

Attention Business/Financial Editors:
Westaim announces 2010 first quarter results

TORONTO, May 11 /CNW/ - The Westaim Corporation (Westaim) announced today that for the quarter ended March 31, 2010, it recorded net income of \$24.2 million or 23 cents per share, compared to a net loss of \$2.7 million or 3 cents per share in the first quarter of 2009. Westaim's 2010 first quarter results include an accounting gain of \$23.7 million as a result of the acquisition of JEVCO Insurance Company (JEVCO) on March 29, 2010 at a discount to its net book value, and a gain on the sale and redemption of investments of \$3.2 million.

Westaim's first quarter results do not include any revenue or net income of JEVCO from the closing date of March 29, 2010 to March 31, 2010 as the amounts are not material. Westaim's ownership of JEVCO is reflected on the consolidated balance sheet, and JEVCO's earnings will be included in Westaim's results going forward.

At March 31, 2010, Westaim had \$67.1 million in consolidated cash and cash equivalents, compared to \$62.4 million at December 31, 2009.

"We believe our new focus on the property and casualty insurance industry will bring significant value to our shareholders," said Cameron MacDonald, Westaim's President and Chief Executive Officer.

Tomorrow, May 12, 2010, The Westaim Corporation is holding its Annual Meeting of Shareholders in Toronto, Canada at 10:00 a.m. EDT. The meeting takes place at the Metro Toronto Convention Centre at 255 Front Street West in Toronto Ontario.

Westaim's business is focused on the property and casualty insurance industry. Westaim's common shares are listed on The Toronto Stock Exchange under the trading symbol WED.

Certain portions of this press release as well as other public statements by Westaim, contain forward-looking statements. Such forward-looking statements include but are not limited to statements concerning the transaction described herein; JEVCO's business and the industry in which it operates; investment strategies and expected rates of return; and strategic alternatives to maximize value for shareholder. These statements are based on current expectations that are subject to risks, uncertainties and assumptions and Westaim can give no assurance that these expectations are correct. Westaim's actual results could differ materially from those anticipated by forward-looking statements for various reasons generally beyond our control, including but not limited to: (i) changes in market conditions or deterioration in underlying investments; (ii) general economic, market, financing, regulatory and industry developments and conditions; (iii) the risks relating to JEVCO's business; and (iv) other risk factors set forth in Westaim's Annual Report or Annual Information Form. Westaim disclaims any intention or obligation to revise forward-looking statements whether as a result of new information, future developments or otherwise except as required by law. All forward-looking statements are expressly qualified in their entirety by this cautionary statement.

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THE WESTAIM CORPORATION

Financial Highlights

(unaudited)

(thousands of Canadian dollars except per share data)

	Three Months Ended March 31	
	2010	2009
Consolidated Statements of Operations		
Income (loss) from continuing operations	\$ 24,743	\$ (960)

Net income (loss)	24,219	(2,681)
Earnings (loss) per common share		
Continuing operations		
- basic and diluted	0.23	(0.01)
Net earnings (loss)		
- basic	0.23	(0.03)
- diluted	0.22	(0.03)
Weighted average number of		
common shares outstanding (thousands)		
- basic	106,443	94,216
- diluted	108,119	94,216

Consolidated Balance Sheets	March 31, 2010	December 31, 2009
Cash and cash equivalents	\$ 67,081	\$ 62,423
Investments	932,350	9,231
Total assets	1,267,434	72,567
Total liabilities	926,598	14,564
Shareholders' equity	340,836	58,003
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CO: Westaim Corporation

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