UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2000

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 0-24216

IMAX CORPORATION
(Exact name of registrant as specified in its charter)

Canada	98-0140269
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

2525 Speakman Drive, Mississauga, Ontario, Canada	L5K 1B1
(Address of principal executive offices)	(Postal Code)

Registrant's telephone number, including area code (905) 403-6500

N/A
(Former name or former address, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No _____

Indicate the number of shares of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding as of October 31, 2000
Common stock, no par value	30,051,514

IMAX CORPORATION

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FORWARD LOOKING INFORMATION

Certain statements included herein may constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements may include, but are not limited to, references to future capital expenditures (including the amount and nature thereof), business strategies and measures to implement strategies, competitive strengths, goals, expansion and growth of its business and operations, plans and references to the future success of the Company. 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, general economic, market or business conditions; the opportunities (or lack thereof) that may be presented to and pursued by the Company; competitive actions by other companies; conditions in the out-of-home entertainment industry; changes in laws or regulations; 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; and the potential impact of increased competition in the markets the Company operates within; and other factors, many of which are beyond the control of the Company. Consequently, all of the forward-looking statements made herein are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company.

IMAX CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
In accordance with U.S. Generally Accepted Accounting Principles
(in thousands of U.S. dollars)
(unaudited)

	September 30, 2000	December 31, 1999
Assets		
Current assets		
Cash and cash equivalents	$ 14,495	$ 34,573
Short-term marketable securities	18,902	49,159
Accounts receivable	57,960	42,619
Current portion of net investment in leases	32,254	33,918
Inventories and systems under construction (note 2)	41,841	31,141
Prepaid expenses	6,584	2,621
Total current assets	172,036	194,031
Long-term marketable securities	2,750	39,873
Net investment in leases	108,360	103,087
Film assets	47,609	38,453
Capital assets	95,864	66,897
Goodwill	62,954	62,751
Other assets	28,570	28,232
Deferred income taxes	4,433	4,913
Total assets	$ 522,576	$ 538,237
Liabilities		
Current liabilities		
Accounts payable	$ 19,863	$ 18,361
Accrued liabilities	39,762	34,910
Current portion of deferred revenue	19,466	17,284
Income taxes payable	1,952	33,755
Total current liabilities	81,043	104,310
Deferred revenue	24,227	22,862
Senior notes	200,000	200,000
Convertible subordinated notes	100,000	100,000
Total liabilities	405,270	427,172
Commitments and contingencies (notes 3 and 4)		
Shareholders' equity		
Capital stock	59,086	57,471
Retained earnings	59,561	54,669
Accumulated comprehensive items (note 6)	(1,341)	(1,075)
Total shareholders' equity	117,306	111,065
Total liabilities and shareholders' equity	$ 522,576	$ 538,237

(See accompanying notes to the condensed consolidated financial statements on pages 7 to 14)

IMAX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
In accordance with U.S. Generally Accepted Accounting Principles
(in thousands of U.S. dollars, except per share amounts)
(unaudited)

	Three months ended September 30, 2000	Three months ended September 30, 1999	Nine months ended September 30, 2000	Nine months ended September 30, 1999
Revenue				
IMAX systems	$ 24,656	$ 25,458	$ 82,907	$ 66,767
Digital projection systems	14,084	2,010	38,297	2,010
Films	10,634	11,042	31,429	30,108
Other	4,224	3,943	14,890	14,569
	53,598	42,453	167,523	113,454
Costs and expenses	33,768	23,043	98,868	61,800
Gross margin	19,830	19,410	68,655	51,654
Loss from equity-accounted investees	121	288	491	450
Selling, general and administrative expenses	13,199	8,602	37,532	24,860
Research and development	1,962	1,027	5,568	2,314
Amortization of intangibles	1,018	581	3,063	1,526
Earnings from operations	3,530	8,912	22,001	22,504
Interest income	593	2,281	3,005	7,550
Interest expense	(5,618)	(5,401)	(16,275)	(16,415)
Foreign exchange gain (loss)	(355)	403	(1,008)	616
Earnings (loss) before income taxes and minority interest	(1,850)	6,195	7,723	14,255
Recovery of (provision for) income taxes	666	(2,451)	(2,831)	(5,595)
Earnings (loss) before minority interest	(1,184)	3,744	4,892	8,660
Minority interest	--	(501)	--	(1,207)
Net earnings (loss)	$ (1,184)	$ 3,243	$ 4,892	$ 7,453
Earnings per share (note 7)				
Basic	$ (0.04)	$ 0.11	$ 0.16	$ 0.25
Diluted	$ (0.04)	$ 0.11	$ 0.16	$ 0.24

(See accompanying notes to the condensed consolidated financial statements on pages 7 to 14)

IMAX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
In accordance with U.S. Generally Accepted Accounting Principles
(in thousands of U.S. dollars)
(unaudited)

	Nine months ended September 30, 2000	1999
Cash provided by (used in):		
Operating Activities		
Net earnings	$ 4,892	$ 7,453
Items not involving cash:		
Depreciation and amortization	21,707	17,330
Deferred income taxes	757	316
Loss from equity-accounted investees	491	450
Minority interest	--	1,208
Other	--	(461)
Change in net investment in leases	(11,525)	(7,233)
Change in deferred revenue on film production	282	4,537
Changes in non-cash operating assets and liabilities	(55,666)	(8,941)
Net cash provided by (used in) operating activities	(39,062)	14,659
Investing Activities		
(Increase)/decrease in marketable securities	67,380	(35,007)
Acquisition of Digital Projection Int'l, net of cash acquired	(900)	(25,724)
Increase in film assets	(18,555)	(11,692)
Purchase of capital assets	(26,994)	(19,707)
Increase in other assets	(4,425)	(14,997)
Net cash provided by (used in) investing activities	16,506	(107,127)
Financing Activities		
Class C preferred shares dividends paid	--	(365)
Common shares issued	1,426	1,535
Net cash provided by financing activities	1,426	1,170
Effect of exchange rate changes on cash	1,052	405
Decrease in cash and cash equivalents during the period	(20,078)	(90,893)
Cash and cash equivalents, beginning of period	34,573	143,566
Cash and cash equivalents, end of period	$ 14,495	$ 52,673

(See accompanying notes to the condensed consolidated financial statements on pages 7 to 14)

IMAX CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
In accordance with U.S. Generally Accepted Accounting Principles
(Tabular amounts in thousands of U.S. dollars unless otherwise stated)
For the Nine-Month Periods Ended September 30, 2000 and 1999
(unaudited)

1. Basis of Presentation

The consolidated financial statements include the accounts of IMAX Corporation and its wholly owned and majority owned subsidiaries. The nature of the Company's business is such that the results of operations for the interim periods presented are not necessarily indicative of results to be expected for the fiscal year. In the opinion of management, the information contained herein reflects all adjustments necessary to make the results of operations for the interim periods a fair statement of such operations. All such adjustments are of a normal recurring nature.

These financial statements should be read in conjunction with the Company's most recent annual report on Form 10-K for the year ended December 31, 1999 which should be consulted for a summary of the significant accounting policies utilized by the Company.

2. Inventories and Systems Under Construction

	September 30, 2000	December 31, 1999
Raw materials	$ 20,619	$ 16,831
Work-in-process	13,836	11,974
Finished goods	7,386	2,336
	$ 41,841	$ 31,141

3. Financial Instruments

From time to time the Company engages in hedging activities to reduce the impact of fluctuations in foreign currencies on its profitability and cash flow. The credit risk exposure associated with these activities would be limited to all unrealized gains on contracts based on current market prices. The Company believes that this credit risk has been minimized by dealing with highly rated financial institutions.

