

The IMAX logo is rendered in a bold, black, sans-serif font. The letters are thick and closely spaced, with a distinctive 'X' that has a sharp, angular design. The logo is positioned in the upper left quadrant of the slide, set against a background of a vibrant, colorful nebula or galaxy with swirling patterns of orange, red, and blue.

Expansion in BRIC Economies

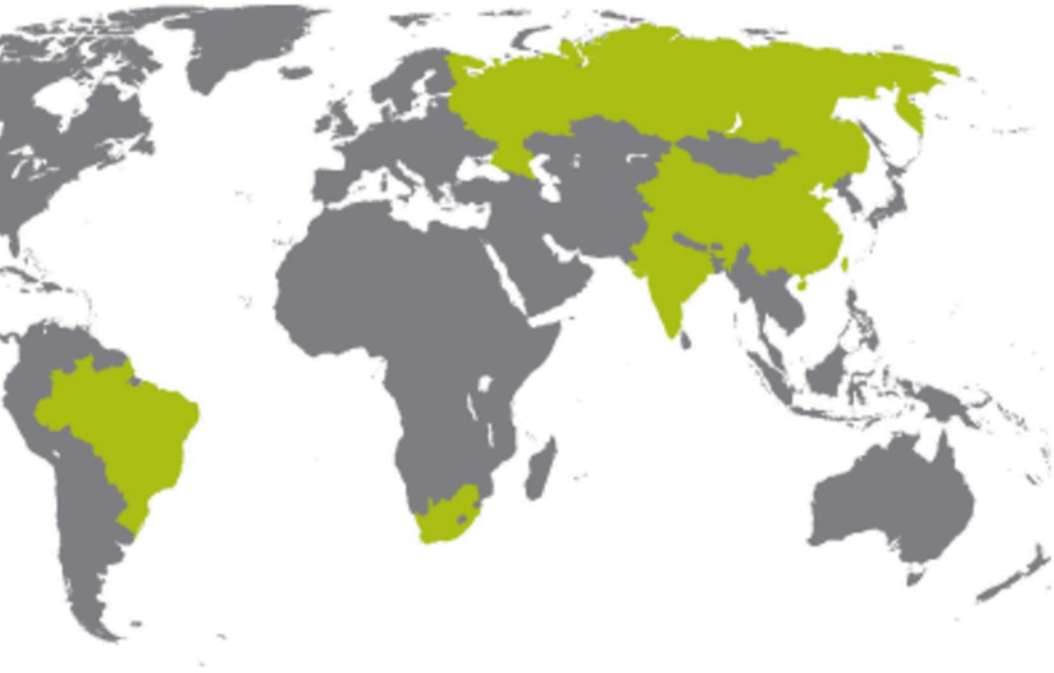
STEVEN XU, MADELINE DOWN,
BEN HAGEN, & MIDORI NG

AGENDA



Clarify Charge
Qualitative Analysis
Financial Analysis
Growth Strategies
Risk Mitigation
Research & Development
Q&A

CLARIFY CHARGE



How should IMAX **allocate further expansion** by country in BRIC countries over the **next 10 years**?

Growth strategies and risk mitigation recommendations?

How much should IMAX invest into **Research & Development** initiatives?

QUALITATIVE ANALYSIS METHODOLOGY



CULTURAL ANALYSIS

Indulgence
Long Term Orientation
Uncertainty Avoidance
Masculinity
Individualism
Power Distance



POLITICAL ANALYSIS

Ease of Doing Business
Voice and Accountability
Political Stability
Government effectiveness
Regulatory Quality
Rule of Law
Control of Corruption



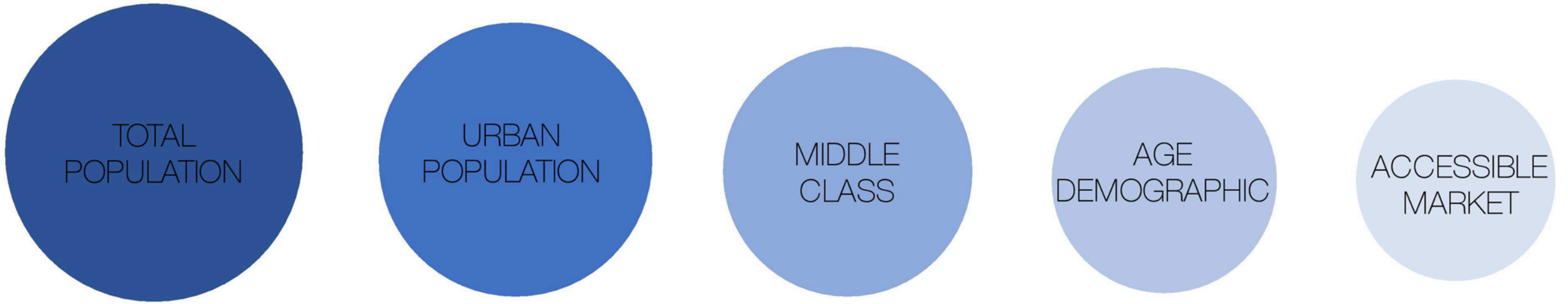
ECONOMIC ANALYSIS

Target Market
Hollywood Influence
IMAX per capita
Box Office Revenue

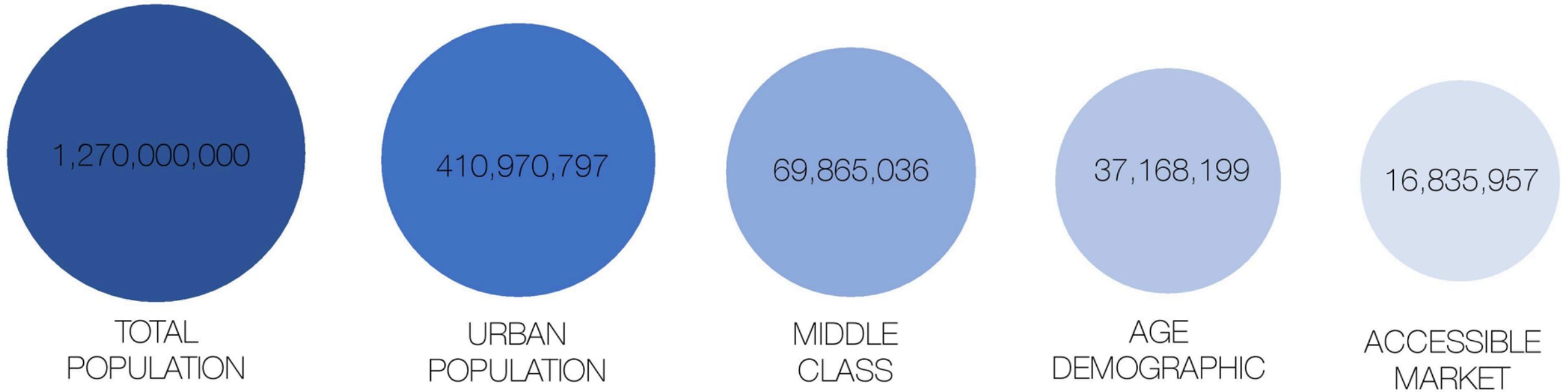
QUALITATIVE ANALYSIS RESULTS

	Brazil	Russia	India	China
Cultural Analysis	43	28	40	47
Political Analysis	45	42	30	47
Economic Analysis	39	45	51	73
Cumulative Score	41	40	43	59

TARGET MARKET METHODOLOGY



TARGET MARKET INDIA EXAMPLE



REVENUE METHODOLOGY

Avg. IMAX Movie Ticket \times Addressable Market = Total Theater Revenue

Total Theater Revenue \times 20% Revenue Share = Total IMAX Revenue

Total IMAX Revenue – Cannibalization = Net Revenue

REVENUE METHODOLOGY INDIA EXAMPLE

Avg. IMAX Movie Ticket x Addressable Market = Total Theater Revenue
 $\$6.00 \times 16,835,957 = \$101,015,742$

Total Theater Revenue x 20% Revenue Share = Total IMAX Revenue
 $\$101,015,742 \times 0.20 = \$20,203,148$

Total IMAX Revenue – Cannibalization = Net Revenue
 $\$20,203,148 - 0 = \$20,203,148$

FUTURE EXPANSION ALLOCATIONS

400 / 1600

screens to be installed in BRIC countries

Country	Screens to add by 2020	Percentage of Allocation	Percentage of Screen Growth
Brazil	64	16.00%	24%
Russia	61	15.25%	13%
India	100	25.00%	31%
China	175	43.75%	8%

METHODOLOGY CONT'D

We feel confident that our recommendation is sound based on two independent models which take into account provided **quantitative data** and **external research**.

