(1.08)	\$(4.69)	\$(3.11)
Weighted average number of shares outstanding (000's)				
Basic and diluted	31,286	30,039	30,916	29,874