To fund Canadian dollar costs in 2000 and 2001, the Company had entered into forward exchange contracts as at September 30, 2000 to hedge the conversion of $24.0 million of its cash flow into Canadian dollars at an average exchange rate of Canadian $1.48 per U.S. dollar.

To fund Pound Sterling costs in 2000, the Company entered into forward exchange contracts as at September 30, 2000 to hedge the conversion of $0.4 million of its cash flow into Pound Sterling at an average exchange rate of (pounds)0.68 per U.S. dollar.

To fund German Marks costs in 2000, the Company entered into forward exchange contracts as at September 30, 2000 to hedge the conversion of $0.1 million of its cash flow into German Marks at an average exchange rate of DM 2.01 per U.S. dollar.

The Company has also entered into foreign currency swap transactions to hedge minimum lease payments receivable under sales-type lease contracts denominated in Japanese Yen and French Francs. These swap transactions fix the foreign exchange rates on conversion of 79 million Yen at 98 Yen per U.S. dollar through September 2004 and on 11.4 million Francs at 5.1 Francs per U.S. dollar through September 2005.

3. Financial Instruments (cont'd)

These hedging contracts are expected to be held to maturity; however, if they were terminated on September 30, 2000, the Company would have realized a gain of approximately $0.2 million based on the then prevailing exchange rates.

The Company entered into an interest rate swap transaction in May 1999 for a term commencing June 1, 1999 and terminating on December 1, 2002. The Company has agreed to pay a floating rate of LIBOR plus 1.49% to June 1, 2000 and LIBOR plus 2.09% for the remainder of the term and the counterparty has agreed to pay a fixed rate of 7.875% on notional principal of $65 million. The floating rate is revised every 1/st/ of December, March, June and September. The Company adjusts interest expense over each three-month period for the net amount it is to receive from or pay to the counterparty. The interest rate swap is expected to be held to maturity; however, if it were terminated by the Company on September 30, 2000, the Company would have realized a loss of approximately $1.5 million based on the then prevailing interest rates.

4. Contingencies

(a) In April 1994, Compagnie France Film Inc. filed a claim against the Company in the Superior Court in the District of Montreal, in the Province of Quebec, alleging breach of contract and bad faith in respect of an agreement which the plaintiff claims it entered into with the Company for the establishment of an IMAX theater in Quebec City, Quebec, Canada. The plaintiffs claimed damages of Canadian $4.6 million, together with expenses and pre-judgment interest. Compagnie France Film had also incorporated a shell company, 3101-8450 Quebec Inc. ("3101"). 3101 was sued in an unrelated action to which the Company was not a party and, in February 1996, was found liable to pay damages in the amount of Canadian $2.5 million. Subsequent to that judgment 3101 intervened in the lawsuit between Compagnie France Film and the Company in order to claim such amount from the Company. In a decision rendered in April 1998, the Court dismissed the plaintiffs' claims with costs. In May 1998, Compagnie France Film Inc. and 3101 both filed appeals to the Quebec Court of Appeal. The Company believes that it will be successful in responding to these appeals and the amount of ultimate loss, if any, would not have a material impact on the financial position or results of operations of the Company, although no assurance can be given with respect to the ultimate outcome of this litigation.

(b) In January 2000, the Commission of the European Communities (the "Commission") informed the Company that Euromax, an association of European large screen cinema owners had filed a complaint against the Company under EC competition rules. The complaint addressed a variety of alleged abuses, mainly relating to the degree of the control that the Company asserts over the projection systems it leases, and the form and terms of the Company's agreements. No formal investigation has been initiated to date, and the Commission has limited itself to a request of IMAX to comment on the complaint. Should proceedings be initiated, it is expected that no decision would be rendered until 2001 at the earliest. Although the Commission has the power to impose fines of up to a maximum of 10% of Company revenue for breach of EC competition rules, the Company believes on the basis of currently available information and an initial review that such result would not be likely. The Company further believes that the allegations in the complaint are meritless and will accordingly defend the matter vigorously.

The Company believes that the amount of loss, if any, suffered in connection with this proceeding would not have a material impact on the financial position or results of operations of the Company, although no assurance can be given with respect to the ultimate outcome of this matter.

4. Contingencies - (cont'd)

(c) In April 2000, Themax Inc., a 33% owned investee of the Company, and certain of its shareholders (collectively "Themax") filed a claim against the Company in the Superior Court in the District of Longueuil, in the Province of Quebec, alleging breach of contract in respect of the IMAX(R) System Lease agreement between IMAX Ltd. and Themax dated February 5, 1996 as well as a claim for damages suffered as a result of IMAX Ltd.'s alleged failure to adequately manage the Brossard Theatre during its tenure as manager. Themax claimed damages representing a return of the original investment by Themax as well as lost profits and costs. The Company believes that the allegations are entirely without merit and has and will accordingly defend the matter vigorously. The Company believes that the amount of loss, if any, suffered in connection with this lawsuit would not have a material impact on the financial position or results of operations of the Company, although no assurance can be given with respect to the ultimate outcome for any such litigation.

(d) In June 2000, a complaint was filed against the Company and a third party by Mandalay Resort Group f/k/a Circus Circus Enterprises, Inc., alleging breach of contract and express warranty, fraud and misrepresentation in connection with the installation of certain motion simulation bases in Nevada. The complaint alleges damages in excess of $30,000. The Company believes that the allegations brought against it in this complaint are meritless and will accordingly defend the matter vigorously. The Company further believes that the amount of loss, if any, suffered in connection with this lawsuit would not have a material impact on the financial position or results of operations of the Company, although no assurance can be given with respect to the ultimate outcome for any such litigation.

(e) In addition to the litigation described above, the Company is currently involved in other litigation which, in the opinion of the Company's management, will not materially affect the Company's financial position or future operating results, although no assurance can be given with respect to the ultimate outcome for any such litigation.

5. Measurement Uncertainty

(a) On May 31, 2000, then Cinema Plus, a client of the Company based in Australia, appointed an administrator to restructure its financing and liquidity under the protection of Australian bankruptcy laws. On August 1, 2000, the administrator placed Cinema Plus into liquidation. Cinema Plus held nine system leases with the Company. On July 25, 2000, the Company signed a conditional agreement with MTM Entertainment Trust to lease and operate four IMAX theatres previously operated by Cinema Plus in Sydney, Melbourne, Adelaide and Brisbane, and subsequently acquired the assets of the theatres from the administrator and commenced operating the theatres under an interim agreement. The Company is in final negotiations with the construction company which built the Perth theatre to lease that theatre. The Company is also in negotiations with the theatre operators in Bangkok and Auckland to have these theatre operators either assume the lease of the systems or return the systems to the Company. The Company has repossessed the ninth system

5. Measurement Uncertainty - (cont'd)

(a) under lease by Cinema Plus and intends to re-lease the system to a new customer. The Company has recorded a provision of $2.0 million against the carrying value of its assets in the quarter related to the original Cinema Plus leases.