TOP TWO COUNTRIES



GROWTH STRATEGY

1

GEOGRAPHY

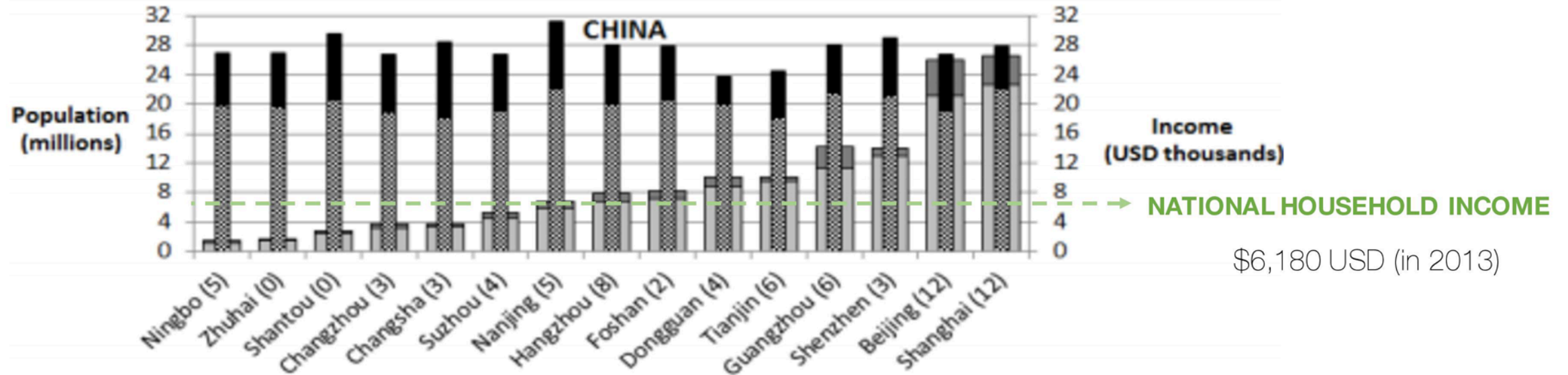
2

PARTNERSHIPS

3

MARKETING

CHINA GEOGRAPHY

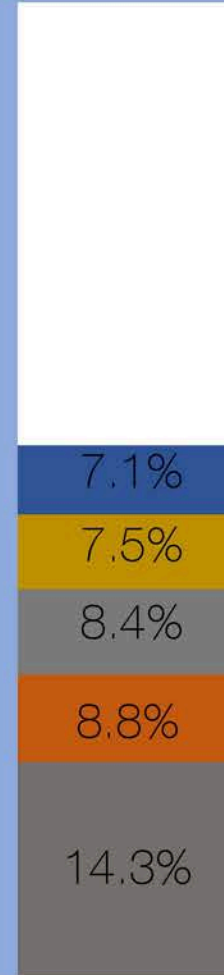


STRATEGY: Start with successful cities, roll out to new

CHINA PARTNERSHIPS



- Dalian WANDA Group
- Shanghai Film Group
- China Film Stellar
- Guangdong Dadi
- Shenzen China Film
- Other



Cinema Market Share

CHINA MARKETING



“Trading Up to 2020”



