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 March 31, 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

NONE
(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 April 30, 2000
Common stock, no par value	29,782,356

IMAX CORPORATION

INDEX

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

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

	March 31, 2000	December 31, 1999
Assets		
Current assets		
Cash and cash equivalents	$ 17,715	$ 34,573
Short-term marketable securities	38,132	49,159
Accounts receivable	50,324	42,619
Current portion of net investment in leases	37,068	33,918
Inventories and systems under construction (note 2)	35,108	31,141
Prepaid expenses	4,553	2,621
Total current assets	182,900	194,031
Long-term marketable securities	17,614	39,873
Net investment in leases	106,813	103,087
Film assets	39,395	38,453
Capital assets	74,378	66,897
Goodwill	61,951	62,751
Other assets	30,911	28,232
Deferred income taxes	2,938	4,913
Total assets	$516,900	$538,237
Liabilities		
Current liabilities		
Accounts payable	$ 16,684	$ 18,361
Accrued liabilities	37,379	34,910
Current portion of deferred revenue	26,281	17,284
Income taxes payable	1,772	33,755
Total current liabilities	82,116	104,310
Deferred revenue	19,118	22,862
Senior notes	200,000	200,000
Convertible subordinated notes	100,000	100,000
Total liabilities	401,234	427,172
Commitments and contingencies (notes 3 and 4)		
Shareholders' equity		
Capital stock	57,662	57,471
Retained earnings	57,764	54,669
Accumulated other comprehensive items (note 6)	240	(1,075)
Total shareholders' equity	115,666	111,065
Total liabilities and shareholders' equity	$516,900	$538,237

(See accompanying notes to the condensed consolidated financial statements on pages 7 to 10.)

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 March 31, 2000	1999
Revenue		
IMAX systems	$ 26,998	$22,420
Digital projection systems	12,916	--
Films	10,459	8,622
Other	6,077	5,701
	56,450	36,743
Costs and expenses	33,274	20,213
Gross margin	23,176	16,530
Income (loss) from equity-accounted investees	2	(118)
Selling, general and administrative expenses	(11,528)	(7,989)
Research and development	(1,592)	(475)
Amortization of intangibles	(1,009)	(473)
Earnings from operations	9,049	7,475
Interest income	1,542	2,411
Interest expense	(5,535)	(5,833)
Foreign exchange loss	(141)	(83)
Earnings before income taxes and minority interest	4,915	3,970
Provision for income taxes	(1,819)	(1,547)
Earnings before minority interest	3,096	2,423
Minority interest	--	(410)
Net earnings	$ 3,096	$ 2,013
Earnings per share (note 5)		
Basic	$ 0.10	$ 0.07
Diluted	$ 0.10	$ 0.07

(See accompanying notes to the condensed consolidated financial statements on pages 7 to 10.)

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

	Three months ended March 31, 2000	1999
Cash provided by (used in) :		
Operating Activities		
Net earnings	$ 3,096	$ 2,013
Items not involving cash:		
Depreciation and amortization	6,444	5,662
Deferred income taxes	1,703	600
(Gain) loss from equity accounted investees	(2)	118
Minority interest	--	410
Other	--	(19)
Change in net investment in leases	(6,921)	(1,306)
Change in deferred revenue on film production	139	1,942
Changes in non-cash operating assets and liabilities	(39,464)	(12,430)
Net cash used in operating activities	(35,005)	(3,010)
Investing Activities		
Decrease in marketable securities	33,263	24,813
Increase in film assets	(4,067)	(4,112)
Purchase of capital assets	(9,532)	(5,347)
Increase in other assets	(1,689)	(1,600)
Net cash provided by investing activities	17,975	13,754
Financing Activities		
Common shares issued	191	1,131
Class C preferred shares dividends paid	--	(365)
Net cash provided by financing activities	191	766
Effect of exchange rate changes on cash	(19)	(50)
(Decrease) increase in cash and cash equivalents during the period	(16,858)	11,460
Cash and cash equivalents, beginning of period	34,573	143,566
Cash and cash equivalents, end of period	$ 17,715	$155,026

(See accompanying notes to the condensed consolidated financial statements on pages 7 to 10.)