(b) On August 23, 2000, Edwards Theatre Circuit Inc. ("Edwards"), a client of the Company, filed for bankruptcy protection under Chapter 11. The Company's balance sheet as of September 30, 2000 reflects a total of $11.6 million receivable from Edwards predominately due under system leases. The Company's backlog at September 30, 2000 included five systems contracted for by Edwards representing value of $12.1 million. Under the terms of the leases, the Company has the right to the return of the systems plus all amounts due under the full term of the contracts upon defaults. The Company has not yet put Edwards in default. While the final exposure of the Company from the bankruptcy of Edwards cannot be determined at this time, the potential shortfall between the value of the eventual settlement of amounts owed and the amounts shown on the balance sheet at September 30, 2000 is estimated to be in the range of nil to $5.5 million. The Company has not provided for any shortfall for these leases because the amount of probable loss, if any, cannot be reasonably estimated at this time.

(c) On November 10, 2000, the Company placed Regal Cinemas, Inc. ("Regal"), a client of the Company, in default of its obligations under its leasing agreement with the Company. The Company's balance sheet reflected a total of $3.0 million receivable predominately due under its leasing agreement with Regal as of September 30, 2000. To date, Regal had taken delivery of six systems, two of which were on a joint venture basis with the Company. The Company's backlog at September 30, 2000, included four systems, two of which would be done on a joint venture basis, representing a value of $3.2 million of the Company's backlog. Under the terms of the leasing agreement, the Company has the right to the return of the systems plus all amounts due under the full term of the contract upon default. While the final exposure of the Company to the default by Regal cannot be determined at this time, the potential shortfall between the value of the eventual settlement of the amounts owed and the amounts shown on the balance sheet at September 30, 2000 is estimated to be in the range of nil to $0.9 million. The Company has not provided for any shortfall for the lease because the amount of probable loss, if any, cannot be reasonably estimated at this time.

(d) On October 17, 2000, Millenium Expotainment Inc. ("Millenium"), a client of the Company based in South Africa, was put into voluntary liquidation by Millenium's Board of Directors. Millenium held four leases with the Company, with an additional fifth system contracted for delivery in 2001. As of September 30, 2000, the Company's balance sheet reflects a total of $3.0 million receivable due under these leases. Under the terms of the leases, the Company has the right to the return of the systems plus all amounts due under the full term of the contracts upon default. The Company is currently in negotiation with the administrator of the liquidation and related parties regarding the settlement of claims and/or a potential assignment of the leases. While the final exposure of the Company to the liquidation of Millenium cannot be determined with any degree of certainty at present, the potential shortfall between the value of the eventual settlement of amounts owed and the amounts shown on the balance sheet at September 30, 2000 is estimated to be in the range of nil to $0.6 million. The Company has not provided for any shortfall because the amount of probable loss, if any, cannot be reasonably estimated at this time.

(e) On November 9, 2000, Themax, as described in Section 4 above, filed a notice of intent to file a proposal under the Bankruptcy and Insolvency Act (Canada). The Company's balance sheet reflected a total of $1.7 million associated with its investment in and receivable from Themax as of September 30, 2000. Under terms of the lease, the Company has the right to the return of the system plus all amounts due under the full term of the contract upon default. While the final exposure of the Company to the default of Themax cannot be determined at this time, the potential shortfall between the value of the eventual settlement of the amount owed and the amounts shown on the balance sheet at September 30, 2000 is estimated to be in the range of nil to $0.6 million. The Company has not provided for any shortfall because the amount of the probable loss, if any, cannot be reasonably estimated at this time.

(Tabular amounts in thousands of U.S. dollars unless otherwise stated)

5. Measurement Uncertainty - (cont'd)

(f) The Company has exposure to the financial condition of other North American exhibitors, many of which have been experiencing liquidity issues. Other North American exhibitors to which the Company has a significant exposure include Loews Theaters Inc., Famous Players (a Division of Viacom Inc.), Marcus Theaters Corporation, Muvico Theaters Inc., Cinemark USA Inc. and United Artists Theatres Inc. The aggregate exposure to these customers is as follows:

Balance sheet value of receivables at September 30, 2000	$26.5 million
Estimate of potential shortfall between the value of the eventual settlement of the amounts owed and amounts shown on the balance sheet at September 30, 2000	nil to $11.4 million
Value of systems in backlog (five systems excluding JV's)	$11.6 million

The Company has not provided for any shortfall for these leases because the amount of probable loss if any, cannot be reasonably estimated at this time.

6. Comprehensive Loss and Income

Comprehensive loss amounted to $601,000 in the three months ended September 30, 2000 and comprehensive income amounted to $4,626,000 in the nine months ended September 30, 2000.

(Tabular amounts in thousands of U.S. dollars unless otherwise stated)

7. Earnings Per Share

Reconciliations of the numerators and denominators of the basic and diluted per-share computations are as follows:

	Three months ended September 30, 2000	Three months ended September 30, 1999	Nine months ended September 30, 2000	Nine months ended September 30, 1999
Net earnings (loss) available to common shareholders:	$ (1,184)	$ 3,243	$ 4,892	$ 7,453
Weighted average number of common shares (000's):				
Issued and outstanding at beginning of period	29,798	29,614	29,758	29,478
Weighted average shares issued in the period	99	17	61	120
Weighted average used in computing basic Earnings per share	29,897	29,631	29,819	29,598
Assumed exercise of stock options, net of shares Assumed acquired under the Treasury Stock Method	--	830	658	835
Assumed conversion of Convertible Subordinated Notes	--	--	--	--
Weighted average used in computing diluted Earnings per share	29,897	30,461	30,477	30,433

The assumed exercise of stock options, net of shares assumed acquired under The Treasury Stock Method for the quarter ended September 30, 2000 were excluded from the computations in the three months ended September 30, 2000 as they would have had an antidilutive effect on earnings per share.

Common shares potentially issuable pursuant to the Convertible Subordinated Notes were excluded from the computations in the three months ended September 30, 2000 and 1999 as they would have had an antidilutive effect on earnings per share.

(Tabular amounts in thousands of U.S. dollars unless otherwise stated)

8. Segmented Information

The Company has four reportable segments: IMAX systems, Digital projection systems, following the acquisition of Digital Projection International "DPI" on September 3, 1999, film and other.

There has been no change in the basis of segmentation or in the basis of measurement of segment profit or loss from the Company's most recent annual report on Form 10-K for the year ended December 31, 1999. Intersegment transactions are not significant.

	Three months ended September 30,		Nine months ended September 30,	
	2000	1999	2000	1999
Revenue				
IMAX systems	$ 24,656	$ 25,458	$ 82,907	$ 66,767
Digital projection systems	14,084	2,010	38,297	2,010
Films	10,634	11,042	31,429	30,108
Other	4,224	3,943	14,890	14,569
Total consolidated revenues	$ 53,598	$ 42,453	$ 167,523	$ 113,454
Earnings (loss) from operations				
IMAX systems	$ 8,072	$ 13,629	$ 37,736	$ 34,692
Digital projection systems	733	(434)	854	(434)
Films	(213)	123	(2,362)	(358)
Other	(1,551)	(596)	(1,655)	(715)
Corporate overhead	(3,511)	(3,810)	(12,572)	(10,681)
Consolidated earnings from operations	$ 3,530	$ 8,912	$ 22,001	$ 22,504

9. Impact of Recently Issued Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards (SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities". In June 1999, the FASB issued SFAS No. 137, "Accounting for Derivatives Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133", which deferred the required date of adoption of SFAS No. 133 for one year, to fiscal years beginning after June 15, 2000. This standard is applicable for the Company's 2001 fiscal year and currently its impact has not been determined.