CHARGE

ANALYSIS

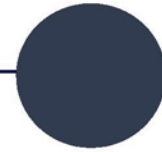
• **GROWTH STRATEGIES**

RISK MITIGATION

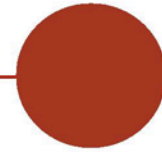
R&D

IMAX

CHINA CONSIDERATIONS



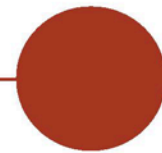
Protectionism



Dislike of Western

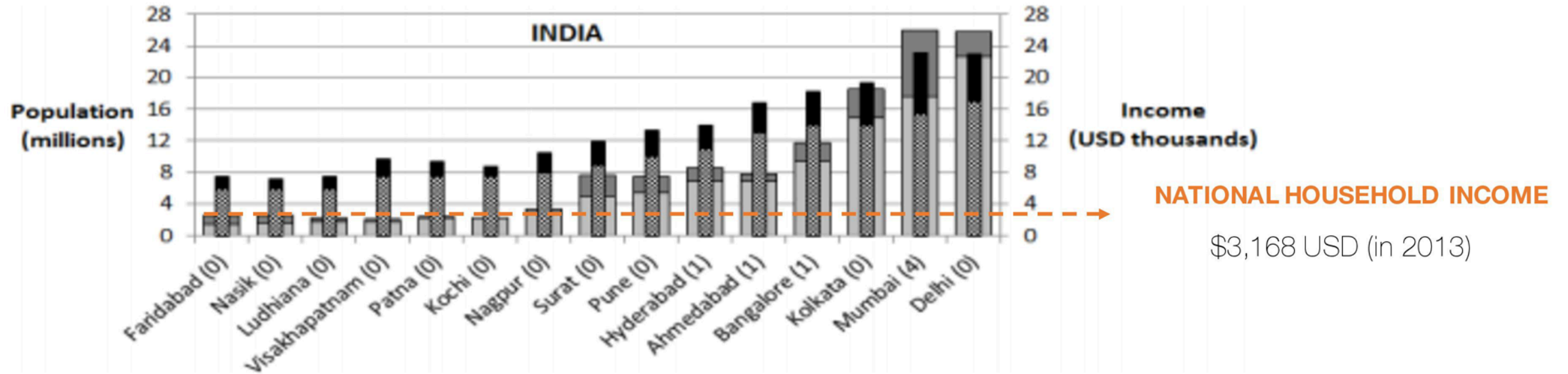


High Power Distance



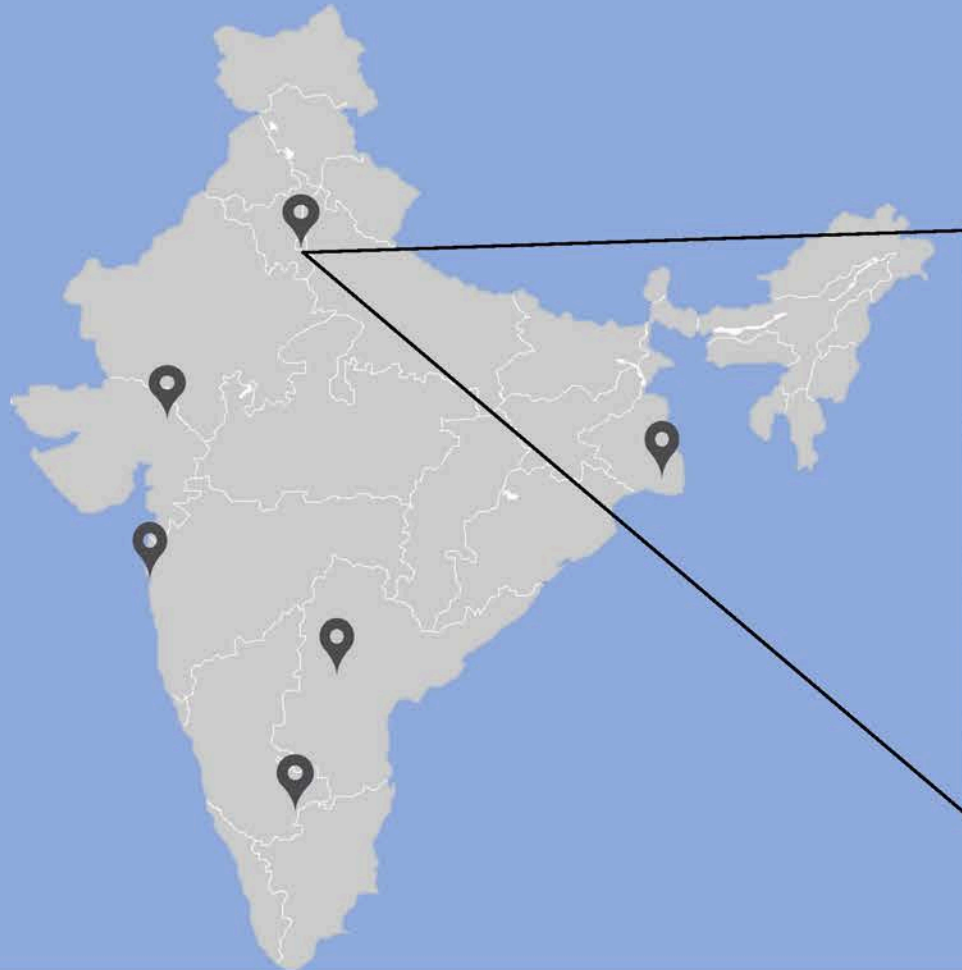
Corruption

INDIA GEOGRAPHY

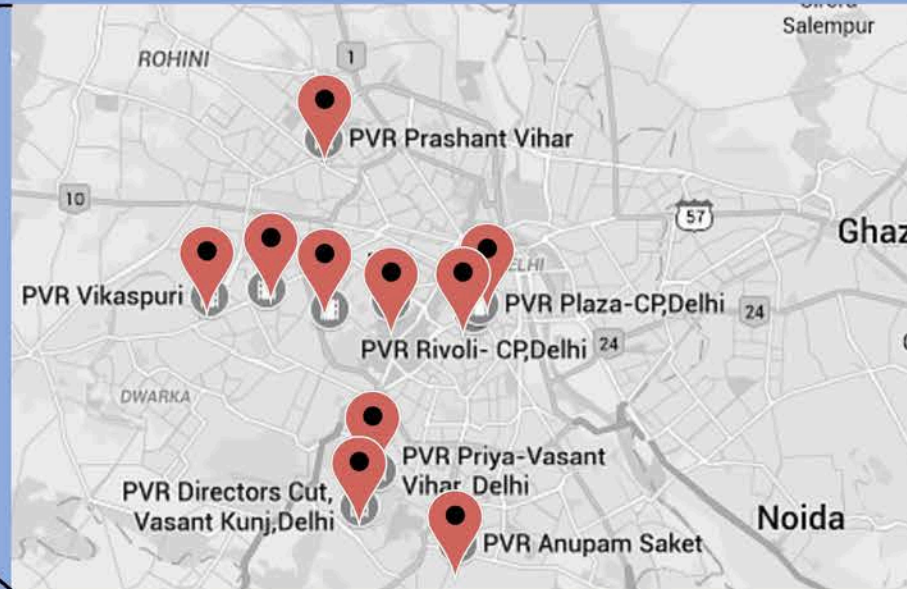


STRATEGY: Urbanized and infrastructure focused

INDIA PARTNERSHIPS



Current Partnerships
Cinepolis, PVR Films



CHARGE

ANALYSIS

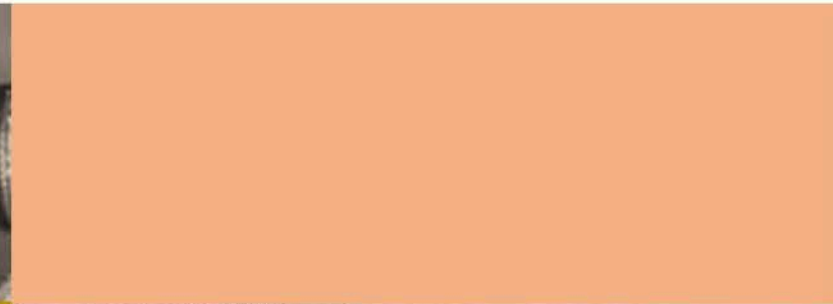
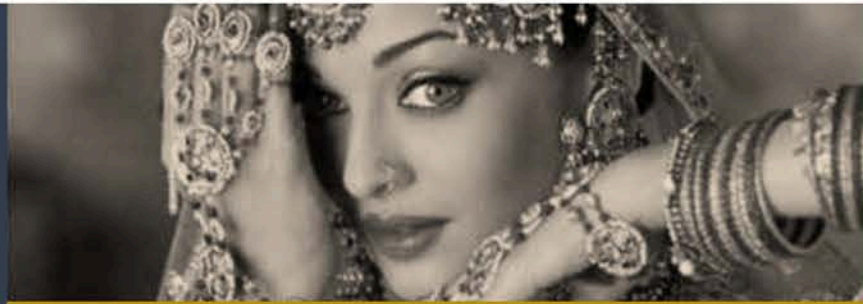
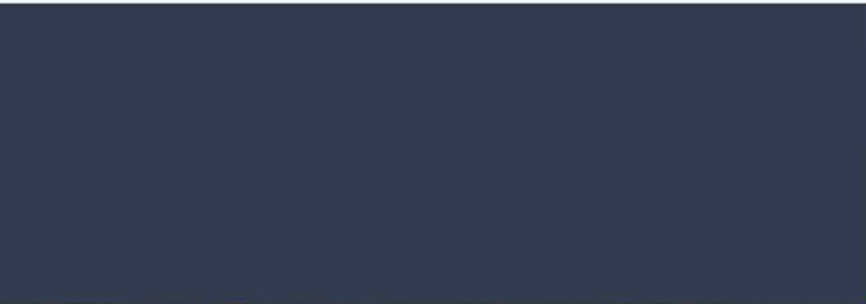
• GROWTH STRATEGIES

RISK MITIGATION

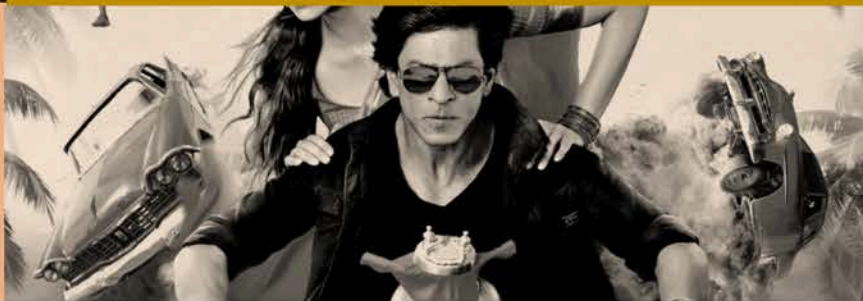
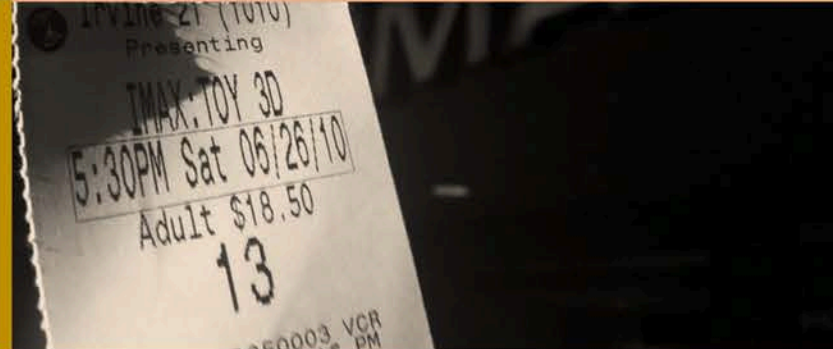
R&D