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

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:

	March 31, 2000	December 31, 1999
Raw materials	$17,904	$16,831
Work-in-process	13,154	11,974
Finished goods	4,050	2,336
	$35,108	$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 a portion of its Canadian dollar costs in 2000, the Company had entered into forward exchange contracts as at March 31, 2000 to hedge the conversion of $21.0 million of its cash flow into Canadian dollars at an average exchange rate of Canadian $1.47 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 110 million Yen at 98 Yen per U.S. dollar through September 2004 and on 13.5 million Francs at 5.1 Francs per U.S. dollar through September 2005.

These hedging contracts are expected to be held to maturity; however, if they were terminated on March 31, 2000, the Company would have realized a gain of approximately $0.6 million based on the then prevailing exchange rates.

(3) Financial Instruments - (continued)

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 1st of December, March, June and September. The counterparty may cancel the remaining payments on the swap transaction prior to May 31, 2000 with no early termination cost to either party. 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 on March 31, 2000, the Company would have realized a loss of approximately $2.2 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 ultimate loss, if any, will 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 the 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 of this litigation.

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

(c) In April 2000, Themax Inc., a 33% owned subsidiary 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.

(d) In December 1999, John Q. Hammons ("Hammons") filed a claim against the Company in the United States District Court for the Southern District of Iowa Central Division, alleging breach of contract in respect of the parties' agreement, as well as a claim for alleged tortious interference with contract in connection with Hammons' alleged attempts to assign certain of its rights under the agreement to a third party. Hammons claimed damages including lost profits and costs. The Company believes that the allegations made by Hammons are 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.

(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. Earnings Per Share

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

	Three months ended March 31, 2000	1999
Net earnings available to common shareholders:	$ 3,096	$ 2,013
Weighted average number of common shares (000's):		
Issued and outstanding at beginning of period	29,758	29,478
Weighted average shares issued in the period	16	89
Weighted average used in computing basic earnings per share	29,774	29,567
Assumed exercise of stock options, net of shares assumed acquired under the Treasury Stock Method	1,110	910
Weighted average used in computing diluted earnings per share	30,884	30,477

Common shares potentially issuable pursuant to the Convertible Subordinated Notes would have an antidilutive effect on earnings per share and have not been included in the above computations.

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

6. Comprehensive income

Comprehensive income amounted to $4,411 in the three months ended March 31, 2000.

7. Segmented Information

The Company has four reportable segments: IMAX systems, Films, Other and, commencing in 2000, Digital projection systems, following the acquisition of DPI on September 3, 1999.

There has been no change 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 March 31, 2000	Three months ended March 31, 1999
Revenue		
IMAX systems	$26,998	$22,420
Digital projection systems	12,916	--
Films	10,459	8,622
Other	6,077	5,701
Total consolidated revenues	$56,450	$36,743
Earnings (loss) from operations		
IMAX systems	$12,598	$10,733
Digital projection systems	265	--
Films	(380)	51
Other	576	174
Corporate overhead	(4,010)	(3,483)
Consolidated earnings from operations	$ 9,049	$ 7,475

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

RESULTS OF OPERATIONS

Theater Signings and Backlog

During the first quarter of 2000, the Company signed contracts for nine IMAX theater systems valued at $27.1 million, compared to the $32.5 million value of the 11 third-party contracts signed in the first quarter of 1999. The majority of theater signings for the first quarter of 2000 were for commercial and international locations. The Company's sales backlog was $198.7 million at March 31, 2000, a 3% increase from $192.5 million at December 31, 1999.

The Company's sales backlog at March 31, 2000 represents contracts for 79 theater systems, including seven theater 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 for the first 10 years of the initial lease term. 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 March 31, 2000 versus three months ended March 31, 1999

The Company reported net earnings of $3.1 million or $0.10 per share on a diluted basis for the first quarter of 2000 compared to $2.0 million or $0.7 per share on a diluted basis for the first quarter of 1999.

The Company recorded revenues for the first quarter of 2000 of $56.5 million compared to $36.7 million recorded in the corresponding quarter last year, an increase of 54%.