In December 1999, the United States Securities and Exchange Commission issued Staff Accounting Bulletin Number 101, "Revenue Recognition in Financial Statements" ("SAB 101") which summarizes certain of the SEC staff's views in applying generally accepted accounting principles to revenue recognition in financial statements. SAB 101 is applicable to the Company's fiscal 2000 year. The Company is in the process of evaluating the impact of SAB 101 on its consolidated financial statements. Although the Company will implement SAB 101 in the fourth quarter of this year, the cumulative effect of the change, if any, must be retroactively adopted as of the beginning of the first quarter of 2000.

9. Impact of Recently Issued Accounting Pronouncements - (cont'd)

In June 2000, the American Institute of Certified Public Accountants issued Statement of Position 00-2 "Accounting by Producers or Distributors of Films" ("SOP 00-2"), which is effective for the Company's 2001 fiscal year. SOP 00-2 establishes new accounting standards for producers and distributors of films, including changes to existing revenue recognition criteria, a more restrictive definition of the components of revenue projections used for amortization and valuation purposes for investments in films and changes to accounting for promotional, advertising, development and overhead costs. Among other changes, SOP 00-2 requires that promotional and advertising costs for films be expensed as incurred. The Company is in the process of evaluating the impact of SOP 00-2 on its consolidated financial statements.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Theater Signings and Backlog

During the third quarter of 2000, the Company signed contracts for 14 IMAX theater systems valued at $37.7 million. Most of the theater signings for the third quarter of 2000 were for commercial locations and all were for international locations. For the nine months ended September 30, 2000, the Company signed contracts for 29 theater systems valued at $82.8 million. The Company also reserved five systems in backlog with an aggregate value of $12.3 million where customers were substantially in arrears on payments. As a result of these theater signings, the Company's sales backlog was $199.3 million at September 30, 2000, a 2% increase from $194.8 million at June 30, 2000 and a 4% increase from $192.5 million at December 31, 1999.

The Company's sales backlog at September 30, 2000 represented contracts for 76 theater systems, including 5 systems which will be located at theaters in which the Company will have an equity interest. The Company's sales backlog will vary from quarter to quarter depending on the signing of new systems which adds to backlog and the delivery of systems which reduces backlog. Sales backlog represents the minimum revenues under signed system sale and lease agreements that will be recognized as revenue as the associated theater systems are delivered. The minimum revenue comprises the upfront fees plus the present value of the minimum royalties due under sales-type lease agreements. The value of sales backlog does not include revenues from theaters in which the Company has an equity interest, letters of intent or long-term conditional theater commitments.

Three months ended September 30, 2000 versus three months ended September 30, 1999

The Company reported net losses of $1.2 million or $0.04 per share on a diluted basis for the third quarter of 2000 compared to earnings of $3.2 million or $0.11 per share on a diluted basis for the third quarter of 1999.

The Company's revenues for the third quarter of 2000 increased 26% to $53.6 million from $42.5 million in the corresponding quarter last year due mainly to the inclusion of revenues from digital projection systems of $14.1 million.

Systems revenue, which includes revenue from theater system sales and leases, royalties and maintenance fees, decreased approximately 3% to $24.7 million in the third quarter of 2000 from $25.5 million in the same quarter last year. The Company delivered nine theater systems in the third quarter of 2000 versus seven theater systems in the third quarter of 1999. The average value of the systems delivered was less than in the corresponding period last year due to the increased number of smaller sized systems delivered as well as the delivery of one operating lease where revenue has yet to be recognized. Recurring revenues from royalties and maintenance fees increased approximately 14% in the third quarter over the corresponding period last year as a result of growth in the IMAX theater network.

The Company's revenue from digital projection systems increased to $14.1 million in the third quarter of 2000 from $2.0 million in the same quarter last year, following the acquisition of 100% of DPI on September 3, 1999. The 1999 results include only one month of DPI results.

Film revenue comprises revenue recognized from film production, film distribution and film post-production activities. Film revenue decreased 4% to $10.6 million in the third quarter of 2000 from $11.0 million in the same quarter last year as a modest increase in film post-production revenue offset a modest decline in film distribution revenue.

Other revenues increased 7% to $4.2 million in the first quarter in 2000 from $3.9 million in the same quarter last year. Increased revenue from company-owned theaters and camera rentals were partially offset by reduced revenues from its motion simulation business.

Gross margin for the third quarter of 2000 was $19.8 million, or 37% of total revenue, compared to $19.4 million, or 46% of total revenue, in the corresponding quarter last year. The reduction in gross margin as a percentage of total revenue is due primarily to the increased revenue from DPI which has a lower margin than IMAX systems revenue.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - (cont'd)

Three months ended September 30, 2000 versus three months ended September 30, 1999 - (cont'd)

Selling, general and administrative expenses were $13.2 million in the third quarter of 2000 compared to $8.6 million in the corresponding quarter last year. The increase resulted principally from the inclusion of selling, general and administrative costs of DPI acquired in September 1999, and an increase in general corporate costs.

Research and development expenses were $2.0 million in the third quarter of 2000 compared to $1.0 million in the same period last year. The higher level of expenses in 2000 reflects the inclusion of research and development costs of DPI and increased activity in digital technologies.

Interest income decreased to $0.6 million in the third quarter of 2000 from $2.3 million in the same quarter last year primarily due to a decline in the average balance of cash, cash equivalents and marketable securities held.

Interest expense increased to $5.6 million in the third quarter of 2000 from $5.4 million in the corresponding quarter last year.

The effective tax rate on earnings before taxes differs from the statutory tax rate and will vary from quarter to quarter primarily as a result of the amortization of goodwill, which is not deductible for tax purposes, and the provision of income taxes at different tax rates in foreign and other provincial jurisdictions.

The Company has exposure to the financial condition of North American exhibitors, many of which have been experiencing liquidity issues. The Company has a significant exposure to the following exhibitors - Edwards Theatre Circuit Inc., Regal Cinemas, Loews Theaters, Famous Players (a Division of Viacom Inc.), Marcus Theaters Corporation, Muvico Theaters Inc. Cinemark USA, Inc. and United Artists Theaters Inc. The Company's balance sheet as at September 30, 2000 reflected at total of $11.2 million receivable and $30.0 million net investment in lease associated with these clients. The Company's backlog at September 30, 2000 included 17 systems including 5 joint ventures and reflecting a value of $27.0 million. Under the terms of the leases, the Company has the right to the return of the systems plus all amounts due under the full term of the contracts upon default. While the final exposure of the Company to the default of any customers cannot be determined at this time, the potential shortfall between the value of the eventual settlement of the amount owed and the amounts shown on of the balance sheet at September 30, 2000 is estimated to be in the range of nil to $17.8 million. The Company has not provided for any shortfall for these leases because the amount of probable loss, if any, cannot be reasonably estimated at this time.

Nine months ended September 30, 2000 versus nine months ended September 30, 1999

The Company reported net earnings of $4.9 million or $0.16 per share on a diluted basis for the first nine months of 2000 compared to $7.5 million or $0.24 per share on a diluted basis for the first nine months of 1999.

The Company's revenues for the first nine months of 2000 increased 48% to $167.5 million from $113.5 million in the corresponding period last year primarily as a result of increased systems revenue and the inclusion of revenue from digital projection systems of $38.3 million.

Systems revenue increased approximately 24% to $82.9 million in the first nine months of 2000 from $66.8 million in the same period last year as the Company delivered 23 third-party theater systems compared to 17 theater systems in the same period last year. Recurring revenues from both royalties and maintenance fees increased 14% in the first nine months of 2000 over the prior year period due to growth in the IMAX theater network.