INDIA MARKETING



“Trading Up to 2020”



CHARGE

ANALYSIS

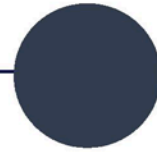
• GROWTH STRATEGIES

RISK MITIGATION

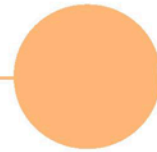
R&D

IMAX

INDIA CONSIDERATIONS



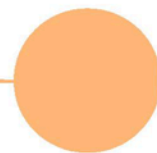
Luxury product perception



Government



Fast followers



Infrastructure

INTERNATIONAL RISK MITIGATION

1. FOREIGN ENTRY PREMIUMS

Mitigation: Research and Relationships

2. IP RISK

Mitigation: Become subject matter specialists

3. FOREIGN EXCHANGE RISK

Mitigation: Currency hedging, contract terms, and temporary price changes

4. STREAMING SERVICES

Mitigation: Invest a portion of R&D to new movie-watching source

RESEARCH & DEVELOPMENT



10% of revenue \$28B

CONCLUSION



LOCATIONS



GROWTH STRATEGY

1. Geography
2. Partnerships
3. Marketing

R&D

10% of revenue for IMAX at home

Q&A

THANK YOU!

APPENDIX

Methodology

1. [Target Market Methodology](#)
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3. [Allocation Methodology](#)
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9. [SWOT Analysis – Russia](#)
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24. [China Target Market Calculations](#)
25. [China Revenue Calculations](#)

TARGET MARKET METHODOLOGY

# of People		India
1,270,000,000	* 32%	Urban Residents
410,970,797	* 17%	Middle Class
69,865,036	* 53%	Target Market (age 20-59)
37,168,199	* 45%	Market Share
16,835,957		Total Addressable Market

- Given total population numbers
- Applied percentage of population living in urban areas
- Applied percentage of middle class occupants
- Applied percentage of age demographic (20-59)
- Applied projected market share when compared to Premium Large Format (PLF) screens

REVENUE METHODOLOGY

India	\$
Market Share	16,835,957
Average IMAX Ticket	\$6.00
Theater Revenue	101,015,742
IMAX Company Revenue	20,203,148
less cannibalization	0
Net Revenue	20,203,148

- Research indicated average IMAX movie ticket in each country
- Total Theater Revenue: multiplied price by our target market
- Total IMAX (company) Revenue: Assumed 20% revenue share
- Assumed that the increase in number of IMAX systems would cannibalize currently installed screens

ALLOCATION METHODOLOGY

- Total: 400 screens of 1600 screens to be installed in BRIC countries
- Calculated growth rate to find the maximum number of screens sold by 2020 until marginal revenue equaled marginal cost
- Allocated screen distribution to maximize cumulative marginal revenue among the four countries
- We feel confident that our recommendation is sound based on two independent models which take into account provided quantitative data and external research.

Country	Screens to add by 2020	Percentage of Allocation	Percentage of Screen Growth
Brazil	66	16.50%	24%
Russia	59	14.75%	13%
India	100	25.00%	31%
China	175	43.75%	8%

BRAZIL



RUSSIA

Cinema Park
Karo Film

Limited
Hollywood
Presence

Top 10
Urban Areas

Airports

Art culture

Qualitative Analysis—Inputs

		<u>Weights</u>	<u>China</u>	<u>India</u>	<u>Russia</u>	<u>Brazil</u>
<u>Cultural Analysis</u>	Indulgence	0.30	24	26	20	59
	Long Term Orientation	0.20	87	51	81	44
	Mod. Uncertainty Avoidance	0.20	70	60	5	24
	Masculinity	0.05	66	56	36	49
	Individualism	0.05	20	48	39	38
	Modified power distance	0.20	20	23	7	33
<u>Political Analysis</u>	Ease of Doing Business	0.40	52	25	67	37
	Voice and Accountability	0.05	5	60	21	61
	Political Stability	0.20	28	12	20	41
	Government Effectiveness	0.05	56	49	41	50
	Regulatory Quality	0.10	43	36	38	55
	Rule of Law	0.10	40	52	25	53
	Control of Corruption	0.10	39	34	17	58
<u>Economic Analysis</u>	Modified Target Market	0.50	100	40	29	12
	Mod. Box office Revenue	0.10	36	15	14	9
	Hollywood Percent	0.10	50	10	83	83
	Modified Existing Theaters	0.30	49	95	69	79

Qualitative Analysis—Results

	<u>China</u>	<u>India</u>	<u>Russia</u>	<u>Brazil</u>
Cultural	47	40	28	42
Political	43	30	42	45
Economic	73	51	45	39
WEIGHTED SCORE	59	43	40	41

SWOT ANALYSIS- BRAZIL

STRENGTHS

Current IMAX facilities seen as travel destinations
Large urban and middle class population
Appreciation of Western Culture

WEAKNESSES

Poor infrastructure
High Poverty rates
Political instability
Complicated tax structure

OPPORTUNITIES

Underdeveloped national movie culture
Partnership with UCI
Few IMAX theaters currently

THREATS

Buying power on a downward trend
Highly protectionist
Extremely dependent on commodity exports
Widening wealth gap
High corruption

SWOT ANALYSIS- RUSSIA

STRENGTHS

Large middle class
Strong box office
Developed IMAX following

WEAKNESSES

Shrinking population
Extremely volatile currency
Political instability

OPPORTUNITIES

Relationships with Karo Film and Cinema Park
Relationships with numerous exhibitors
High NPV

THREATS

Protectionist nation
Very Authoritarian
Potential film quota

SWOT ANALYSIS- INDIA

STRENGTHS

Positive towards Western Culture
Strong box office
Large population
Diversification away from Hollywood

WEAKNESSES

Limited middle class
Inexpensive movie tickets
Relatively few movieplexes

OPPORTUNITIES

Strong film culture
Unsaturated market
Relationships with Cinepolis, PVR Films, and
Sathyam Films

THREATS

Unproven market
Political instability
Lack of infrastructure
Bollywood PLF

SWOT ANALYSIS- CHINA

STRENGTHS

Large target population
Relatively low poverty
Stable economy
Strong infrastructure

WEAKNESSES

Saturated market
Limited free speech
Relatively authoritarian

OPPORTUNITIES

Developing film culture
Relationship with Wanda Cinema
Strong box office growth

THREATS

Aversion to Western Culture
Protectionist
Intellectual property risks
Potential Quota on foreign films

Key Assumptions

- 20% revenue-sharing with foreign exhibitors
- Existing region PLF:IMAX screen ratio stays constant for country
 - i.e. if Asia Pacific has a PLF to IMAX ratio of 1.21 to 1, China and India both have 1.21 PLFs per IMAX added
- Maximum revenue indicates that each person will purchase 1 IMAX ticket annually
 - Average number which accounts for people in target market who buy 0 or >1 ticket
- Inflation from 2014 in all countries stays constant between 2013 and 2020
- 15% discount rate for emerging markets
- Screens are sold on a ten-year sale/lease with matching length revenue-sharing plans
- Perform at-cost maintenance to develop relationships with customers
 - Negates cost to us and allows our projected revenue to be directly correlated with target market and ticket price

