



## IMRIS REPORTS RECORD THIRD QUARTER RESULTS

WINNIPEG, Manitoba, November 2, 2009 - IMRIS Inc. (TSX: IM) ("IMRIS" or the "Company") today reported third quarter 2009 financial results highlighted by record sales, and gross profit performance.

### Highlights:

- Sales increased 103% to \$9.9 million over Q3 2008
- Gross profit as a percentage of sales increased to 45% compared with 27% in Q3 2008
- Order bookings of \$10.6 million contributed to 73% year over year growth in backlog
- IMRIS<sub>NV</sub> and IMRIS<sub>Cardio</sub> approved for sale in the US and Canada

Strong improvements in sales and gross margins through the first nine months of 2009 contributed to the Company's operating loss decreasing significantly. IMRIS's operating loss decreased by 68% to \$1.6 million in the third quarter of 2009 and by 43% to \$7.9 million in the first nine months of the year. The strong appreciation of the Canadian dollar versus the US dollar resulted in a foreign exchange loss of \$1.0 million in the third quarter and \$1.7 million year to date, contributing to IMRIS's net loss for the quarter of \$2.7 million compared with a net loss of \$4.7 million in 2008, and \$9.6 million for the first nine months of 2009 versus \$13.1 for the same period in the previous year.

"We posted another strong quarter of performance as we steadily track towards earnings profitability," said David Graves, President & CEO. "Demand is robust and we are delivering solid growth in revenues and gross profit. IMRIS<sub>NV</sub> and IMRIS<sub>Cardio</sub> significantly expand our company's market opportunity, and the early sales to Brigham and Women's Hospital and Yale-New Haven Hospital are indicative of the potential the new products represent."

### Financial Highlights:

(\$ 000's except per share amounts) (unaudited)	3 months ended Sept. 30			9 months ended Sept. 30		
	2009	2008	Change	2009	2008	Change
Sales	9,864	4,869	103%	24,496	17,219	42%
Gross profit	4,462	1,327	236%	10,739	3,187	237%
Gross profit as % of sales	45.2%	27.3%	--	43.8%	18.5%	--
Operating expenses	6,078	6,356	(4%)	18,663	17,159	9%
Operating loss before the following	(1,616)	(5,029)	(68%)	(7,924)	(13,972)	(43%)
Foreign exchange (loss) gain	(1,034)	231	--	(1,658)	238	--
Interest income	(6)	118	--	(1)	586	--
Net loss	(2,656)	(4,680)	(43%)	(9,583)	(13,148)	(27%)
Basic & diluted loss per share	(0.10)	(0.17)	(41%)	(0.35)	(0.48)	(27%)
Cash, cash equivalents & accounts receivable	12,441 <sup>1</sup>	19,806 <sup>2</sup>	(37%)	12,441 <sup>1</sup>	19,806 <sup>2</sup>	(37%)
Total assets	36,364 <sup>1</sup>	39,849 <sup>2</sup>	(9%)	36,364 <sup>1</sup>	39,849 <sup>2</sup>	(9%)

<sup>1</sup> Excludes net proceeds of approximately \$19.3 million from the issuance of 3,697,250 common shares of the Company pursuant to an offering that closed on November 2, 2009.

<sup>2</sup> At December 31.

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

### Sales

Sales increased by 103% in the third quarter to \$9.9 million compared with \$4.9 million in the third quarter in 2008. During the first nine months of 2009 sales were \$24.5 million compared with \$17.2 million in the same period in 2008. The year over year increases reflect higher pricing and increased system installations. Revenues from maintenance contracts contributed \$0.4 million in the third quarter of 2009 and \$1.2 million through the first nine months of the year.

### Gross Profit

Gross profit increased by 236% to \$4.5 million in the third quarter of 2009 and more than tripled to \$10.7 million in the first nine months of the year compared with the same periods in 2008. These results include significant margin expansion with gross profit as a percentage of sales increasing to 45.2% in Q3 2009, compared with 27.3% in Q3 2008. On a year to date basis gross margin increased to 43.8% versus 18.5% during the same period in 2008. The year over year improvements are due to higher pricing for IMRISneuro as the system has become well established in the marketplace.

### Operating Expenses

In the third quarter of 2009 operating expenses were \$6.1 million, down from \$6.4 million in 2008. The decrease in operating expenses in the third quarter is largely due to timing differences. Through the first nine months of 2009, operating expenses increased by 9% to \$18.7 million to support the significant growth in the installed base of IMRIS systems while continuing to focus on leveraging costs as a percentage of sales. On a year to date basis, operating expenses have increased in sales and marketing, customer support and operations and research and development. These increases have funded continuing growth in the business including higher staffing levels. Amortization also increased in 2009 to \$0.5 million in the third quarter and to \$1.6 million year to date, due to additions to the Company's research and development test facilities.