The Company's revenue from digital projection systems increased to $38.3 million in the first nine months of 2000 compared to $2.0 million in revenue in the same period last year following the acquisition of DPI on September 3, 1999.

Film revenue comprises revenue recognized from film production, film distribution and film post-production activities. Film revenue increased 4% to $31.4 million in the first nine months of 2000 from $30.1 million in the same period last year due principally to increases in film post-production revenues.

Other revenue increased 2% in the nine months ended September 30, 2000 to $14.9 million as compared to $14.6 million in the same period last year. Increased revenues from company-owned theaters and camera rentals offset reduced revenues from its motion simulation business.

Gross margin for the first nine months of 2000 was $68.7 million or 41% of total revenue, compared to $51.7 million or 46% of total revenue in the corresponding period last year. The decline in gross margin as a percentage of total revenue is primarily due to the higher proportion of revenues from DPI (which has a lower margin than systems revenue) in the first nine months of 2000 compared to the corresponding period in 1999.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - (cont'd)

Nine months ended September 30, 2000 versus nine months ended September 30, 1999 - - (cont'd)

Selling, general and administrative expenses were $37.5 million in the first nine months of 2000 compared to $24.9 million in the first nine months of 1999. The increase resulted mainly of the inclusion of selling, general and administrative costs of DPI acquired in September 1999, and an increase in general corporate costs.

Research and development expenses were $5.6 million in the first nine months of 2000 compared to $2.3 million in the first nine months of 1999. The higher level of expenses in 2000 reflects the inclusion of research and development costs of DPI and increased activities in digital technologies.

Interest income decreased to $3.0 million in the first nine months of 2000 from $7.6 million in the same period last year primarily due to a decline in the average balance of cash, cash equivalents and marketable securities held.

Interest expense decreased to $16.3 million in the first nine months of 2000 from $16.4 million in the first nine months of 1999.

The effective tax rate on earnings before taxes differs from the statutory tax rate and will vary from quarter to quarter primarily as a result of the amortization of goodwill, which is not deductible for tax purposes, and the provision of income taxes at different tax rates in foreign and other provincial jurisdictions.

Liquidity and Capital Resources

At September 30, 2000, the Company's principal source of liquidity included cash and cash equivalents of $14.5 million, marketable securities totaling $21.7 million, trade accounts receivable of $58.0 million, net investment in leases due within one year of $32.3 million and the amounts receivable under contracts in backlog which are not yet reflected on the balance sheet.

The 7.875% Senior Notes due December 1, 2005 are subject to redemption by the Company, in whole or in part, at any time on or after December 1, 2002 at redemption prices expressed as percentages of the principal amount for each 12-month period commencing December 1 of the years indicated: 2002 - 103.938%; 2003 - 101.969%; 2004 and thereafter - 100.000% together with interest accrued thereon to the redemption date and are subject to redemption by the Company prior to December 1, 2002 at a redemption price equal to 100% of the principal amount plus a "make whole premium". If certain changes result in the imposition of withholding taxes under Canadian law, the Senior Notes may be redeemed by the Company at a redemption price equal to 100% of the principal amount plus accrued interest to the date of redemption. In the event of a change in control, holders of the Senior Notes may require the Company to repurchase all or part of the Senior Notes at a price equal to 101% of the principal amount plus accrued interest to the date of repurchase.

The 5 3/4% Convertible Subordinated Notes (the "Subordinated Notes") due April 1, 2003 are convertible into common shares of the Company at the option of the holder at a conversion price of $21.406 per share (equivalent to a conversion rate of 46.7154 shares per $1,000 principal amount of Subordinated Notes) at any time prior to maturity. The Subordinated Notes are redeemable at the option of the Company on or after April 1, 1999 at redemption prices expressed as percentages of the principal amount (1999 - 103.286%; 2000 - 102.464%; 2001 - 101.643%; 2002 - 100.821%) plus accrued interest. The Subordinated Notes may only be redeemed by the Company between April 1, 1999 and April 1, 2001 if the last reported market price of the Company's common shares is equal to or greater than $30 per share for any 20 of the 30 consecutive trading days prior to the notice of redemption. The Subordinated Notes may be redeemed at any time on or after April 1, 2001 without limitation.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - (cont'd)

Liquidity and Capital Resources - (cont'd)

The Company partially funds its operations through cash flow from operations. Under the terms of the Company's typical theater system lease agreement, the Company receives substantial cash payments before it completes the performance of its obligations. Similarly, the Company receives cash payments for some of its film productions in advance of related cash expenditures.

In the first nine months of 2000, cash used in operating activities amounted to $37.3 million after the payment of $30.0 million of income taxes and working capital requirements. The income tax payment in the first nine months of 2000 was due mainly to the impact of the reorganization of the Company's lines of business, most notably the transfer of its lease portfolio to IMAX Ltd., a 100% owned subsidiary of the Company. Working capital requirements included an increase of $15.7 million in accounts receivable due mainly to a slowdown in collections particularly from North American exhibitors and increased sales volumes, particularly at DPI and an increase of $11.8 million in inventory due mainly to an increase in digital projection inventory at DPI due to increased sales volume.

In the first nine months of 2000, cash provided by investing activities amounted $14.7 million and included a decrease in marketable securities of $67.4 million, partially offset by an $18.6 million increase in film assets, primarily related to the company's films, Cyberworld and China:The Panda Experience and a $27.0 million increase in capital assets, principally office premises dedicated to film post-production and distribution and investments in company-owned theaters.

During the first nine months of 2000, cash provided by financing activities included $1.4 million of proceeds from common shares issued under the Company's stock option plan.

The Company believes that cash flows from operations together with existing cash and marketable securities balances and the working capital facility will continue to be sufficient to meet cash requirements in the foreseeable future.

Subsequent Events

On July 13, 2000 the Company announced that consistent with the priority and commitment of its Board of Directors and senior management to realizing enhanced value for all IMAX shareholders, the Company retained Goldman, Sachs & Co. and Wasserstein, Perella & Co. as financial advisors to assist in the evaluation of potential strategic alternatives that may be available to the Company, including the potential sale or merger of the Company. On October 13, 2000, the Company announced that it had ended the formal process of seeking such strategic alternatives.

On November 10, 2000, the Company placed Regal Cinemas, Inc. ("Regal"), a client of the Company in default of its obligations under its leasing agreement with the Company. The Company's balance sheet reflected a total of $3.0 million receivable predominately due under its system leasing agreement with Regal as of September 30, 2000. To date, Regal had taken delivery of six systems, two of which were on a joint venture basis with the Company, and had a commitment for the delivery of another four systems, two of which would be done on a joint venture basis, representing a value of $3.2 million of the Company's backlog. Under the terms of the leasing agreement, the Company has the right to the return of the systems plus all amounts due under the full term of the contract upon default. While the final exposure of the Company to the default by Regal cannot be determined at this time, the potential shortfall between the value of the eventual settlement of the amounts owed and the amounts shown on the balance sheet at September 30, 2000 is estimated to be in the range of nil to $0.9 million. The Company has not provided for any shortfall for the leasing agreement because the amount of probable loss, if any, cannot be reasonably estimated at this time.

On November 9, 2000, Themax filed a notice of intent to file a proposal under the Bankruptcy and Insolvency Act (Canada). The Company's balance sheet reflected a total of $1.7 million associated with its investment in and receivable from Themax as of September 30, 2000. Under terms of the lease, the Company has the right to the return of the system plus all amounts due under the full term of the contract upon default. While the final exposure of the Company to the default of Themax cannot be determined at this time, the potential shortfall between the value of the eventual settlement of the amount owed and the amounts shown on the balance sheet at September 30, 2000 is estimated to be in the range of nil to $0.6 million. The Company has not provided for any shortfall because the amount of the probable loss, if any, cannot be reasonably estimated at this time.