Foreign Currency Risk

Excerpts taken from the 2014 10-K Form

- A majority of the Company's revenue is denominated in U.S. dollars while a significant portion of its costs and expenses is denominated in Canadian dollars.
- IMAX has cash flows from its subsidiaries denominated in Japanese Yen, Euros, Canadian dollars, among others which are converted to U.S. dollars through the spot market.
- IMAX utilizes currency forward contracts to manage the risk associated with volatility

Brazil Model Full

Max # Screens to add	215
Growth Rate	54%
Actual Screens Added	64
Growth Rate	24%

	2013	2014	2015	2016	2017	2018	2019	2020
IMAX Screens	11	14	19	25	33	43	57	75
PLF Screens	57	60	63	66	70	73	77	81
Total Screens	68	75	82	91	103	116	134	155
Market Share	16%	19%	23%	27%	32%	37%	43%	48%

Cannibalization Rate	0.03%	0.04%	0.06%	0.08%	0.12%	0.16%	0.23%	0.32%
Cannibalization	\$ -	\$ (29,298.71)	\$ (69,486.20)	\$ (163,497.46)	\$ (381,252.30)	\$ (880,124.04)	\$ (2,009,505.92)	\$ (4,534,265.99)

Urban Residence	87%	87%	87%	87%	87%	87%	87%	87%
Middle Class	80%	80%	80%	80%	80%	80%	80%	80%
Target Market (age 20-59)	56%	56%	56%	56%	56%	56%	56%	56%

Population	201,000,000	202,407,000	203,823,849	205,250,616	206,687,370	208,134,182	209,591,121	211,058,259
Urban Residence	174,870,000	176,094,090	177,326,749	178,568,036	179,818,012	181,076,738	182,344,275	183,620,685
Middle Class	139,896,000	140,875,272	141,861,399	142,854,429	143,854,410	144,861,391	145,875,420	146,896,548
Target Market (age 20-59)	78,621,552	79,171,903	79,726,106	80,284,189	80,846,178	81,412,101	81,981,986	82,555,860
Market Share	12,661,898	15,344,823	18,449,613	21,983,744	25,932,597	30,255,502	34,884,702	39,728,251
Of Total Population	6.30%	7.58%	9.05%	10.71%	12.55%	14.54%	16.64%	18.82%

Avg. IMAX Ticket	\$ 7.95	\$ 8.45	\$ 8.98	\$ 9.55	\$ 10.15	\$ 10.79	\$ 11.47	\$ 12.19
IMAX Theater Revenue	\$ 100,662,088	\$ 129,676,793	\$ 165,737,548	\$ 209,927,139	\$ 263,236,558	\$ 326,465,897	\$ 400,130,574	\$ 484,394,747
IMAX Company Revenue	\$ 20,132,418	25,935,359	33,147,510	41,985,428	52,647,312	65,293,179	80,026,115	96,878,949
less cannibalization	\$ -	\$ (29,299)	\$ (69,486)	\$ (163,497)	\$ (381,252)	\$ (880,124)	\$ (2,009,506)	\$ (4,534,266)
Net Revenue	\$ 20,132,418	\$ 25,906,060	\$ 33,078,023	\$ 41,821,930	\$ 52,266,059	\$ 64,413,055	\$ 78,016,609	\$ 92,344,683
less Installation Cost	\$ -	\$ (1,212,750)	\$ (1,594,766)	\$ (2,097,118)	\$ (2,757,710)	\$ (3,626,388)	\$ (4,768,701)	\$ (6,270,841)

Net Income	\$ 20,132,418	\$ 24,693,310	\$ 31,483,257	\$ 39,724,813	\$ 49,508,350	\$ 60,786,667	\$ 73,247,908	\$ 86,073,842
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Revenue per Screen	\$ 1,830,220	\$ 1,790,948	\$ 1,738,983	\$ 1,671,992	\$ 1,589,001	\$ 1,489,198	\$ 1,371,639	\$ 1,234,636
Marginal Revenue	\$ -	\$ 1,666,275	\$ 1,574,016	\$ 1,459,321	\$ 1,325,537	\$ 1,172,364	\$ 998,436	\$ 799,705

Attainable Revenue (20%)	\$ 4,026,484	\$ 4,938,662	\$ 6,296,651	\$ 7,944,963	\$ 9,901,670	\$ 12,157,333	\$ 14,649,582	\$ 17,214,768
NPV	\$37,232,026							

- 1 Target Market Calculations
- 2 Revenue Calculations
- 3 NPV

Brazil Model Target Market Calculations

	2013	2014	2015	2016	2017	2018	2019	2020
IMAX Screens	11	14	19	25	33	43	57	75
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Urban Residence	87%	87%	87%	87%	87%	87%	87%	87%
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Target Market (age 20-59)	56%	56%	56%	56%	56%	56%	56%	56%
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Target Market (age 20-59)	78,621,552	79,171,903	79,726,106	80,284,189	80,846,178	81,412,101	81,981,986	82,555,860
3 Market Share Of Total Population	12,661,898 6.30%	15,344,823 7.58%	18,449,613 9.05%	21,983,744 10.71%	25,932,597 12.55%	30,255,502 14.54%	34,884,702 16.64%	39,728,251 18.82%

- 1 Market share calculations of IMAX screens vs. PLF screens based on existing PLF:IMAX screen ratio
- 2 2013 and 2020 percentages given for urban residents, middle class, and age demographic. Found and used CAGR to facilitate this growth, assumed constant where data was missing
- 3 Applied percentages to total population

Brazil Model Revenue Calculations

	2013	2014	2015	2016	2017	2018	2019	2020
1 Cannibalization Rate	0.03%	0.04%	0.06%	0.08%	0.12%	0.16%	0.23%	0.32%
Cannibalization	\$ -	\$ (29,298.71)	\$ (69,486.20)	\$ (163,497.46)	\$ (381,252.30)	\$ (880,124.04)	\$ (2,009,505.92)	\$ (4,534,265.99)
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Net Income	\$ 20,132,418	\$ 24,693,310	\$ 31,483,257	\$ 39,724,813	\$ 49,508,350	\$ 60,786,667	\$ 73,247,908	\$ 86,073,842
Revenue per Screen	\$ 1,830,220	\$ 1,790,948	\$ 1,738,983	\$ 1,671,992	\$ 1,589,001	\$ 1,489,198	\$ 1,371,639	\$ 1,234,636
Marginal Revenue	\$ -	\$ 1,666,275	\$ 1,574,016	\$ 1,459,321	\$ 1,325,537	\$ 1,172,364	\$ 998,436	\$ 799,705
Attainable Revenue (20%)	\$ 4,026,484	\$ 4,938,662	\$ 6,296,651	\$ 7,944,963	\$ 9,901,670	\$ 12,157,333	\$ 14,649,582	\$ 17,214,768
NPV	\$37,232,026							

- 1 Cannibalization rate to estimate saturation of market
- 2 Average IMAX ticket price estimated by online source adjusted for 2014 inflation YoY
- 3 Maximum revenue possible from target market

Russia Model Full

Max # Screens to add	206
Growth Rate	30%
Actual Screens Added	61
Growth Rate	13%

	2013	2014	2015	2016	2017	2018	2019	2020
IMAX Screens	39	45	51	58	67	76	87	100
PLF Screens	23	24	25	26	28	29	30	32
Total Screens	62	69	76	85	94	105	118	132
Market Share	63%	65%	67%	69%	71%	72%	74%	76%

