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**IMAX UNVEILS COMPREHENSIVE VIRTUAL REALITY STRATEGY;
LAUNCHES LOCATION-BASED INITIATIVE THROUGH
PARTNERSHIP WITH STARBREEZE**

*IMAX to Create Fully Integrated Premium Out-of-Home VR Offering
Encompassing Camera Capture, Content Distribution and Delivery*

NEW YORK – May 20, 2016 – IMAX Corporation (NYSE:IMAX) today announced its strategy to develop a premium location-based virtual reality offering that will deliver immersive, multi-dimensional experiences, including entertainment content and games, to multiplexes, malls and other commercial destinations. Following yesterday’s IMAX Google VR camera announcement, IMAX has expanded its initiative to include a joint venture agreement with Starbreeze AB, a Swedish-based independent creator, publisher and distributor of high-quality VR entertainment content and hardware.

Under the agreement, IMAX will create a premium VR experience that will leverage Starbreeze’s unique StarVR® headset technology, which provides a 210-degree full peripheral field of view – double that of any other VR headset currently available – to offer a truly immersive VR experience that is worthy of the IMAX® brand. As part of the partnership, Starbreeze’s existing library of VR entertainment content and games will be made available to consumers as well as the premium content resulting from the IMAX Google VR camera. IMAX will also look to establish new VR content partnerships through its existing Hollywood filmmaker and studio relationships. Meanwhile, Starbreeze will bring new interactive content through its publishing and partnerships in the gaming industry, which includes its relationship with leading Hollywood studio Lionsgate, with whom Starbreeze is developing its *John Wick* VR game as well as others.

IMAX sees a unique opportunity to combine premium equipment, more robust computing power, and expansive spaces to create a highly differentiated, destination-based VR experience that will draw audiences out of their homes, similar to the strategy IMAX has successfully employed in the cinema space.

“As technology and entertainment options evolve, we continue to innovate and find new platforms to extend The IMAX Experience,” said IMAX Corp. CEO Richard L. Gelfond. “We believe VR is an area that holds tremendous promise and is a natural progression for IMAX given our established worldwide brand presence, our immersive entertainment technology know-how, and strong industry relationships with filmmakers, studios and exhibitors. Just as IMAX provides the best cinematic experience, Starbreeze is a pioneer in the burgeoning VR market and its headsets will deliver a wider, “IMAX-like” field of view to allow consumers to see, feel, move and play in new worlds in a powerfully immersive and realistic way. While our partnership with Google puts IMAX in the VR capture business, Starbreeze brings the capabilities in content distribution and delivery that, when combined, help us to establish a complete offering across the VR ecosystem.”

The new VR experience will be made available within select multiplexes as well as commercial locations such as shopping centers and tourist destinations. The parties will launch up to six sites this year in both

domestic and international markets. A test site for the first IMAX VR location has been selected. If successful, the intent is to roll out the concept globally.

“We believe one of the best ways to experience VR is communally and in the highest possible quality,” said Starbreeze CEO Bo Andersson Klint. “We want everyone to have an accessible and exciting premium VR experience in cinema complexes and commercial locations all around the world. This open content platform will entertain and excite millions of people globally. The StarVR HMD – manufactured by our partner, leading Taiwanese electronics company Acer – together with the IMAX brand and its global reach through its many venues, is a great combination for our audiences.”

The joint venture will carry the IMAX brand, with IMAX providing product design, management and installation services as well as sales, marketing and communications support and Starbreeze delivering the software platform, hardware, technical and product support. IMAX also plans to tap into its vast network of filmmakers and exhibitor relationships while Starbreeze will also leverage its relationships in developing and publishing interactive entertainment experiences.

"I've always been a big believer in IMAX, which has been a great longtime partner," said leading Hollywood director Michael Bay. "As a filmmaker, IMAX's location-based VR offering presents an exciting opportunity to transport audiences even further into the worlds we create. We are in advanced discussions with IMAX now on some fun VR concepts and I look forward to test-driving their new technology."

Rob Moore, Vice Chairman of Paramount Pictures commented, “Audiences worldwide are looking to engage with their favorite films and franchises more than ever before. IMAX’s VR strategy provides the ability to immerse consumers in a whole new world that expands on the movie itself and opens up a lot of exciting creative possibilities for our properties.”

“Starbreeze has played an integral role in the growth of our interactive storytelling and virtual reality business and we are happy to broaden that relationship to include our longtime friends at IMAX,” said Peter Levin, President of Interactive Ventures and Games for Lionsgate. “We are big believers in location-based entertainment VR and this is a great opportunity to expand the reach of our VR portfolio, including our *John Wick* episodic VR game and the other forthcoming titles we are working on with Starbreeze.”

Paul Donovan, CEO of Odeon UCI Cinemas Group, added: “We are committed to providing moviegoers with the best possible experiences to get them off their couches and into the multiplex. Our longstanding partnership with IMAX has been instrumental to this effort and we believe their relationships with studios, filmmakers and exhibitors as well as their leading brand and technology put them in an ideal position to capitalize on the growing VR movement. We think VR has a big future in cinemas and we are very interested in partnering with IMAX on this front as their efforts continue to develop.”

About Starbreeze AB

Starbreeze is an independent creator, publisher and distributor of high quality entertainment products. With studios in Stockholm, Paris and Los Angeles, the company creates games and other virtual reality entertainment products, based on proprietary design and licensed content. Starbreeze's most recent games include PAYDAY 2, the adrenaline fueled bank robbing co-op game and the upcoming John Wick VR shooter and survival co-op FPS OVERKILL's The Walking Dead.

Starbreeze has set out to develop truly immersive virtual reality experiences, by integrating software and hardware in its StarVR head mounted display, to be produced together with leading electronics company Acer, displaying a unique field of vision and a mission to bring top-end VR to large audiences. Starbreeze

launched StarVR with a VR-experience at the Electronic Entertainment Expo (E3) in June 2015, gained by teaming up with French Infinite Eye. In January 2016, Starbreeze unveiled the StarCade initiative; centers that invites people to immerse themselves into premium VR experiences. The first cinematic VR experience “Cockatoo Spritz” directed by Stephane Barbato, premiered at the 69th Cannes Film Festival 2016.

Headquartered in Stockholm, Sweden, Starbreeze's shares are listed on Nasdaq Stockholm First North Premier under the tickers STAR A and STAR B with the ISIN-codes SE0007158928 (A-share) and SE0005992831 (B-share). Remium Nordic is the company's Certified Adviser. For more information, please visit <http://www.starbreeze.com>, <http://www.starvr.com>, <http://www.overkillsoftware.com>

About IMAX Corporation

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

IMAX is headquartered in New York, Toronto and Los Angeles, with offices in London, Tokyo, Shanghai and Beijing. As of Mar. 31, 2016, there were 1,066 IMAX theatres (952 commercial multiplexes, 17 commercial destinations and 97 institutions) in 68 countries. On Oct. 8, 2015, shares of IMAX China, a subsidiary of IMAX Corp., began trading on the Hong Kong Stock Exchange under the stock code “HK.1970.”

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This press release contains forward looking statements that are based on IMAX management's assumptions and existing information and involve certain risks and uncertainties which could cause actual results to differ materially from future results expressed or implied by such forward looking statements. These risks and uncertainties are discussed in IMAX's most recent Annual Report on Form 10-K and most recent Quarterly Reports on Form 10-Q.

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