Item 3. QUANTITATIVE AND QUALITATIVE FACTORS ABOUT MARKET RISK

The Company is exposed to market risk from changes in foreign currency rates. The Company does not use financial instruments for trading or other speculative purposes.

A substantial portion of the Company's revenues are denominated in U.S. dollars while a substantial portion of its costs and expenses are denominated in Canadian dollars. A portion of the net U.S. dollar flows of the Company are converted to Canadian dollars to fund Canadian dollar expenses, either through the spot market or through forward contracts. In Japan, the Company has ongoing operating expenses related to its operations. Net Japanese yen flows are converted to U.S. dollars generally through forward contracts to minimize currency exposure. The Company also has cash receipts under leases denominated in French francs and Japanese Yen a portion of which are converted to U.S. dollars generally through forward contracts to minimize currency exposure.

A substantial portion of the Company's cash equivalents earn interest at short-term floating rates while all of its long-term debt incurs interest at long-term fixed rates. The Company entered into an interest rate swap for the notional amounts of $65 million to partially hedge this exposure.

The following table provides information about the Company's foreign exchange and interest rate swap contracts at September 30, 2000. The fair value represents the amount the Company would receive or pay to terminate the contracts at September 30, 2000.

	Sept. 30, 2000	2001	2002	2003	2004	Thereafter	Total	Fair Value
				(in thousands of U.S. dollars)				
Foreign currency exch. Contracts								
(Receive Canadian $, pay US$)	$ 8,000	$16,000	--	--	--	--	$24,000	($310)
Average contractual exchange rate per one U.S. dollar	1.47	1.48	--	--	--	--	1.48	
(Receive Pound Sterling, pay US$)	$ 375	--	--	--	--	--	$ 375	$3
Average contractual exchange rate per one U.S. dollar	0.68	--	--	--	--	--	0.68	
(Receive German Marks, pay U.S. $)	$ 75	--	--	--	--	--	$ 75	($7)
Average contractual exchange rate per one U.S. dollar	2.01	--	--	--	--	--	2.01	
(Pay Yen, receive U.S. $)	-	$ 318	$ 174	$ 179	$ 137	--	$ 808	($16)
Average contractual exchange rate per one U.S. dollar	-	97.85	97.85	97.85	97.85	--	97.85	
(Pay FF, receive U.S. $)	-	$ 423	$ 435	$ 448	$ 462	$ 476	$ 2,244	$538
Average contractual exchange rate per one U.S. dollar	-	5.07	5.07	5.07	5.07	5.07	5.07	
Interest rate swap								
Fixed to floating	$ 65,000	$65,000	$65,000/(1)/	--	--	--	$65,000	($1,525)
Average pay rate	L*+ 2.09%	L*+ 2.09%	L*+ 2.09%					
Receive rate	7.875%	7.875%	7.875%					

* LIBOR
/1/ Agreement terminates on December 1, 2002

PART II OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

(a) In April 1994, Compagnie France Film Inc. filed a claim against the Company in the Superior Court in the District of Montreal, in the Province of Quebec, alleging breach of contract and bad faith in respect of an agreement which the plaintiff claims it entered into with the Company for the establishment of an IMAX theater in Quebec City, Quebec, Canada. The plaintiffs claimed damages of Canadian $4.6 million, together with expenses and pre-judgment interest. Compagnie France Film had also incorporated a shell company, 3101-8450 Quebec Inc. ("3101"). 3101 was sued in an unrelated action to which the Company was not a party and, in February 1996, was found liable to pay damages in the amount of Canadian $2.5 million. Subsequent to that judgment 3101 intervened in the lawsuit between Compagnie France Film and the Company in order to claim such amount from the Company. In a decision rendered in April 1998, the Court dismissed the plaintiffs' claims with costs. In May 1998, Compagnie France Film Inc. and 3101 both filed appeals to the Quebec Court of Appeal. The Company believes that it will be successful in responding to these appeals and the amount of ultimate loss, if any, would not have a material impact on the financial position or results of operations of the Company, although no assurance can be given with respect to the ultimate outcome of this litigation.

(b) In January 2000, the Commission of the European Communities (the "Commission") informed the Company that Euromax, an association of European large screen cinema owners had filed a complaint against the Company under EC competition rules. The complaint addressed a variety of alleged abuses, mainly relating to the degree of the control that the Company asserts over the projection systems it leases, and the form and terms of the Company's agreements. No formal investigation has been initiated to date, and the Commission has limited itself to a request of IMAX to comment on the complaint. Should proceedings be initiated, it is expected that no decision would be rendered until 2001 at the earliest. Although the Commission has the power to impose fines of up to a maximum of 10% of Company revenue for breach of EC competition rules, the Company believes on the basis of currently available information and an initial review that such result would not be likely. The Company further believes that the allegations in the complaint are meritless and will accordingly defend the matter vigorously.

The Company believes that the amount of loss, if any, suffered in connection with this proceeding would not have a material impact on the financial position or results of operations of the Company, although no assurance can be given with respect to the ultimate outcome of this matter.

(c) In April 2000, Themax Inc., a 33% owned investee of the Company, and certain of its shareholders (collectively "Themax") filed a claim against the Company in the Superior Court in the District of Longueuil, in the Province of Quebec, alleging breach of contract in respect of the IMAX(R)System Lease agreement between IMAX Ltd. and Themax dated February 5, 1996 as well as a claim for damages suffered as a result of IMAX Ltd.'s alleged failure to adequately manage the Brossard Theatre during its tenure as manager. Themax claimed damages representing a return of the original investment by Themax as well as lost profits and costs. The Company believes that the allegations are entirely without merit and has and will accordingly defend the matter vigorously. The Company believes that the amount of loss, if any, suffered in connection with this lawsuit would not have a material impact on the financial position or results of operations of the Company, although no assurance can be given with respect to the ultimate outcome for any such litigation.

PART II OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS - (cont'd)

(e) In June 2000, a complaint was filed against the Company and a third party by Mandalay Resort Group f/k/a Circus Circus Enterprises, Inc., alleging breach of contract and express warranty, fraud and misrepresentation in connection with the installation of certain motion simulation bases in Nevada. The complaint alleges damages in excess of $30,000. The Company believes that the allegations brought against it in this complaint are meritless and will accordingly defend the matter vigorously. The Company further believes that the amount of loss, if any, suffered in connection with this lawsuit would not have a material impact on the financial position or results of operations of the Company, although no assurance can be given with respect to the ultimate outcome for any such litigation.

(f) In addition to the litigation described above, the Company is currently involved in other litigation which, in the opinion of the Company's management, will not materially affect the Company's financial position or future operating results, although no assurance can be given with respect to the ultimate outcome for any such litigation.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

10.9 Amended Employment Agreement, dated July 12, 2000, between IMAX Corporation and Richard L. Gelfond;

10.10 Amended Employment Agreement, dated July 12, 2000, between IMAX Corporation and Bradley J. Wechler; and

10.11 Amended Employment Agreement, dated April 4, 2000, between IMAX Corporation and John M. Davison

(b) Reports on Form 8K

There were no reports filed on Form 8K in the three-month period ended September 30, 2000.