Cannibalization Rate	0.03%	0.04%	0.06%	0.08%	0.12%	0.16%	0.23%	0.32%
Cannibalization	\$ -	\$ (103,704.97)	\$ (188,247.84)	\$ (341,142.26)	\$ (617,214.08)	\$ (1,114,942.09)	\$ (2,010,980.34)	\$ (3,621,816.02)

Urban Residence	72%	72%	72%	72%	72%	72%	72%	72%
Middle Class	75%	76%	78%	80%	81%	83%	84%	86%
Target Market (age 20-59)	60%	60%	59%	59%	58%	58%	58%	57%

1 Population	143,000,000	144,001,000	145,009,007	146,024,070	147,046,239	148,075,562	149,112,091	150,155,876
Urban Residence	102,960,000	103,680,720	104,406,485	105,137,330	105,873,292	106,614,405	107,360,706	108,112,231
Middle Class	77,220,000	79,292,423	81,420,465	83,605,619	85,849,418	88,153,436	90,519,289	92,948,637
Target Market (age 20-59)	46,409,220	47,316,397	48,241,308	49,184,297	50,145,720	51,125,936	52,125,313	53,144,224
Market Share	29,311,086	30,816,942	32,346,123	33,896,098	35,464,462	37,048,964	38,647,536	40,258,310
Of Total Population	20.50%	21.40%	22.31%	23.21%	24.12%	25.02%	25.92%	26.81%

2 Avg. IMAX Ticket	7.50	8.09	8.72	9.40	10.13	10.92	11.77	12.69
IMAX Theater Revenue	\$ 219,833,147	\$ 249,154,976	\$ 281,916,839	\$ 318,469,067	\$ 359,194,505	\$ 404,511,748	\$ 454,878,740	\$ 510,796,750
IMAX Company Revenue	\$ 43,966,629	\$ 49,830,995	\$ 56,383,368	\$ 63,693,813	\$ 71,838,901	\$ 80,902,350	\$ 90,975,748	\$ 102,159,350
less cannibalization	\$ -	\$ (103,705)	\$ (188,248)	\$ (341,142)	\$ (617,214)	\$ (1,114,942)	\$ (2,010,980)	\$ (3,621,816)
Net Revenue	\$ 43,966,629	\$ 49,727,290	\$ 56,195,120	\$ 63,352,671	\$ 71,221,687	\$ 79,787,408	\$ 88,964,768	\$ 98,537,534
less Installation Cost	\$ -	\$ (1,965,600)	\$ (2,248,646)	\$ (2,572,451)	\$ (2,942,884)	\$ (3,366,660)	\$ (3,851,459)	\$ (4,406,069)

Net Income	\$ 43,966,629	\$ 47,761,690	\$ 53,946,474	\$ 60,780,220	\$ 68,278,802	\$ 76,420,748	\$ 85,113,309	\$ 94,131,465
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Revenue per Screen	\$ 1,127,349	\$ 1,114,562	\$ 1,100,986	\$ 1,084,981	\$ 1,066,212	\$ 1,044,094	\$ 1,017,647	\$ 985,269
Marginal Revenue	\$ -	\$ 1,025,759	\$ 1,006,713	\$ 973,835	\$ 935,869	\$ 890,498	\$ 833,989	\$ 760,421

3 Attainable Revenue	\$ 8,793,326	\$ 9,552,338	\$ 10,789,295	\$ 12,156,044	\$ 13,655,760	\$ 15,284,150	\$ 17,022,662	\$ 18,826,293
NPV	\$54,864,588							

- 1 Target Market Calculations
- 2 Revenue Calculations
- 3 NPV

Russia Model Target Market Calculations

	2013	2014	2015	2016	2017	2018	2019	2020
IMAX Screens	39	45	51	58	67	76	87	100
PLF Screens	23	24	25	26	28	29	30	32
Total Screens	62	69	76	85	94	105	118	132
1 Market Share	63%	65%	67%	69%	71%	72%	74%	76%
Urban Residence	72%	72%	72%	72%	72%	72%	72%	72%
2 Middle Class	75%	76%	78%	80%	81%	83%	84%	86%
Target Market (age 20-59)	60%	60%	59%	59%	58%	58%	58%	57%
Population	143,000,000	144,001,000	145,009,007	146,024,070	147,046,239	148,075,562	149,112,091	150,155,876
Urban Residence	102,960,000	103,680,720	104,406,485	105,137,330	105,873,292	106,614,405	107,360,706	108,112,231
Middle Class	77,220,000	79,292,423	81,420,465	83,605,619	85,849,418	88,153,436	90,519,289	92,948,637
Target Market (age 20-59)	46,409,220	47,316,397	48,241,308	49,184,297	50,145,720	51,125,936	52,125,313	53,144,224
3 Market Share	29,311,086	30,816,942	32,346,123	33,896,098	35,464,462	37,048,964	38,647,536	40,258,310
Of Total Population	20.50%	21.40%	22.31%	23.21%	24.12%	25.02%	25.92%	26.81%

- 1 Market share calculations of IMAX screens vs. PLF screens based on existing PLF:IMAX screen ratio
- 2 2013 and 2020 percentages given for urban residents, middle class, and age demographic. Found and used CAGR to facilitate this growth, assumed constant where data was missing
- 3 Applied percentages to total population

Russia Model Revenue Calculations

	2013	2014	2015	2016	2017	2018	2019	2020
1 Cannibalization Rate	0.03%	0.04%	0.06%	0.08%	0.12%	0.16%	0.23%	0.32%
1 Cannibalization	\$ -	\$ (103,704.97)	\$ (188,247.84)	\$ (341,142.26)	\$ (617,214.08)	\$ (1,114,942.09)	\$ (2,010,980.34)	\$ (3,621,816.02)
2 Avg. IMAX Ticket	7.50	8.09	8.72	9.40	10.13	10.92	11.77	12.69
2 IMAX Theater Revenue	\$ 219,833,147	\$ 249,154,976	\$ 281,916,839	\$ 318,469,067	\$ 359,194,505	\$ 404,511,748	\$ 454,878,740	\$ 510,796,750
IMAX Company Revenue	\$ 43,966,629	\$ 49,830,995	\$ 56,383,368	\$ 63,693,813	\$ 71,838,901	\$ 80,902,350	\$ 90,975,748	\$ 102,159,350
less cannibalization	\$ -	\$ (103,705)	\$ (188,248)	\$ (341,142)	\$ (617,214)	\$ (1,114,942)	\$ (2,010,980)	\$ (3,621,816)
3 Net Revenue	\$ 43,966,629	\$ 49,727,290	\$ 56,195,120	\$ 63,352,671	\$ 71,221,687	\$ 79,787,408	\$ 88,964,768	\$ 98,537,534
less Installation Cost	\$ -	\$ (1,965,600)	\$ (2,248,646)	\$ (2,572,451)	\$ (2,942,884)	\$ (3,366,660)	\$ (3,851,459)	\$ (4,406,069)
Net Income	\$ 43,966,629	\$ 47,761,690	\$ 53,946,474	\$ 60,780,220	\$ 68,278,802	\$ 76,420,748	\$ 85,113,309	\$ 94,131,465
Revenue per Screen	\$ 1,127,349	\$ 1,114,562	\$ 1,100,986	\$ 1,084,981	\$ 1,066,212	\$ 1,044,094	\$ 1,017,647	\$ 985,269
Marginal Revenue	\$ -	\$ 1,025,759	\$ 1,006,713	\$ 973,835	\$ 935,869	\$ 890,498	\$ 833,989	\$ 760,421
Attainable Revenue	\$ 8,793,326	\$ 9,552,338	\$ 10,789,295	\$ 12,156,044	\$ 13,655,760	\$ 15,284,150	\$ 17,022,662	\$ 18,826,293
NPV	\$54,864,588							

