



FOR IMMEDIATE RELEASE  
March 10, 2008

## IMRIS REPORTS SIGNIFICANT GROWTH IN SALES AND ORDER BACKLOG IN 2007

*Commercialization and global expansion strategies progressing well*

**WINNIPEG, Manitoba, March 10, 2008** - IMRIS Inc. (TSX: IM) ("IMRIS" or the "Company") today reported its financial results for the year and fourth quarter ended December 31, 2007.

### **Annual Results Summary:**

- Substantial sales growth year-over-year due to increase in *IMRISneuro* installations
- Order backlog rose 62% year-over-year to \$31.7 million
- Gross profit percentage decreased year-over-year due to establishment of demonstration sites as part of commercialization strategy
- Net loss increased year-over-year primarily due to increased staff levels as part of commercialization strategy

"Our ability to execute against our business strategies has resulted in strong growth year-over-year," said David Graves, Chairman, President and Chief Executive Officer. "Sales increased from \$4.3 million in 2006 to \$17.4 million in 2007, and our backlog of signed orders increased to almost \$32 million at the end of the year, reflecting the market's growing acceptance of our product."

Mr. Graves added, "We also received our first two orders from international customers in the year and opened sales offices in India, China and Europe to support our global expansion strategy. We expect that our order backlog will continue to grow as we expand our addressable markets and secure more agreements with leading hospitals around the world. Another highlight of the year was the successful completion of our initial public offering in November. The proceeds provide us with the necessary working capital to further the commercialization of our *IMRISneuro* product and the development of additional applications for our core technology, which we believe will open new markets for the Company."

**Selected Financial Highlights**  
**(in CDN dollars)**  
**(unaudited)**

	Fourth Quarter Ended December 31		% Change	Year Ended December 31		% Change
	2007	2006		2007	2006	
Sales	3,424,391	3,565,980	(4%)	17,445,058	4,304,138	305%
Gross Profit	467,000	1,480,806	(68%)	2,264,620	1,630,196	39%
Gross Profit Percentage	13.6%	41.5%		13.0%	37.9%	
Operating Expenses	4,888,156	3,250,873	50%	16,973,130	9,381,394	81%
Net Income (Loss)	(4,069,166)	(1,767,349)	(130%)	(14,570,193)	(7,955,896)	(83%)
Net Income (Loss) per basic and fully diluted share	(0.16)	(0.12)		(0.75)	(0.64)	

**Annual and Fourth Quarter 2007 Results**

Sales for the fourth quarter of 2007 were \$3.4 million, bringing our sales for the year to \$17.4 million, compared to \$4.3 million in the prior year. This increase resulted from four systems being installed during 2007 versus one system installed in 2006.

Gross profit was \$0.5 million for the fourth quarter and \$2.3 million for the year, an increase of \$0.6 million over 2006 year as a result of the higher number of systems installed.

As a percentage of sales, gross profit for the year declined from 38% in 2006 to 13% in the 2007 year. As previously reported, the decrease in gross profit percentage was due primarily to discounted prices provided to two strategic customers who have agreed to act as demonstration and visitation sites, as well as a \$1.0 million non-product related cost to provide room finishes to one of these sites. These installations provide IMRIS with highly credible reference sites for showcasing the *IMRISneuro* product to prospective customers in the future.

Operating expenses were \$4.9 million for the fourth quarter and were \$17.0 million for the year, representing increases of \$1.6 million and \$7.6 million respectively compared to the same periods last year. The increases were reflected across all major functional areas of the Company, including administration, customer support and operations, research and development and sales and marketing.