IMAX CORPORATION

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

IMAX CORPORATION

Date:
- ------

By: /s/ John M. Davison

John M. Davison
President, Chief Operating Officer and
Chief Financial Officer
(Principal Financial Officer)

By: /s/ Mark J. Thornley

Mark J. Thornley
Senior Vice President, Finance
(Principal Accounting Officer)

Exhibit 10.9

Amended Employment Agreement

Imax (the "Company") and Executive, subject to Section 5(e) hereof, agree to cancel the last year of the term of employment of the Executive's employment agreement dated July 1, 1998 ("Original Employment Contract") and extend the employment term for three additional years with the new term from July 1, 2000 to June 30, 2003 (the "Amended Contract") on the same terms and conditions as set out in the Original Employment Contract, except as specified below. Terms used herein and not defined shall have the meanings assigned to them in the Original Employment Contract.

1. Case Compensation - As set out in the Original Employment Contract.

2. Additional Option Grants - The Company agrees to issue Executive 800,000 ten-year options at a strike price equal to the closing price on the day the Board approves this agreement. Except as provided below, options will vest 1/3 on January 1, 2001, 1/3 on July 1, 2001, and 1/3 on July 1, 2002.

3. Restricted Stock Grant - The Company agrees to issue 180,000 restricted shares (or their Phantom Stock equivalent) to Executive on the day the Board approves this agreement. Except, as provided below, restricted stock will vest 1/3 on January 1, 2001, 1/3 on July 1, 2001, and 1/3 on July 1, 2002.

4. Should any required regulatory or shareholder approvals with respect to the granting of the options or restricted stock not be obtained by the Company, the Company shall make such adjustments to the Executive's compensation, hereunder as will put the Executive in the same after-tax financial position as he would have been if such approvals had been received.

5. Change of Control Provisions

    (a) In the event of a Change of Control (without regard to any subsequent event) there will be accelerated vesting of the Executive's stock options and restricted stock.

    (b) In the event of a Change of Control and subsequent termination (or constructive termination) of the Executive there will be an acceleration (without any discount to present value) of the cash component of Executive's compensation under the Amended Contract (and the Original Employment Agreement if the renewal term has not yet commenced) equal to the number of years left on the Executive's agreements (including a fraction thereof) times the total cash compensation of the Executive for the full (i.e., 12 month) fiscal year preceding termination.

    (c) If there is a Change of Control by way of stock merger the options will vest (as set out in 5(a) directly above) and be converted at the stock merger conversion ratio into options of the acquiring company (if it is public) or a cash-out of the options (if it is not public).

(d) A change of control is defined as any person or persons acting in concert acquiring beneficial ownership of greater than 50% of the outstanding common shares of the Company, whether by direct or indirect acquisition or as a result of a merger or reorganization or a sale of all or substantially all of the Company's assets and will not include sale of the WP block to one or more third parties.

(e) If there is no Change of Control by 12/31/00, the contract extension component of this Amended Contract shall become void but the options and restricted stock grants included in this Amended Contract become fully vested upon the earlier of a Change of Control subsequent to 12/31/00, termination, non-renewal, constructive termination or 6/30/01. In addition, of there is no Change of Control by 12/31/00, the term of the Original Employment Agreement shall be reinstated whereby Executive shall continue to render services to Company until 6/30/01.

6. <u>Voluntary Resignation, Termination, Etc.</u>

(a) If the Executive shall voluntarily resign, all unvested options and restricted stock shall be cancelled immediately and all vested options shall remain exercisable for the duration of their original term.

(b) If the Executive shall be terminated without cause all unvested stock options, restricted stock and cash compensation (salary and bonus without any discount to present value as described in section 5(b) above) shall immediately vest and become due.

(c) If the Executive shall be terminated for Cause all unvested options and unvested restricted stock (including those granted pursuant to previous employment agreements between Company and Executive) shall be cancelled immediately and all of the Executive's options and restricted stock must be exercised within 90 days of termination, after which date they shall be cancelled.

7. <u>Retirement and Long Term Health Coverage</u>

(a) The Company agrees to create a retirement plan for the Executive as set out in Exhibit 1.

(b) Company agrees to maintain retiree health benefits for Executive upon termination of the Executive's employment equal to the benefits provided for active employees until the Executive becomes eligible for Medicare and, thereafter, Medicare supplement coverage selected by Executive.

8. <u>Restrictions on Competitive Employment</u> - As agreed upon in the Original Employment Contract; however, the term of the Non-Compete shall be extended to four (4) years beyond termination of employment.

9. Consultancy - At the end of Executive's employment (for whatever reason), Executive agrees to consult with Company for a period of three years on such issues and items as requested by Company, including but not limited to theatre signings, management issues, film strategy issues, technological issues and/or issues with respect to management transition subject to the Executive's other commitments.

10. Incorporation by Reference - All clauses in the Original Employment Contract will remain in full force and effect unless specifically amended in this agreement. In the event of any conflict between the Original Employment Contract and the Amended Contract, the Amended Contract shall prevail.

11. Arbitration - All disputes under this agreement shall be subject to binding arbitration under the AAA Rules and Company shall be required to cover Executive's legal costs and the cost of arbitration.

12. Long Form Agreement - Until such time as this agreement is superceded by a long form agreement, it will represent the binding agreement for both parties.

Richard L. Gelfond   Imax Corporation

_______________________________________   _______________________________________
                                            By

____
Date

EXHIBIT 1

SERP Benefit Summary
Richard Gelfond
Imax Corporation

Retirement Age - Age 55

SERP Benefit - Retirement and Survivor Benefits

Retirement Benefit - 76.5% of final five-year average full cash compensation (including bonus)

Survivor Benefit - 100% of Retirement Benefit

Death Benefit - Survivor Benefit

Disability Benefit - SERP Benefit

Severance Benefits -

Change of Control - SERP Benefit

Termination - SERP Benefit

Registration - SERP Benefit, according to the following Vesting Schedule;
50% vested, plus 50% spread over the remaining working years to age 55

For Cause - Loss of benefits

Cost of Living Adjustment - Applies to the Retirement and Survivor Benefits

At a rate according to the published Cost of Living Tables (For illustrative purposes at 3.0% per annum)

Exhibit 10.10

Amended Employment Agreement

Imax (the "Company") and Executive subject to Section 5(e) here, agree to cancel the last year of the term of employment of the Executive's employment agreement dated July 1, 1998 ("Original Employment Contract") and extend the employment term for three additional years with the new term from July 1, 2000 to June 30, 2003 (the "Amended Contract") on the same terms and conditions as set out in the Original Employment Contract, except as specified below. Terms used herein and not defined herein shall have the meanings assigned to them in the Original Employment Contract.

1. Cash Compensation - As set out in the Original Employment Contract.

2. Additional Option Grants - The Company agrees to issue Executive 800,000 ten-year options at a strike price equal to the closing price on the day the Board approves this agreement. Except as provided below, options will vest 1/3 on January 1, 2001, 1/3 on July 1, 2001, and 1/3 on July 1, 2002.

3. Restricted Stock Grant - The Company agrees to issue 180,000 restricted shares (or their Phantom Stock equivalent) to Executive on the day the Board approves this agreement. Except as provided below, restricted stock will vest 1/3 on January 1, 2001, 1/3 on July 1, 2001, and 1/3 on July 1, 2002.

4. Should any required regulatory or shareholder approvals with respect to the granting of the options or restricted stock not be obtained by the Company, the Company shall make such adjustments to the Executive's compensation hereunder as will put the Executive in the same after-tax financial position as he would have been if such approvals had been received.

