



**FOR IMMEDIATE RELEASE**  
**November 12, 2008**

**IMRIS REPORTS CONTINUED GROWTH  
 IN ORDER BACKLOG**

**WINNIPEG, Manitoba, November 12, 2008** - IMRIS Inc. (TSX: IM) ("IMRIS" or the "Company") today reported its financial results for the third quarter and nine months ended September 30, 2008.

**Highlights:**

- Sales increased by 23% for the nine month period ended September 30, 2008 compared to the same period in 2007. Sales were \$17.2 million as compared to \$14.0 million for the same period in 2007, an increase of \$3.2 million.
- Order backlog grew 53%, showing significant growth, increasing from \$31.7 million at December 31, 2007 to \$48.5 million as at September 30, 2008.
- Gross profit percentage for the third quarter improved to 29.6% compared to 8.8% in 2007. Year to date, gross profit percentage was 20.5% compared to 12.8% in the same period in 2007.

"We have now achieved ten consecutive quarters of order backlog growth for our IMRISneuro system, demonstrating its growing acceptance as a mainstream product in neuroscience centers around the world," stated David Graves, Chairman, President and Chief Executive Officer. "We have also seen substantial margin expansion driven by improved pricing and product sourcing and implementing focused programs to reduce the direct costs of our systems. We expect to see this positive trend continue into 2009."

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

	Three Months Ended			Nine Months Ended		
	September 30,		%	September 30,		%
	2008	2007	Change	2008	2007	Change
Sales	\$ 4,869,433	\$ 7,969,788	-39%	\$ 17,218,641	\$ 14,020,667	23%
Gross profit	\$ 1,443,244	\$ 702,446	105%	\$ 3,528,735	\$ 1,797,619	96%
GP %	29.6%	8.8%		20.5%	12.8%	
Operating expenses	\$ 6,472,085	\$ 3,927,608	65%	\$ 17,500,876	\$ 12,084,972	45%
Net loss	<u>\$ (4,680,018) \$ (3,459,339)</u>			<u>\$ (13,147,800) \$ (10,501,025)</u>		
Basic and diluted loss per share	<u>\$ (0.17) \$ (0.17)</u>			<u>\$ (0.48) \$ (0.60)</u>		

### **Third Quarter and Nine Month Results**

Sales for the third quarter were \$4.9 million, compared to \$8.0 million for the same period in 2007. Because of the high unit price of the IMRISneuro system and the relatively limited number of units installed each quarter, each installation currently represents a significant portion of our revenue for a particular quarter. As a result, despite a growing order backlog, revenues will fluctuate due to the timing of installations which may be impacted by a number of factors, including project changes and construction delays.

Sales for the nine months ending September 30, 2008 increased by \$3.2 million to \$17.2 million compared to \$14.0 million for the same period in 2007. The increase in revenues was directly attributable to an increase in IMRISneuro system installations during the nine month period. Year to date sales were primarily driven by progress on product installations in four locations including two in the Asia Pacific region and two in the North America market. To date, we have sold 22 systems, with eight units in clinical operation and another 14 units at various stages of the delivery phase.

Gross profit for the third quarter and nine months ended September 30, 2008 increased by approximately \$0.7 million and \$1.7 million respectively as compared to the same periods in the prior year.

Gross profit percentage for the third quarter of 2008 was 29.6% in 2008 as compared to 8.8% in 2007. For the nine months ending September 30, 2008 the gross profit percentage was 20.5% as compared to 12.8% in 2007. The higher gross profit percentage in the current period was mainly driven by improved product sourcing and pricing, reductions in the discounts that were previously offered to early adopters and the implementation of focused programs to reduce the direct costs of IMRIS systems. These measures are expected to lead to further margin enhancement as the Company works through the current order backlog.

