



IMAX China Full-Year 2015 Financial Results

February 25, 2016

SHANGHAI, Feb. 25, 2016 /PRNewswire/ --

- 2015 Greater China box office reached \$312.4 million, a 53.8% increase over 2014
- Annual per screen averages (PSAs) in Greater China grew to \$1.34 million, a 10% increase over the prior year
- Total revenues grew 41.4% to \$110.6 million, as a result of record box office and theatre system installations
- Gross profit for 2015 was \$72.3 million, which resulted in a gross margin of 65.4%, up from 59.4% in the prior year
- Adjusted EBITDA of \$64.8 million grew 58.5% year-over-year, resulting in EBITDA margins of 58.6%, up from 52.2% in the prior year
- 2015 adjusted profit grew 66.9% year-over-year to \$43.4 million, resulting in adjusted profit margins of 39.2%
- Installed a record 75 new installations in 2015, bringing total network to 307 theatres. Of these installations, 25 were sales-type arrangements, 29 were full revenue-sharing arrangements and 21 were hybrid revenue-sharing arrangements
- Signed contracts for 74 theatres in 2015, bringing backlog to 215 systems
- Received \$57.0 million in net proceeds from initial public offering on Oct. 8, 2015, resulting in cash balance of \$90.7 million as of Dec. 31, 2015

IMAX Corporation's (NYSE: IMAX) IMAX China (HKSE: 1970) yesterday reported results for full-year 2015, including the highest-ever annual revenues, operating profit, adjusted net profit, box office and installations, in its history. The Company's strong results for 2015 reflect the continuing demand for the IMAX format among growing consumer spending, coupled with continued operating leverage resulting from a rapidly expanding network and strong box office.



For the full year 2015, IMAX China delivered \$110.6 million in total revenues, up 41% from 2014. Gross profit was \$72.3 million, or 65% of total sales. This compares to the 59% achieved in 2014. Operating profit was up 36% to \$42.4 million. On an adjusted basis, net income came in at \$43.4 million, up 67% from last year.

Adjustments to net profit for 2015 included \$3.0 million for stock based compensation and \$9.2 million for non-recurring initial public offering related costs. In addition, adjustments included two non-cash, non-recurring charges totaling \$213.7 million related specifically to the Company's pre-IPO minority investor agreement (the "Pre-IPO Agreement") which terminated on Oct. 8, 2015, as a result of its successful initial public offering. While the Pre-IPO Agreement was in effect, the Company's minority investors had redemption options that IFRS accounting rules required be marked to market. The revaluation of these options to market value resulted in a non-cash charge of \$209.9 million in 2015. This charge, along with an additional, \$3.8 million of related non-cash, non-recurring charges, was reversed and recorded directly to shareholders equity on the balance sheet in accordance with IFRS rules upon termination of the Pre-IPO Agreement.

The following table sets out the Company's adjusted profits for the years indicated:

	FY 2015	FY 2014
	US\$'000	US\$'000
(Loss) profit for the year	(181,865)	22,781
Adjustments:		
Share based compensation	3,020	1,149
Accretion of amortised cost of financial instrument	3,790	1,732
Fair value adjustment of conversion option	209,884	577
IPO related costs	9,167	-
<u>Tax impact on items above</u>	<u>(643)</u>	<u>(261)</u>
Adjusted Profit	43,353	25,978

The following table sets out the Company's adjusted EBITDA for the years indicated:

FY 2015 **FY 2014**

	US\$'000	US\$'000
(Loss) profit for the year	(181,865)	22,781
Adjustments:		
Interest income, net of expense	(436)	(211)
Income tax expense	10,998	6,285
Depreciation and amortization, including film asset amortization	10,229	8,552
Share based compensation	3,020	1,149
Add non-recurring adjustments related to the IPO:		
Accretion of amortised cost of financial instrument	3,790	1,732
Fair value adjustment of conversion option	209,884	577
<u>IPO related costs</u>	<u>9,167</u>	-
Adjusted EBITDA	64,787	40,865

About IMAX China

IMAX China is a subsidiary of IMAX Corporation, and is incorporated under the laws of Cayman Islands. IMAX China was established by IMAX Corporation specifically to oversee the expansion of IMAX's business throughout Greater China. IMAX China trades on the Hong Kong Stock Exchange under the stock code "HK.1970."