- 1 Cannibalization rate to estimate saturation of market
- 2 Average IMAX ticket price estimated by online source adjusted for 2014 inflation YoY
- 3 Maximum revenue possible from target market

India Model Full

Max # Screens to add	245
Growth Rate	64%
Actual Screens Added	100
Growth Rate	31%

	2013	2014	2015	2016	2017	2018	2019	2020
IMAX Screens	8	12	17	24	35	51	74	108
PLF Screens	10	10	11	11	12	12	13	14
Total Screens	18	22	27	36	47	64	87	121
Market Share	45%	53%	61%	69%	75%	81%	85%	89%

Cannibalization Rate	0.03%	0.04%	0.06%	0.08%	0.12%	0.16%	0.23%	0.32%
Cannibalization	\$ -	\$ (30,547.16)	\$ (89,143.51)	\$ (253,510.36)	\$ (703,395.92)	\$ (1,908,428.58)	\$ (5,078,010.35)	\$ (13,293,424.08)

Urban Residence	32%	33%	34%	36%	37%	38%	39%	40%
Middle Class	17%	19%	21%	23%	25%	27%	30%	33%
Target Market (age 20-59)	53%	53%	54%	54%	54%	54%	54%	55%

Population	1,270,000,000	1,278,890,000	1,287,842,230	1,296,857,126	1,305,935,125	1,315,076,671	1,324,282,208	1,333,552,184
Urban Residence	410,970,797	427,256,255	444,187,053	461,788,764	480,087,975	499,112,326	518,890,550	539,452,522
Middle Class	69,865,036	79,853,339	91,269,628	104,318,055	119,231,959	136,278,040	155,761,126	178,029,625
Target Market (age 20-59)	37,168,199	42,639,160	48,915,417	56,115,506	64,375,410	73,851,128	84,721,621	97,192,192
Market Share	16,835,957	22,746,733	29,949,345	38,472,802	48,327,264	59,534,980	72,156,893	86,309,082

Avg. IMAX Ticket	6.00	6.38	6.79	7.23	7.69	8.18	8.71	9.26
IMAX Theater Revenue	\$ 101,015,742	\$ 145,215,141	\$ 203,433,205	\$ 278,054,512	\$ 371,629,323	\$ 487,115,115	\$ 628,172,392	\$ 799,464,425
IMAX Company Revenue	\$ 20,203,148	\$ 29,043,028	\$ 40,686,641	\$ 55,610,902	\$ 74,325,865	\$ 97,423,023	\$ 125,634,478	\$ 159,892,885
less cannibalization	\$ -	\$ (30,547)	\$ (89,144)	\$ (253,510)	\$ (703,396)	\$ (1,908,429)	\$ (5,078,010)	\$ (13,293,424)
Net Revenue	\$ 20,203,148	\$ 29,012,481	\$ 40,597,498	\$ 55,357,392	\$ 73,622,469	\$ 95,514,594	\$ 120,556,468	\$ 146,599,461
less Installation Cost	\$ -	\$ (1,260,000)	\$ (1,827,000)	\$ (2,649,150)	\$ (3,841,268)	\$ (5,569,838)	\$ (8,076,265)	\$ (11,710,584)

Net Income	\$ 20,203,148	\$ 27,752,481	\$ 38,770,498	\$ 52,708,242	\$ 69,781,201	\$ 89,944,757	\$ 112,480,203	\$ 134,888,877
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Revenue per Screen	\$ 2,525,394	\$ 2,501,076	\$ 2,413,644	\$ 2,269,769	\$ 2,081,845	\$ 1,862,686	\$ 1,621,409	\$ 1,359,773
Marginal Revenue	\$ -	\$ 2,447,037	\$ 2,219,352	\$ 1,950,046	\$ 1,664,236	\$ 1,375,667	\$ 1,085,236	\$ 778,360

Attainable Revenue (20%)	\$ 4,040,630	\$ 5,550,496	\$ 7,754,100	\$ 10,541,648	\$ 13,956,240	\$ 17,988,951	\$ 22,496,041	\$ 26,977,775
NPV	\$50,828,247							

- 1 Target Market Calculations
- 2 Revenue Calculations
- 3 NPV

India Model Target Market Calculations

	2013	2014	2015	2016	2017	2018	2019	2020
IMAX Screens	8	12	17	24	35	51	74	108
PLF Screens	10	10	11	11	12	12	13	14
1 Total Screens	18	22	27	36	47	64	87	121
1 Market Share	45%	53%	61%	69%	75%	81%	85%	89%
Urban Residence	32%	33%	34%	36%	37%	38%	39%	40%
2 Middle Class	17%	19%	21%	23%	25%	27%	30%	33%
2 Target Market (age 20-59)	53%	53%	54%	54%	54%	54%	54%	55%
Population	1,270,000,000	1,278,890,000	1,287,842,230	1,296,857,126	1,305,935,125	1,315,076,671	1,324,282,208	1,333,552,184
Urban Residence	410,970,797	427,256,255	444,187,053	461,788,764	480,087,975	499,112,326	518,890,550	539,452,522
Middle Class	69,865,036	79,853,339	91,269,628	104,318,055	119,231,959	136,278,040	155,761,126	178,029,625
Target Market (age 20-59)	37,168,199	42,639,160	48,915,417	56,115,506	64,375,410	73,851,128	84,721,621	97,192,192
3 Market Share	16,835,957	22,746,733	29,949,345	38,472,802	48,327,264	59,534,980	72,156,893	86,309,082
3 Of Total Population	1.33%	1.78%	2.33%	2.97%	3.70%	4.53%	5.45%	6.47%

- 1** Market share calculations of IMAX screens vs. PLF screens based on existing PLF:IMAX screen ratio
- 2** 2013 and 2020 percentages given for urban residents, middle class, and age demographic. Found and used CAGR to facilitate this growth, assumed constant where data was missing
- 3** Applied percentages to total population

India Model Revenue Calculations

	2013	2014	2015	2016	2017	2018	2019	2020
1 Cannibalization Rate	0.03%	0.04%	0.06%	0.08%	0.12%	0.16%	0.23%	0.32%
Cannibalization	\$ -	\$ (30,547.16)	\$ (89,143.51)	\$ (253,510.36)	\$ (703,395.92)	\$ (1,908,428.58)	\$ (5,078,010.35)	\$ (13,293,424.08)
2 Avg. IMAX Ticket	6.00	6.38	6.79	7.23	7.69	8.18	8.71	9.26
IMAX Theater Revenue	\$ 101,015,742	\$ 145,215,141	\$ 203,433,205	\$ 278,054,512	\$ 371,629,323	\$ 487,115,115	\$ 628,172,392	\$ 799,464,425
IMAX Company Revenue	\$ 20,203,148	\$ 29,043,028	\$ 40,686,641	\$ 55,610,902	\$ 74,325,865	\$ 97,423,023	\$ 125,634,478	\$ 159,892,885
less cannibalization	\$ -	\$ (30,547)	\$ (89,144)	\$ (253,510)	\$ (703,396)	\$ (1,908,429)	\$ (5,078,010)	\$ (13,293,424)
3 Net Revenue	\$ 20,203,148	\$ 29,012,481	\$ 40,597,498	\$ 55,357,392	\$ 73,622,469	\$ 95,514,594	\$ 120,556,468	\$ 146,599,461
less Installation Cost	\$ -	\$ (1,260,000)	\$ (1,827,000)	\$ (2,649,150)	\$ (3,841,268)	\$ (5,569,838)	\$ (8,076,265)	\$ (11,710,584)
Net Income	\$ 20,203,148	\$ 27,752,481	\$ 38,770,498	\$ 52,708,242	\$ 69,781,201	\$ 89,944,757	\$ 112,480,203	\$ 134,888,877
Revenue per Screen	\$ 2,525,394	\$ 2,501,076	\$ 2,413,644	\$ 2,269,769	\$ 2,081,845	\$ 1,862,686	\$ 1,621,409	\$ 1,359,773
Marginal Revenue	\$ -	\$ 2,447,037	\$ 2,219,352	\$ 1,950,046	\$ 1,664,236	\$ 1,375,667	\$ 1,085,236	\$ 778,360
Attainable Revenue (20%)	\$ 4,040,630	\$ 5,550,496	\$ 7,754,100	\$ 10,541,648	\$ 13,956,240	\$ 17,988,951	\$ 22,496,041	\$ 26,977,775
NPV	\$50,828,247							