Systems revenue, which includes revenue from theater system sales and leases, royalties and maintenance fees, increased approximately 20% to $27.0 million in the first quarter of 2000 from $22.4 million in the same quarter last year. The Company delivered seven theater systems in the first quarter of 2000 compared to six theater systems in the first quarter of 1999. Recurring revenues from royalties and maintenance fees increased 14% and 22% respectively in the first quarter of 2000 over the corresponding period last year as a result of growth in the IMAX theater network.

The Company's revenue from the sale of digital projection systems amounted to $12.9 million in the first quarter of 2000, (nil in the corresponding quarter last year) following the acquisition of 100% of Digital Projection International "DPI" on September 3, 1999.

Film revenue comprises revenue recognized from film production, film distribution and film post-production activities. Film revenue increased 21% to $10.5 million in the first quarter of 2000 from $8.6 million in the same quarter last year primarily as a result of an increase in film post-production revenue of 41%.

Other revenues increased 7% in the first quarter of 2000 to $6.1 million from $5.7 million in the prior year quarter. Declines in Ridefilm revenues were more than offset by increases in revenues from the Company's owned and operated theaters, resulting from an increase in the number of theatres in operation in the first quarter of 2000 over the first quarter of 1999 and the positive impact of Fantasia 2000: The IMAX Experience on theatre box office revenues.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (cont'd)

Three months ended March 31, 2000 versus three months ended March 31, 1999 (cont'd)

Gross margin for the first quarter of 2000 was $23.2 million compared to $16.5 million in the corresponding quarter last year, an increase of 40%. Gross margin was approximately 41% of total revenue in the first quarter of 2000 compared to approximately 45% of total revenue in the same quarter of 1999. The decline in gross margin as a percentage of revenues was due mainly to the higher proportion of revenues other than IMAX systems revenue (which have lower margins than systems revenues).

Selling, general and administrative expenses were $11.5 million in the first quarter of 2000 compared to $8.0 million in the corresponding quarter last year. The increase resulted mainly 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 $1.6 million in the first quarter of 2000 compared to $0.5 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 from $2.4 million in the first quarter of 1999 to $1.5 million in the first quarter of 2000 due to a decline in the average balance of cash and cash equivalents held.

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 March 31, 2000, the Company's principal source of liquidity included cash and cash equivalents of $17.7 million, trade accounts receivable of $50.3 million, net investment in leases due within one year of $37.1 million, marketable securities of $55.8 million, and the amounts receivable under contracts in backlog which are not yet reflected on the balance sheet. The Company also has unused lines of credit under a working capital facility of $1.6 million.

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.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (cont'd)

Liquidity and Capital Resources (cont'd)

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.

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. These cash flows have generally been adequate to finance the ongoing operations of the Company.

In the first quarter of 2000, cash used in operating activities amounted to $35.0 million after the payment of $32.1 million of income taxes and working capital requirements. The income tax payment in the first quarter 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 $7.7 million in accounts receivable due mainly to increases in upfronts billed and increased sales volumes, particularly at DPI and an increase of $3.8 million in inventory due mainly to an increase in digital projection inventory at DPI and an increase in raw materials for IMAX systems.

Cash provided by investing activities in the first quarter of 2000 included a decrease in marketable securities of $33.3 million, partially offset by an increase in film assets of $4.1 million, primarily related to the Company's film, Cyberworld and expenditures totaling $9.5 million on capital assets, principally office premises dedicated to film post-production and distribution and wholly-owned theaters.

During the first quarter of 2000, cash provided by financing activities included $0.2 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.

Item 2. 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 occasionally 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 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 amount 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 March 31, 2000. The fair value represents the amount the Company would receive or pay to terminate the contracts at March 31, 2000.