5. Change of Control Provisions

    (a) In the event of a Change of Control (without regard of any subsequent event) there will be accelerated vesting of the Executive's stock options and restricted stock.

    (b) In the event of a Change Of Control and subsequent termination (or constructive termination) of the Executive there will be an acceleration (without any discount to present value) of the cash component of Executive's compensation under the Amended Contract (and the Original Employment Agreement if the renewal term has not yet commenced) equal to the number of years left on the Executive's agreements (including a fraction thereof) times the total cash compensation of the Executive for the full (i.e., 12 month) fiscal year preceding termination.

(c) If there is a Change of Control by way of stock merger the options will vest (as set out in 5(a) directly above) and be converted at the stock merger conversion ratio into options of the acquiring company (if it is public) or a cash-out of the options (if it is not public).

(d) A change of control is defined as any person or persons acting in concert acquiring beneficial ownership of greater than 50% of the outstanding common shares of the Company, whether by direct or indirect acquisition or as a result of a merger or reorganization or a sale of all or substantially all of the Company's assets and will not include sale of the WP block to one or more third parties.

(e) If there is no Change of Control by 12/31/00, the contract extension component of this Amended Contract shall become void but the options and restricted stock grants included in this Amended Contract become fully vested upon the earlier of a Change of Control subsequent to 12/31/00, termination, non-renewal, constructive termination or 6/30/01. In addition, if there is no change of Control by 12/31/00, the term of the Original Employment Agreement shall be reinstated whereby Executive shall continue to render services to Company until 6/30/01.

6. Voluntary Resignation, Termination, Etc.

(a) If the Executive shall voluntarily resign, all unvested options and restricted stock shall be cancelled immediately and all vested options shall remain exercisable for the duration of their original term.

(b) If the Executive shall be terminated without cause all unvested stock options, restricted stock and cash compensation (salary and bonus without any discount to present value as described in section 5(b) above) shall immediately vest and become due.

(c) If the Executive shall be terminated for Cause all unvested options and unvested restricted stock (including those granted pursuant to previous employment agreements between Company and Executive) shall be cancelled immediately and all of the Executive's options and restricted stock must be exercised within 90 days of termination, after which date they shall be cancelled.

7. Retirement and Long Term Health Coverage

(a) The Company agrees to create a retirement plan for the Executive as set out in Exhibit 1.

(b) Company agrees to maintain retiree health benefits for Executive upon termination of the Executive's employment equal to the benefits provided for active employees until the Executive becomes eligible for Medicare and, thereafter, Medicare supplement coverage selected by Executive.

8. Restrictions on Competitive Employment - As agreed upon in the Original Employment Contract; however, the term of the Non-Compete shall be extended to four (4) years beyond termination of employment.

9. Consultancy - At the end of Executive's employment (for whatever reason), Executive agrees to consult with Company for a period of three years on such issues and items as requested by Company, including but not limited to theater signings, management issues, film strategy issues, technological issues and/or issues with respect to management transition subject to the Executive's other commitments.

10. Incorporation by Reference - All clauses in the Original Employment Contract will remain in full force and effect unless specifically amended in this agreement. In the event of any conflict between the Original Employment Contract and the Amended Contract, the Amended Contract shall prevail.

11. Arbitration - All disputes under this agreement shall be subject to binding arbitration under the AAA rules and Company shall be required to cover Executive's legal costs and the cost of arbitration.

12. Long Form Agreement - Until such time as this agreement is superseded by a long form agreement, it will represent the binding agreement for both parties.

Bradley J. Wechsler	Imax Corporation
______________________________	______________________________
______________________________	______________________________
Date	

EXHIBIT 1
- ---------

SERP Benefit Summary
Brad Wechsler
Imax Corporation

Retirement Age - Age 55
- --------------

SERP Benefit - Retirement and Survivor Benefits
- ------------

Retirement Benefit - 73.5% of final five-year average full cash compensation
- ------------------
(including bonus)

Survivor Benefit - 100% of Retirement Benefit
- ----------------

Death Benefit - Survivor Benefit
- -------------

Disability Benefit - SERP Benefit
- ------------------

Severance Benefits -
- ------------------

Change of Control - SERP Benefit

Termination - SERP Benefit

Resignation - SERP Benefit, according to the
Following Vesting Schedule:
50% vested, plus 50% spread over the
remaining working years to age 55

For Cause - Loss of Benefits

Cost of Living Adjustment - Applies to the Retirement and Survivor Benefits
- -------------------------
At a rate according to the published Cost of
Living Tables
(For illustrative purposes at 3.0% per annum)

Exhibit 10.11

April 4, 2000

John M. Davison
57 Hanna Road
Toronto, Ontario
Canada, M4G-3M8

Dear John:

In connection with your recent promotion to President, Imax Ltd., we would like to formally adopt two (2) provisions applicable to your ongoing employment with the Company (as defined below). Both of these provisions, which relate to your Imax Corporation ("Imax") (Imax and its affiliates shall hereinafter collectively be referred to as the "Company") stock options, shall supersede any previous agreement or understanding you had with the Company with regard to the subject matters contained herein.

1. Future Vesting Schedule for Options

This provision, effective on the date hereof, shall govern all grants you receive after the date hereon of non-qualified options (the "Options") to purchase shares of common stock of Imax (the "Common Shares") pursuant to the Imax Stock Option Plan (the "Option Plan") (such grants of future Options being referred to hereinafter as "Future Options"). All Future Options shall vest and become exercisable in increments of thirty-three and one-third percent (33 1/3%) on each of the first three (3) anniversary dates of the respective grant dates of such Future Options. All such Future Options shall be subject to the terms and conditions of the Option Plan and the stock option agreement to be entered into between the Company and you as of the respective grant dates of such Future Options. All of the terms contained in this paragraph 1 shall be expressly contingent upon your not (a) resigning from your employment with, or (b) being terminated with cause by the Company on or before the second anniversary of the date hereof (the "Second Anniversary Date"). In connection with the preceding sentence, you may not exercise, except in connection with a Change of Control (as defined below), more than sixty percent (60%) of any vested Future Options until on or after the Second Anniversary Date.

2. Change of Control Vesting for Options

Notwithstanding anything contained in the Option Plan or elsewhere to the contrary, effective as of the date hereof, all Options granted to you pursuant to the Option Plan, including all existing Options and all Future Options, shall, whether or not exercisable, vest and become immediately exercisable in the event of both of: (a) a Change of Control of the Company ("Change of Control" shall be defined as any person, or group of persons acting in concert, other than a group including Bradley J. Wechsler and Richard L. Gelfond, acquiring greater than fifty percent (50%) of the outstanding Common Shares, whether by direct of indirect acquisition or as a result of a merger, reorganization or sale of substantially all of the assets of Imax (other than a corporate restructuring)) and (b) the occurrence of one or more of the following: (i) Bradley J. Wechsler and Richard L. Gelfond cease to be Chief Executive Officers of the Company; (ii) your termination from the Company without cause; (iii) the diminution of your title and/or responsibilities; or (iv) you are asked to relocate and work from an office which is more than twenty-five (25) miles from either of your existing offices in Mississauga or New York.

The above terms are expressly subject to and contingent upon the approval of the Board of Directors' Compensation Committee.

The terms of this letter agreement shall be modified only by a written document executed by you and the Company.

This letter agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Kindly indicate your acceptance of all of the terms herein by signing where provided below.

Sincerely,

IMAX CORPORATION

By: Richard L. Gelfond
Co-Chairman & Co-CEO

ACCEPTED AND CONSENTED:

____
John M. Davison