About IMAX Corporation

IMAX, an innovator in entertainment technology, combines proprietary software, architecture and equipment to create experiences that take you beyond the edge of your seat to a world you've never imagined. Top filmmakers and studios are utilizing IMAX theatres to connect with audiences in extraordinary ways, and, as such, IMAX's network is among the most important and successful theatrical distribution platforms for major event films around the globe.

IMAX is headquartered in New York, Toronto and Los Angeles, with offices in London, Tokyo, Shanghai and Beijing. As of Dec. 31, 2015, there were 1,061 IMAX theatres (943 commercial multiplexes, 19 commercial destinations and 99 institutions) in 67 countries. On Oct. 8, 2015, shares of IMAX China, a subsidiary of IMAX Corp., began trading on the Hong Kong Stock Exchange under the stock code "HK.1970."

IMAX®, IMAX® 3D, IMAX DMR®, Experience It In IMAX®, An IMAX 3D Experience®, The IMAX Experience®, IMAX Is Believing® and IMAX nXos® are trademarks of IMAX Corporation. More information about the Company can be found at www.imax.com. You may also connect with IMAX on Facebook (www.facebook.com/imax), Twitter (www.twitter.com/imax) and YouTube (www.youtube.com/imaxmovies).

This press release contains forward looking statements that are based on IMAX 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, but are not limited to, references to future capital expenditures (including the amount and nature thereof), business and technology strategies and measures to implement strategies, competitive strengths, goals, expansion and growth of business, operations and technology, plans and references to the future success of IMAX Corporation together with its wholly-owned subsidiaries (the "Company") and expectations regarding the Company's future operating, financial and technological results. These forward-looking statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. However, whether actual results and developments will conform with the expectations and predictions of the Company is subject to a number of risks and uncertainties, including, but not limited to, the signing of theatre system agreements; conditions, changes and developments in the commercial exhibition industry; the performance of IMAX DMR films; the potential impact of increased competition in the markets within which the Company operates; competitive actions by other companies; the failure to respond to change and advancements in digital technology; risks associated with investments and operations in foreign jurisdictions and any future international expansion, including those related to economic, political and regulatory policies of local governments and laws and policies of the United States and Canada; risks related to the Company's growth and operations in China; the Company's largest customer accounting for a significant portion of the Company's revenue and backlog; risks related to new business initiatives; conditions in the in-home and out-of-home entertainment industries; the opportunities (or lack thereof) that may be presented to and pursued by the Company; risks related to cyber-security; risks related to the Company's inability to protect the Company's intellectual property; risks related to the Company's implementation of a new enterprise resource planning system; general economic, market or business conditions; the failure to convert theatre system backlog into revenue; changes in laws or regulations; 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.

For additional information please contact:

<p>Investors: IMAX Corporation, New York Jessica Kourakos 212-821-0100 jkourakos@imax.com</p> <p>IMAX Corporation, Shanghai Michael Mougias 86-139-1802-2074 mmougias@imax.com</p>	<p>Media: IMAX Corporation, New York Ann Sommerlath 212-821-0155 asommerlath@imax.com</p> <p>Entertainment Media: Principal Communications Group, Los Angeles Melissa Zuckerman/Paul Pflug 323-658-1555 melissa@pcommgroup.com paul@pcommgroup.com</p>
---	--

Business Media:

Sloane & Company, New York

Whit Clay

212-446-1864

wclay@sloanepr.com

Logo - <http://photos.prnewswire.com/prnh/20111107/MM01969LOGO>

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/imax-china-full-year-2015-financial-results-300226492.html>

SOURCE IMAX Corporation