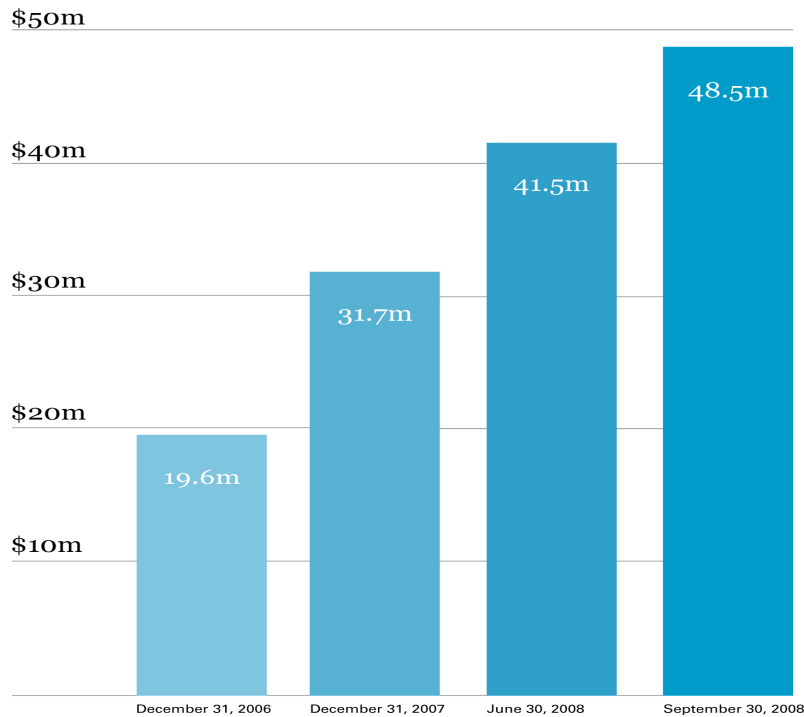
Operating expenses for the third quarter were \$6.5 million, an increase of approximately \$2.6 million or 65% over the third quarter of 2007. Operating expenses were \$17.5 million for the nine months ended September 30, 2008, an increase of approximately \$5.4 million or 45% higher as compared to the first nine months of 2007. The third quarter and year to date increases were reflected across most major functional areas of the Company. A substantial amount of the increases in these departmental expenses was attributable to increased staff levels as compared to 2007. The Company believes the current staffing level is sufficient to handle the anticipated near to mid-term growth in product demand.

The net loss for the third quarter was \$4.7 million, an increase of \$1.2 million over the third quarter of 2007. The increase in loss was mainly due to higher staffing costs partially offset by higher gross profit. The year to date loss increased from \$10.5 million in 2007 to \$13.1 million in 2008. The increase in the loss was due to the higher operating expense levels to facilitate the Company's increased commercialization efforts and was partially offset by higher gross profit.

## Outlook

Since its formation, the Company has focused its efforts on gaining market acceptance for its products and on ensuring the successful delivery of each customer installation by developing core competencies across all facets of the organization. These efforts to date have been rewarded with significant market acceptance for its IMRISneuro product suite, which is best reflected in the positive trend in sales results and order backlog.

## Order Backlog



*The order backlog is defined as the unrecognized portion of the revenues anticipated to be recorded from confirmed system orders, plus the next twelve months of revenues to be derived from executed service contracts.*

During the third quarter of 2008, the Company received two new system orders, partially offset by progress on product installations on prior orders. Accordingly, the order backlog increased to \$48.5 million as at September 30, 2008 compared to \$41.5 million as at June 30, 2008.

Given the number of systems awaiting installation and the high dollar value of each system, the Company's quarter-over-quarter revenue may vary significantly in the near term. The Company believes that overall sales will continue to grow on an annualized basis as a result of its significant order backlog.

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 **8:30 a.m. ET** (7:30 a.m. CT) on **Wednesday, November 12, 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 **416-644-3425** or **1-800-731-5319**. 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 November 21, 2008. To access the rebroadcast, please call 416-640-1917 or 1-877-289-8525 and enter passcode 21284586#. The webcast will also be archived on IMRIS' website.

## About IMRIS

IMRIS (TSX: IM) is a global leader in providing fully integrated, advanced surgical imaging solutions. The company's flagship product, IMRISneuro, utilizes patented technology that allows a high field MRI scanner to be moved in to the operating room on demand, providing imaging during the surgical procedure without compromising patient safety. This unique and innovative system has been validated by leading neurosurgeons for use in world-class neuroscience centers.

For more information, visit [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 "anticipate", "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.

## For further information, please contact:

**Investor Relations Contact:**  
**Derek Reimer, CA**  
**Executive Vice President, Finance and Administration**  
**and Chief Financial Officer**  
**IMRIS Inc.**  
**Tel: 204-480-7692**  
**Email: [dreimer@imris.com](mailto:dreimer@imris.com)**

**Media Contact:**  
**Susan McLeod**  
**Manager, Marketing Communications**  
**IMRIS Inc.**  
**Tel: 204-480-7094**  
**Email: [smcleod@imris.com](mailto:smcleod@imris.com)**