



IMAX to File Form 10-K/A

October 5, 2007

TORONTO, Oct. 5 /PRNewswire-FirstCall/ - IMAX Corporation (NASDAQ:IMAX; TSX:IMX) announced today that it plans to file a Form 10-K/A for fiscal 2006 to amend its Annual Report on Form 10-K for 2006, which was filed on July 20, 2007. The Form 10-K/A will restate financial statements relating to the Company's accounting for certain terms of 7 real estate leases for its owned and operated theatres and corporate facilities, with most of the income statement impact being from 1997 - 2002. The Company plans to file a Form 10-Q/A to amend its Form 10-Q filings for the first and second quarters of 2007 for the same reason.

Previously, the Company had recorded rent reductions received in connection with certain real property leases in the years such reductions were received, rather than on a straight-line basis over the remaining lease term. These reductions included rent holidays and abatements. In addition, the Company did not properly record certain leasehold improvements funded by landlord construction allowances.

The aggregate amount of the charge at issue is approximately \$5.5 - \$6.5 million, with approximately \$5 million relating to the 1997 - 2002 period. This \$5.5 - \$6.5 million deferred rent credit will be amortized into income over the remaining terms of the applicable real estate leases. The Company emphasized that this restatement is not expected to impact its cash or liquidity or relate to revenue recognition in connection with theatre system or film revenue.

Because of the aforementioned error, management and the Audit Committee have cautioned that the Company's prior-filed financial statements on Forms 10-K and 10-Q should not be relied upon until the financial statements are restated, which the Company expects to occur within 35 days. In addition, the Company's Forms 10-K/A and 10-Q/A will include certain additional and enhanced narrative disclosure in response to comments received by the Company from the U.S. Securities and Exchange Commission.

The results set forth in this press release, including expected restatement impacts, are preliminary and subject to change as a result of any adjustment or modification resulting from the process of preparing and filing the Company's Forms 10-K/A and 10-Q/A.

About IMAX Corporation

IMAX Corporation is one of the world's leading entertainment technology companies, specializing in digital and film-based motion picture technologies. The worldwide IMAX network is among the most important and successful theatrical distribution platforms for major event Hollywood films around the globe, with IMAX(R) theatres delivering the world's best cinematic presentations using proprietary IMAX, IMAX(R) 3D, and IMAX DMR(R) technology. IMAX DMR is the Company's groundbreaking digital remastering technology that allows it to digitally transform virtually any conventional motion picture into the unparalleled image and sound quality of The IMAX Experience(R). IMAX's renowned projectors display crystal-clear images on the world's biggest screens, and the IMAX brand is recognized throughout the world for extraordinary and immersive entertainment experiences for consumers. As of June 30, 2007, there were 290 IMAX theatres operating in 40 countries.

IMAX(R), IMAX(R) 3D, IMAX DMR(R), IMAX MPX(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 ongoing discussions with the SEC and OSC relating to their ongoing inquiries and the Company's financial reporting and accounting, 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, risks arising from potential material weaknesses in internal control over financial reporting 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, 2006, as well as the Company's Quarterly Reports on Form 10-Q.

SOURCE IMAX Corporation

CONTACT: Media: IMAX Corporation, New York, Sarah Gormley, (212) 821-0155, sgormley@imax.com; Entertainment Media: Newman & Company, Los Angeles, Al Newman, (310) 278-1560, asn@newman-co.com; Investors: Integrated Corporate Relations, Amanda Mullin, (203) 682-8243; Business Media: Sloane & Company, New York, Whit Clay, (212) 446-1864, wclay@sloanep.com
(IMX. IMAX)