- 1 Cannibalization rate to estimate saturation of market
- 2 Average IMAX ticket price estimated by online source adjusted for 2014 inflation YoY
- 3 Maximum revenue possible from target market

China Model Full

Max # Screens to add	304
Growth Rate	13%
Actual Screens Added	175
Growth Rate	8%

	2013	2014	2015	2016	2017	2018	2019	2020
IMAX Screens	39	45	51	58	67	76	87	100
PLF Screens	23	24	25	26	28	29	30	32
Total Screens	62	69	76	85	94	105	118	132
Market Share	63%	65%	67%	69%	71%	72%	74%	76%

Cannibalization Rate	0.03%	0.04%	0.06%	0.08%	0.12%	0.16%	0.23%	0.32%
Cannibalization	\$ -	\$ (103,704.97)	\$ (188,247.84)	\$ (341,142.26)	\$ (617,214.08)	\$ (1,114,942.09)	\$ (2,010,980.34)	\$ (3,621,816.02)

Urban Residence	72%	72%	72%	72%	72%	72%	72%	72%
Middle Class	75%	76%	78%	80%	81%	83%	84%	86%
Target Market (age 20-59)	60%	60%	59%	59%	58%	58%	58%	57%

Population	143,000,000	144,001,000	145,009,007	146,024,070	147,046,239	148,075,562	149,112,091	150,155,876
Urban Residence	102,960,000	103,680,720	104,406,485	105,137,330	105,873,292	106,614,405	107,360,706	108,112,231
Middle Class	77,220,000	79,292,423	81,420,465	83,605,619	85,849,418	88,153,436	90,519,289	92,948,637
Target Market (age 20-59)	46,409,220	47,316,397	48,241,308	49,184,297	50,145,720	51,125,936	52,125,313	53,144,224
Market Share	29,311,086	30,816,942	32,346,123	33,896,098	35,464,462	37,048,964	38,647,536	40,258,310
Of Total Population	20.50%	21.40%	22.31%	23.21%	24.12%	25.02%	25.92%	26.81%

Avg. IMAX Ticket	7.50	8.09	8.72	9.40	10.13	10.92	11.77	12.69
IMAX Theater Revenue	\$ 219,833,147	\$ 249,154,976	\$ 281,916,839	\$ 318,469,067	\$ 359,194,505	\$ 404,511,748	\$ 454,878,740	\$ 510,796,750
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less cannibalization	\$ -	\$ (103,705)	\$ (188,248)	\$ (341,142)	\$ (617,214)	\$ (1,114,942)	\$ (2,010,980)	\$ (3,621,816)
Net Revenue	\$ 43,966,629	\$ 49,727,290	\$ 56,195,120	\$ 63,352,671	\$ 71,221,687	\$ 79,787,408	\$ 88,964,768	\$ 98,537,534
less Installation Cost	\$ -	\$ (1,965,600)	\$ (2,248,646)	\$ (2,572,451)	\$ (2,942,884)	\$ (3,366,660)	\$ (3,851,459)	\$ (4,406,069)

Net Income	\$ 43,966,629	\$ 47,761,690	\$ 53,946,474	\$ 60,780,220	\$ 68,278,802	\$ 76,420,748	\$ 85,113,309	\$ 94,131,465
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Revenue per Screen	\$ 1,127,349	\$ 1,114,562	\$ 1,100,986	\$ 1,084,981	\$ 1,066,212	\$ 1,044,094	\$ 1,017,647	\$ 985,269
Marginal Revenue	\$ -	\$ 1,025,759	\$ 1,006,713	\$ 973,835	\$ 935,869	\$ 890,498	\$ 833,989	\$ 760,421

Attainable Revenue	\$ 8,793,326	\$ 9,552,338	\$ 10,789,295	\$ 12,156,044	\$ 13,655,760	\$ 15,284,150	\$ 17,022,662	\$ 18,826,293
NPV	\$54,864,588							

1 Target Market Calculations

2 Revenue Calculations

3 NPV

China Model Target Market Calculations

	2013	2014	2015	2016	2017	2018	2019	2020
IMAX Screens	39	45	51	58	67	76	87	100
PLF Screens	23	24	25	26	28	29	30	32
Total Screens	62	69	76	85	94	105	118	132
1 Market Share	63%	65%	67%	69%	71%	72%	74%	76%
Urban Residence	72%	72%	72%	72%	72%	72%	72%	72%
2 Middle Class	75%	76%	78%	80%	81%	83%	84%	86%
Target Market (age 20-59)	60%	60%	59%	59%	58%	58%	58%	57%
Population	143,000,000	144,001,000	145,009,007	146,024,070	147,046,239	148,075,562	149,112,091	150,155,876
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Middle Class	77,220,000	79,292,423	81,420,465	83,605,619	85,849,418	88,153,436	90,519,289	92,948,637
Target Market (age 20-59)	46,409,220	47,316,397	48,241,308	49,184,297	50,145,720	51,125,936	52,125,313	53,144,224
3 Market Share Of Total Population	29,311,086 20.50%	30,816,942 21.40%	32,346,123 22.31%	33,896,098 23.21%	35,464,462 24.12%	37,048,964 25.02%	38,647,536 25.92%	40,258,310 26.81%

- 1 Market share calculations of IMAX screens vs. PLF screens based on existing PLF:IMAX screen ratio
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China Model Revenue Calculations

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less cannibalization	\$ -	\$ (103,705)	\$ (188,248)	\$ (341,142)	\$ (617,214)	\$ (1,114,942)	\$ (2,010,980)	\$ (3,621,816)
3 Net Revenue	\$ 43,966,629	\$ 49,727,290	\$ 56,195,120	\$ 63,352,671	\$ 71,221,687	\$ 79,787,408	\$ 88,964,768	\$ 98,537,534
less Installation Cost	\$ -	\$ (1,965,600)	\$ (2,248,646)	\$ (2,572,451)	\$ (2,942,884)	\$ (3,366,660)	\$ (3,851,459)	\$ (4,406,069)
Net Income	\$ 43,966,629	\$ 47,761,690	\$ 53,946,474	\$ 60,780,220	\$ 68,278,802	\$ 76,420,748	\$ 85,113,309	\$ 94,131,465
Revenue per Screen	\$ 1,127,349	\$ 1,114,562	\$ 1,100,986	\$ 1,084,981	\$ 1,066,212	\$ 1,044,094	\$ 1,017,647	\$ 985,269
Marginal Revenue	\$ -	\$ 1,025,759	\$ 1,006,713	\$ 973,835	\$ 935,869	\$ 890,498	\$ 833,989	\$ 760,421
Attainable Revenue	\$ 8,793,326	\$ 9,552,338	\$ 10,789,295	\$ 12,156,044	\$ 13,655,760	\$ 15,284,150	\$ 17,022,662	\$ 18,826,293
NPV	\$54,864,588							

- 1 Cannibalization rate to estimate saturation of market
- 2 Average IMAX ticket price estimated by online source adjusted for 2014 inflation YoY
- 3 Maximum revenue possible from target market