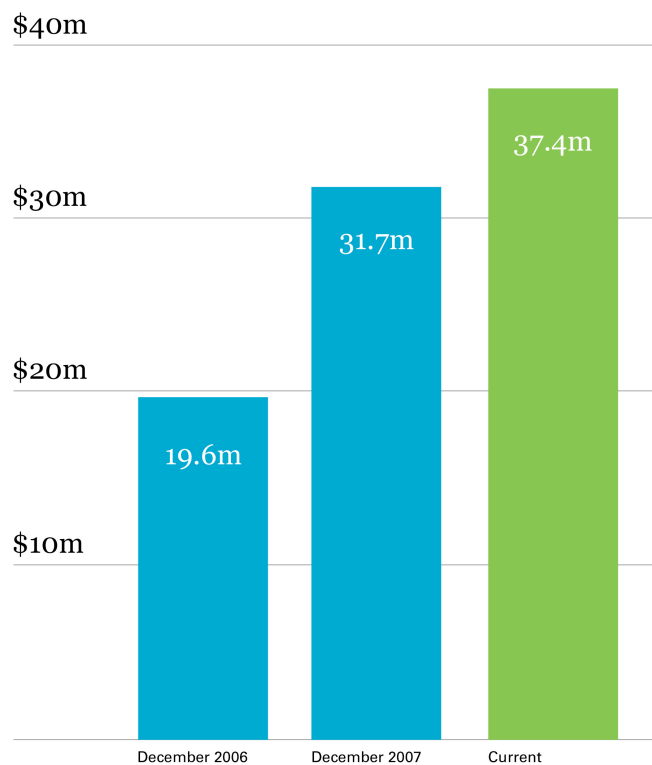
A substantial amount of the increases in these departmental expenses was attributable to increased staff levels as the Company continues to build organizational capacity across all functional areas.

The net loss was \$14.6 million for the year and \$4.1 million for the fourth quarter, representing increased losses of \$6.6 million and \$2.3 million respectively compared to the same periods last year. On a basic and diluted share basis, the net loss was \$0.75 for the year and \$0.16 for the fourth quarter, compared to net losses of \$0.64 and \$0.12 per basic and diluted share respectively for the same periods last year. The increases were principally due to the higher operating expense levels to facilitate the Company's increased commercialization efforts.

## Outlook

### *Order Backlog*

# Order Backlog



During the fourth quarter of 2007, we received orders for an additional \$6.8 million, increasing our order backlog to \$31.7 million as at December 31, 2007, an increase of 62% over the \$19.6 million order backlog as at December 31, 2006. Subsequent to year-end, we received an additional purchase order bringing the order backlog to \$37.4 million as at the date hereof. This backlog includes approximately \$1.4 million of unrecognized revenues associated with two systems that were near completion at the end of 2007, and orders for eight additional systems.

“Our customers and their patients continue to provide us with positive feedback on the difference that *IMRISneuro* is making in the quality of their lives,” said Mr. Graves. “IMRIS’ outlook is stronger than ever as we continue to build on our position as a market leader in surgical imaging systems. Not only has our order backlog continued to grow, but so has the number of prospective customers that we are engaged with.”

The Company’s full financial statements as well as management’s discussion and analysis will be available at [www.sedar.com](http://www.sedar.com) and [www.imris.com](http://www.imris.com).

### **Conference Call**

Management will host a conference call to discuss the results at **10 a.m. ET (9 a.m. CT) on Monday, March 10, 2008**. Following management’s presentation, there will be a question and answer session for analysts and institutional investors. To participate in the teleconference, please call **416-644-3415** or **1-800-732-9307**. To access the live audio webcast, please visit IMRIS’ website at [www.imris.com](http://www.imris.com). A taped rebroadcast will be available to listeners following the call until midnight (ET) on Monday, March 17, 2008. To access the rebroadcast, please call 416-640-1917 or 1-877-289-8525 and enter passcode 21264180#. The webcast will also be archived on IMRIS’ website.

### **About IMRIS**

IMRIS (TSX: IM) is a global leader in providing advanced surgical imaging solutions designed to measurably improve patient outcomes. The company’s flagship product, *IMRISneuro*, is a fully integrated operating room that combines the unique, moveable MR imaging scanner with the IMRIS surgical information management system. The wide range of benefits, including real-time high resolution MR images, improved patient safety, enhanced surgical efficiency and increased financial viability for hospitals, results in a breakthrough imaging product unparalleled in today’s marketplace. The unique and innovative *IMRISneuro* has been validated by leading neurosurgeons around the world for use in world-class neuroscience centers. See [www.imris.com](http://www.imris.com)

### **Forward-Looking Statements**

This press release may contain or refer to forward-looking information based on current expectations. In some cases, forward-looking statements can be identified by terminology such as “may”, “expect”, “believe”, “prospective”, “continue” or the negative of these terms or other similar expressions concerning matters that are not historical facts. These statements should not be understood as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that actual results will be consistent with such statements. Forward-looking statements are subject to significant risks and uncertainties, and other factors that could cause actual results to differ materially from expected results. These forward-looking statements are made as of the date hereof and we assume no responsibility to update or revise them to reflect new events or circumstances.

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