### Operating Loss and Net Loss

IMRIS's third quarter 2009 operating loss decreased to \$1.6 million and was \$7.9 million in the first nine months of 2009, representing improvements of 68% and 43% respectively from the comparable periods in 2008. The decreases reflect higher gross profit margins in 2009 partly offset by additional operating expenses to fund growth through the first nine months of the year.

Net loss was \$2.7 million in the third quarter of 2009 versus \$4.7 million a year earlier. Year to date September 30, 2009, the net loss was \$9.6 million versus a loss of \$13.1 million in 2008. These results reflect the decrease in operating losses in 2009, partially offset by higher foreign exchange losses in 2009 versus 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 third 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 \$1.7 million in the first nine months of 2009.

## Liquidity and Capital Resources

Cash and cash equivalents at September 30, 2009 were \$6.1 million. In addition the Company had accounts receivable of \$6.3 million, which are expected to be collected within the next 60 days. On November 2, 2009, the Company completed an equity financing with the issuance of 3,215,000 common shares and an additional 482,250 common shares granted as an overallotment option, resulting in net proceeds of \$19.3 million. The proceeds of the offering will be used to fund the Company's working capital and general corporate purposes. 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

At September 30, 2009, the Company's order backlog was \$83.8 million. During the third quarter, IMRIS recorded order bookings of \$10.6 million including one new customer and an upgrade for an existing customer. The Company's backlog at September 30, 2009 also reflects the conversion of \$9.9 million into revenues, and a \$3.7 million reduction in the value of the backlog due to the appreciation of the Canadian dollar versus the US dollar.

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

IMRIS's newest products, IMRIS<sub>NV</sub> and IMRIScardio are the first systems in the world to allow the capabilities of both MRI and x-ray angiography in a single suite without the need to transport the patient between modalities. IMRIScardio is designed for the cardiovascular interventional market and IMRIS<sub>NV</sub> is targeted at the neurovascular interventional market.

In September, IMRIS received 510(k) clearance from the US Food and Drug Administration, ("FDA") permitting the Company to market IMRIS<sub>NV</sub> and IMRIScardio in the United States. In October 2009, the Company received a medical device license from Health Canada permitting it to market IMRIS<sub>NV</sub> and IMRIScardio in Canada. These approvals followed European CE Mark approval of the two systems in April 2009.

Following FDA approval, Connecticut based, Yale-New Haven Hospital, the primary teaching hospital for the Yale School of Medicine purchased an IMRIS<sub>NV</sub> system and Brigham & Women's Hospital ("BWH") in Massachusetts purchased an IMRIS<sub>NV</sub>/IMRIScardio system. IMRIS and BWH have also entered into a five-year research initiative. BWH is internationally recognized as a pioneer in intra-operative MRI and leads the U.S. National Center for Image Guided Therapy. The goals of the collaboration between IMRIS and BWH include the development of new applications, establishment of workflows and the validation of the benefits associated with new applications.

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 on Tuesday, November 3, 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 **416-644-3414** or **1-800-814-4859**. 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 November 9, 2009. To access the rebroadcast, please call 416-640-1917 or 1-877-289-8525 and enter passcode 4167500#. The webcast will also be archived on IMRIS's website.

## About IMRIS

*IMRIS (TSX: IM) is a global leader in providing fully integrated, advanced imaging solutions that incorporate multiple imaging modalities including magnetic resonance and fluoroscopy to deliver timely information to clinicians during surgical or interventional procedures. The Company's systems utilize patented technology that allows a high field MR scanner to be moved in to the operating room on demand, providing imaging during the surgical or interventional procedure without compromising patient safety. The Company's flagship product, IMRISneuro, has been validated by leading neurosurgeons and is in use at neuroscience centers around the world.*

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.

-30-

## For further information, please contact:

Kelly McNeill  
Executive Vice President Finance and  
Administration and Chief Financial Officer  
IMRIS Inc.  
Tel: 204-480-7090  
Email: [kmcneill@imris.com](mailto:kmcneill@imris.com)

Brad Woods  
Director Investor Relations  
& Corporate Communications  
IMRIS Inc.  
Tel: 204-480-7094  
Email: [bwoods@imris.com](mailto:bwoods@imris.com)