	March 31, 2000	2001	2002	2003	2004	Thereafter	Total	Fair Value
			(in thousands of U.S. dollars)					
Foreign currency exchange Contracts								
(Receive Canadian $, pay U.S. $)	$21,000	-	-	-	-	-	$21,000	$ 240
Average contractual exchange rate per one U.S. dollar	1.47	-	-	-	-	-	1.47	
(Pay Yen, receive U.S. $)	$ 311	$ 318	$ 174	$ 179	$ 137	-	$ 1,119	($74)
Average contractual exchange rate per one U.S. dollar	97.85	97.85	97.85	97.85	97.85	-	97.85	
(Pay FF, receive U.S. $)	$ 410	$ 423	$ 435	$ 448	$ 462	$ 476	$ 2,654	$ 460
Average contractual exchange rate per one U.S. dollar	5.07	5.07	5.07	5.07	5.07	5.07	5.07	
Interest rate swap								
Fixed to floating	$65,000	$65,000	$65,0001	-	-	-	$65,000	($2,184)
Average pay rate	L*+ 1.95%	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

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. Until December 1993, Predecessor Imax was in negotiations with the plaintiff and another unrelated party for the establishment of an IMAX theater in Quebec City. In December 1993, Predecessor Imax executed a system lease agreement with the other party. During the negotiations, both parties were aware of the other party's interest in also establishing an IMAX theater in Quebec City. The plaintiffs claimed damages of Canadian $4.6 million, representing the amount of profit they claim they were denied due to their inability to proceed with an IMAX theater in Quebec City, together with expenses incurred in respect of this project and pre-judgement interest. The Company disputed this claim and filed a defense in response. Compagnie France Film had also incorporated a shell company, 3101-8450 Quebec Inc. ("3101"). 3101 was to, among other things, enter into a lease for the proposed IMAX theater site. In November 1993, while negotiations between Compagnie France Film and the Company were still ongoing, 3101 entered into a lease for the site. 3101 defaulted on the lease and the landlord sued 3101 in an unrelated action to which the Company was not a party. In February 1996, 3101 was found liable to pay the landlord 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 from the Company damages in the amount of Canadian $2.5 million. The Company disputed these claims and the suit went to trial in January 1998. In a decision rendered in April 1998, the court dismissed the plaintiffs' claims with costs. In May 1998, the plaintiffs and 3101 both filed appeals of the decision to the Court of Appeal. The Company believes that the amount of the loss, if any, will 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.

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 the 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 of this litigation.

In April 2000, Themax Inc., a 33% owned subsidiary 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.

In December 1999, John Q. Hammons ("Hammons") filed a claim against the Company in the United States District Court for the Southern District of Iowa Central Division, alleging breach of contract in respect of the parties' agreement, as well as a claim for alleged tortious interference with contract in connection with Hammons' alleged attempts to assign certain of its rights under the agreement to a third party. Hammons claimed damages including lost profits and costs. The Company believes that the allegations made by Hammons are 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.

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

*21 (Amended) subsidiaries of Imax Corporation as at December 31, 1999.

* Filed herewith

(b) Reports on Form 8-K

There were no reports filed on Form 8-K in the three-month period ended March 31, 2000.

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: May 11, 2000

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 21

IMAX CORPORATION

Significant and other major subsidiary companies of the Registrant at December 31, 1999 were:

Name of Subsidiary	Jurisdiction of Organization	Percentage held by Registrant
Imax Ltd.	Ontario	100%
David Keighley Productions 70MM Inc.	Delaware	100%
Sonics Associates, Inc.	Alabama	100%
Ridefilm Corporation	Delaware	100%
1236627 Ontario Inc.	Ontario	100%
Imax Japan Inc.	Japan	100%
Imax Entertainment Pte. Ltd.	Singapore	100%
Imax (Netherlands) B.V.	Netherlands	100%
Imax U.S.A. Inc.	Delaware	100%
Nyack Theater L.L.C.	Delaware	100%
Arizona Big Frame Theatres, L.L.C.	Delaware	50%
Starboard Theaters Ltd.	Canada	100%
Forum Ride Associates	Nevada	50%
Miami Theatre, L.L.C.	Delaware	100%
Digital Projection International Limited	U.K.	100%
Digital Projection Inc.	Georgia	100%
Themax Inc. (Brossard)	Quebec	33%
Sacramento Theatre L.L.C.	Delaware	100%
Panada Productions Inc.	Delaware	100%
Wire Frame Films Ltd.	Ontario	100%