



IMAX Signs Three Theatre Deal in Israel

November 1, 2005

Epic Entertainment to Launch Three New Multiplex-Based IMAX(R) Theatres and Build on Success of First Site in Eilat

TORONTO, Nov. 1 /PRNewswire-FirstCall/ - IMAX Corporation (Nasdaq: IMAX; TSX: IMX) today announced an agreement with SKS Holdings, a subsidiary of Epic Entertainment, to install three IMAX(R) theatre systems at multiplexes throughout Israel. Epic currently operates one IMAX theatre in the Red Sea resort town of Eilat, and since opening in May 2004, the site has become one of the most heavily trafficked paid attractions in Israel. The new IMAX theatres will feature Hollywood event films digitally re-mastered into IMAX's format, and the specific locations are to be announced. The deal significantly increases IMAX's presence in the Middle East, where a total of twelve IMAX theatres are now slated to be open by 2008.

"The power of The IMAX Experience(R) transcends all cultures, languages and geographical boundaries, as does IMAX's value proposition to commercial theatre operators," said IMAX Co-CEOs and Co-Chairmen Richard L. Gelfond and Bradley J. Wechsler. "Exhibitors around the world are increasingly installing IMAX theatres in their multiplexes and benefiting from the strong box office returns of IMAX's digitally re-mastered blockbusters. We're very pleased to join with Epic Entertainment to grow our theatre network in Israel - a country with a demographic profile well suited to support many successful IMAX theatres, and where The IMAX Experience has already been embraced. We feel this deal bodes well for our future expansion in the Middle East and helps illustrate the strong growth potential of the worldwide IMAX theatre network."

Epic's Bennett Kaplan and Peter Israelson added: "We have been very pleased with our first IMAX theatre, which has become a number one attraction, registered extremely high customer satisfaction ratings and illustrated the drawing power of digitally re-mastered Hollywood films in IMAX's format. The theatre has been a huge success, with more than 1 million paid visitors in its first 18 months, and audiences regularly paying a \$5 ticket premium to take part in The IMAX Experience. Based on our experience, we see that IMAX represents a compelling and profitable business opportunity, and we're confident we can replicate our early success with our next IMAX theatres."

Epic Entertainment's IMAX theatres are scheduled to open in major urban cities across Israel with the specific locations to be announced. All the sites will be capable of showcasing Hollywood event films converted into the unparalleled image and sound quality of The IMAX Experience, as well as original IMAX productions in 2D and IMAX(R) 3D.

About Epic Entertainment

Epic Entertainment is based in the US, and was established for the purpose of developing IMAX sites throughout the world. The four sites in Israel are the beginning of that effort. Founded by Bennett Kaplan, a real estate developer on the East Coast, and Peter Israelson, a prolific movie, commercial and music video director, the team brings both creative and business expertise to the effort.

About IMAX Corporation

Founded in 1967, IMAX Corporation is one of the world's leading entertainment technology companies and the newest distribution window for Hollywood films. IMAX delivers the world's best cinematic presentations using proprietary IMAX, IMAX 3D, and IMAX DMR(R) technology. IMAX DMR (Digital Re-mastering) makes it possible for virtually any 35mm film to be transformed into the unparalleled image and sound quality of The IMAX Experience. The IMAX brand is recognized throughout the world for extraordinary and immersive entertainment experiences. As of June 30, 2005, there were 259 IMAX theatres operating in more than 36 countries.

IMAX(R), IMAX(R) 3D, IMAX DMR(R) and The IMAX Experience(R) are trademarks of IMAX Corporation. More information on the Company can be found at www.imax.com.

This press release contains forward looking statements that are based on management's 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 deliveries, the mix of theatre systems shipped, the timing of the recognition of revenues and expenses on film production and distribution agreements, the performance of films, the viability of new businesses and products, 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, 2004 and in the subsequent reports filed by the Company with the Securities and Exchange Commission.

SOURCE IMAX Corporation

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