



## IMRIS REPORTS RECORD SALES, GROSS PROFIT AND ORDER BACKLOG

WINNIPEG, Manitoba, July 30, 2009 - IMRIS Inc. (TSX: IM) ("IMRIS" or the "Company") today reported second quarter 2009 financial results highlighted by growth in sales, gross profit and order backlog to record levels.

### Q2 2009 Highlights:

- Sales increased to \$9.8 million, a 20% increase over Q2 2008
- Gross profit as a percentage of sales improved to 45% compared with 18% in Q2 2008
- Order bookings of \$16.5 million contributed to 109% year over year growth in backlog to \$86.8 million
- IMRIScardio and IMRISnv received regulatory approval in Europe
- IMRISneuro received regulatory approval in Japan

Continuing strong business performance resulted in the Company's operating loss decreasing by 45% to \$2.3 million in the second quarter of 2009. The significant strengthening of the Canadian dollar versus the US dollar in the second quarter resulted in a foreign exchange loss of \$1.0 million and contributed to IMRIS's net loss for the quarter of \$3.3 million compared with a net loss of \$4.2 million in the second quarter of 2008.

"Our team is making excellent progress across all areas of the business," said David Graves, Chairman, President & CEO. "We are winning new customers, converting order backlog into revenues and advancing the rollout of new products." The strong sales and gross profit performance in the second quarter and year to date reflects our achievements in 2009 and our customers' recognition of the value IMRIS products bring to clinicians and patients."

### Financial Highlights:

(\$ 000's except per share amounts) (unaudited)	3 months ended June 30			6 months ended June 30		
	2009	2008	Change	2009	2008	Change
Sales	<b>9,828</b>	8,191	20%	<b>14,632</b>	12,349	18%
Gross profit	<b>4,429</b>	1,458	204%	<b>6,277</b>	1,860	238%
<i>Gross profit as % of sales</i>	<b>45.1%</b>	17.8%	--	<b>42.9%</b>	15.1%	--
Operating expenses	<b>6,765</b>	5,673	19%	<b>12,585</b>	10,803	17%
Operating loss before the following	<b>(2,336)</b>	(4,215)	(45%)	<b>(6,308)</b>	(8,943)	(29%)
Foreign exchange (loss) gain	<b>(960)</b>	(45)	--	<b>(624)</b>	7	--
Interest income	<b>1</b>	197	--	<b>5</b>	468	--
Net loss	<b>(3,296)</b>	(4,063)	(19%)	<b>(6,927)</b>	(8,468)	(18%)
Basic & diluted loss per share	<b>(0.12)</b>	(0.15)	(20%)	<b>(0.25)</b>	(0.31)	(19%)
Cash, cash equivalents & accounts receivable	<b>21,191</b>	19,806 <sup>1</sup>	7%	<b>21,191</b>	19,806 <sup>1</sup>	7%
Total assets	<b>41,945</b>	39,849 <sup>1</sup>	5%	<b>41,945</b>	39,849 <sup>1</sup>	5%

<sup>1</sup> At December 31

## **Second Quarter and Six Month Results**

### Sales

Sales in the second quarter of 2009 increased to \$9.8 million representing an increase of 20% from the second quarter in 2008. During the first six months of 2009 sales were \$14.6 million compared with \$12.3 million in the same period in 2008. The year over year increases are attributable to increased IMRISneuro system installations. Included in the sales results are revenues from maintenance contracts which contributed \$0.5 million in the second quarter of 2009 and \$0.8 million through the first six months of the year.

### Gross Profit

Gross profit increased to \$4.4 million in the second quarter of 2009 and to \$6.3 million in the first six months of the year, representing increases of 204% and 238% respectively from the comparable periods in 2008. These results include significant margin expansion with gross profit as a percentage of sales more than doubling to 45.1% in Q2 2009 and on a year to date basis increasing to 42.9% versus 15.1% in the first half of 2008. The strong improvements reflect higher pricing as IMRISneuro has become established as the global leader for intraoperative MR imaging.

### Operating Expenses

Operating expenses were \$6.8 million in the second quarter of 2009 and \$12.6 million for the first six months of the year. These results compare with \$5.7 million and \$10.8 million in the second quarter and first half of 2008 respectively. The increases primarily are due to growth in the business. Costs associated with sales and marketing, customer support and operations, and research and development all increased in the second quarter and first six months of 2009 compared with the same periods in 2008. Amortization increased to \$0.5 million in the second quarter and \$1.0 million in the first half of the year due to additions to the Company's research and development test facilities.

