



IMAX Corporation Announces Significant Debt Reduction

January 8, 2002

TORONTO, Jan. 8 /PRNewswire-FirstCall/ -- IMAX Corporation (Nasdaq: IMAX; TSE:IMX) today announced that it and its wholly owned subsidiary Mitey Cinemas, Inc. have purchased an additional \$42 million in face value of IMAX's 5 3/4% Convertible Subordinated Notes due April 1, 2003. These Notes will be retired by the parent company. After giving effect to these purchases, and other previously reported transactions, the Company has retired approximately \$90 million of the original \$100 million issue. The \$90 million of Notes were repurchased in exchange for both cash and 1.7 million common shares at an aggregate average cost of less than 24% of face value.

"The retirement of 90% of these Notes virtually eliminates any April 2003 re-financing risk and puts IMAX on a solid financial footing to implement our long-term growth strategy," commented IMAX co-CEOs Richard L. Gelfond and Bradley J. Wechsler. "We were able to retire these notes at a significant discount to face value, 24c on the dollar, while maintaining an appropriate level of cash to run our business. Almost all of our remaining debt consists of our Senior Notes due December of 2005."

"Along with this significant retirement of debt, 2002 has begun very well with the strong performance of Disney's Beauty and the Beast," continued Gelfond and Wechsler. "Our improved financial position allows IMAX to further benefit from this year's strong film slate, technological advances and the strengthening condition of our customer base. This transaction will create significant value for our shareholders and gives us increased optimism about IMAX's future."

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 September 2001, there were more than 220 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(R) 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 effect these statements include the timing of theatre system deliveries, 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.

SOURCE IMAX Corporation

CONTACT:

Media - Victoria Dinnick of IMAX Corporation, Toronto,
+1-905-403-6366, vdinnick@imax.com; or Analysts - Stephen G. Abraham of IMAX
Corporation, New York, +1-212-821-0140, sabraham@imax.com; or Al Newman
(Entertainment Media) of Newman & Company, Los Angeles, +1-818-784-2130,
asn@newman-co.com