### Operating Loss and Net Loss

The Company's second quarter 2009 operating loss decreased to \$2.3 million and was \$6.3 million in the first six months of 2009, representing decreases of 45% and 29% respectively from the comparable periods in 2008. The year over year decreases are due primarily to higher gross profit margins offset in part by additional operating expenses to fund growth in the business.

Net loss in the second quarter of 2009 was \$3.3 million compared with \$4.1 million a year earlier. Year to date June 30, 2009, the net loss was \$6.9 million versus a loss of \$8.5 million in the first half of 2008. These results reflect the decrease in operating losses in 2009, partially offset by higher foreign exchange losses and lower interest income in the second quarter and first half of 2009 compared with the same periods in 2008. The Company maintains US dollar cash balances as a significant portion of its sales are denominated in US dollars. The strengthening of the Canadian dollar versus the US dollar in the second quarter reduced the Canadian dollar equivalent of the Company's US dollar cash balances, resulting in a foreign exchange loss of \$1.0 million in the quarter and \$0.6 million in the first six months of 2009.

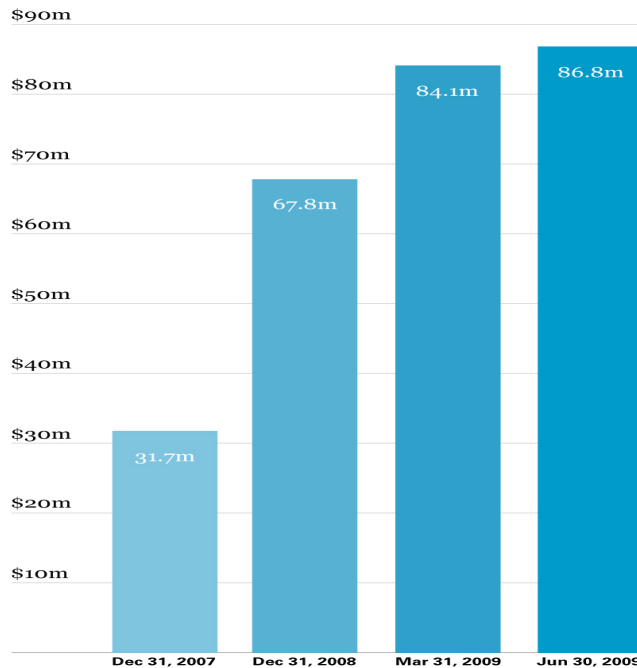
## Liquidity and Capital Resources

Cash and cash equivalents at June 30, 2009 were \$9.1 million. In addition the Company had accounts receivable of \$12.1 million, which are expected to be collected within the next 60 days. The value of these assets taken together is \$21.2 million compared with \$19.8 million at December 31, 2008. The Company believes that these assets, together with ongoing expected cash flow from operations including customer deposits on future orders should provide sufficient liquidity to meet the anticipated needs of existing projects including funding of current research and development programs and budgeted capital asset expenditures.

## **Outlook**

### Order Backlog

During the second quarter, IMRIS received order bookings of \$16.5 million, contributing to a record order backlog of \$86.8 million at June 30, 2009. Included in the second quarter growth in backlog were two new customer wins and an upgrade of an existing order from a 1.5T system to a 3T system. The Company's continuing growth in order backlog was achieved net of delivering record revenues of \$9.8 million in the quarter and a \$4.0 million reduction in the opening value of the backlog due to the appreciation of the Canadian dollar versus the US dollar.



*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.*

IMRIS has now achieved 12 consecutive quarters of backlog growth reflecting the Company's recognition as the global image guided solutions provider of choice.

## IMRIScardio and IMRIS<sub>NV</sub>

During the quarter, IMRIS continued to advance its integrated MR-Angio system in support of two new applications. These applications include IMRIScardio which is expected to open up new revenue opportunities in the cardiovascular interventional market and IMRIS<sub>NV</sub> which is an integrated solution for stroke management and other areas of the neurovascular interventional market. Regulatory approval for Europe was received in the second quarter of 2009 with USFDA and Health Canada clearance pending.

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 **4:30 p.m. ET on Thursday, July 30, 2009**. Following management's presentation, there will be a question-and-answer session for analysts and institutional investors. To participate in the teleconference, please call **416-644-3416** or **1-800-731-5319**. To access the live audio webcast, please visit IMRIS's website at [www.imris.com](http://www.imris.com). A taped rebroadcast will be available to listeners following the call until midnight (ET) on August 6, 2009. To access the rebroadcast, please call 416-640-1917 or 1-877-289-8525 and enter passcode 21309965#. The webcast will also be archived on IMRIS's 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.

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