INDIGO BOOKS & MUSIC INC.
Investor Fact Sheet

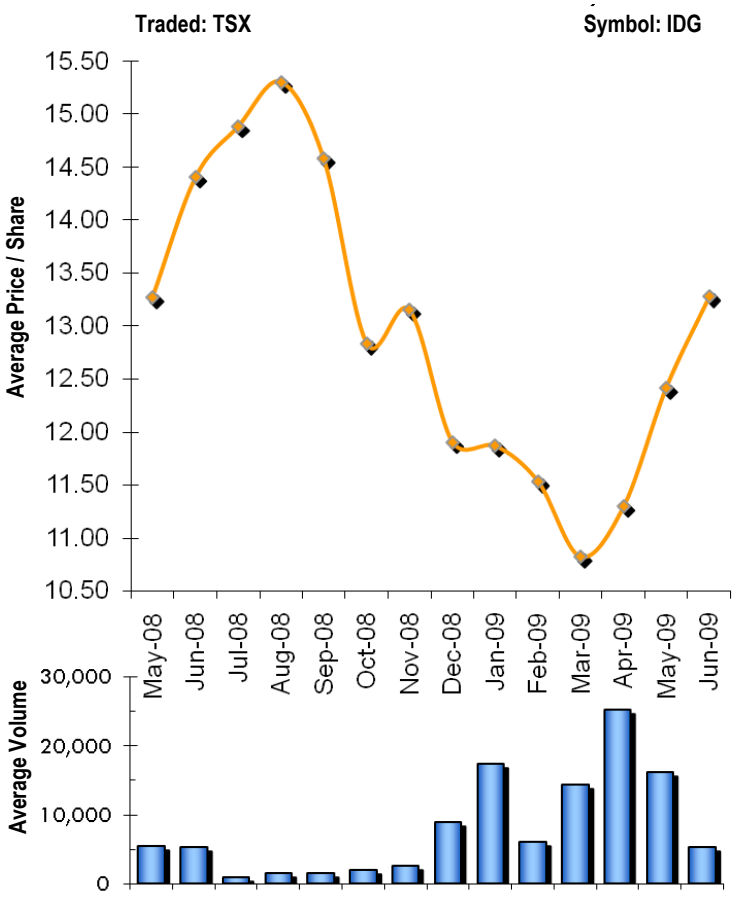
Fiscal 2010
(For the 13-week period ended June 27, 2009)

CORPORATE PROFILE

Indigo Books & Music Inc., (TSX: IDG) is Canada's largest book retailer and the third largest in North America. Created in August 2001 following the merger with Chapters Inc., Indigo Books & Music Inc. ("Indigo") has bookstore locations in all ten provinces and one territory in Canada. As at June 27, 2009, Indigo operated 246 stores including 91 superstores under the banners *Indigo, Chapters* and the *World's Biggest Bookstore*, and 153 small format stores under the banners *Coles, Indigo, Indigospirit, SmithBooks* and *The Book Company* and 2 new concept stores under the *banner Pistachio*. Along with the online business of chapters.indigo.ca, Indigo has become Canada's ultimate booklover's destination. In fiscal 2009, Indigo launched Pistachio, an eco-aware lifestyle store featuring stationery, gifts and home décor, and apothecary. In February 2009, Indigo launched Shortcovers, a new digital initiative that will serve customers who want the convenience of accessing and reading their selected content, anytime, anywhere, on the mobile devices they already own. Headquartered in Toronto, Ontario, the Company employs over 6,500 people across Canada.

SUPERSTORES - Indigo superstores, which are on average 24,000 sq. feet, are designed to be a destination for culture-seekers, offering an inspiring and indulging environment conducive to browsing and community-building. In the 13 weeks ended June 27, 2009, these stores accounted for sales of $136.6 million, representing 70.5% of total revenues.

13-week trading range:	
High: $13.99	Low: $10.75
Market Capitalization (as at June 27, 2009)	$316.7M
(13 weeks ended June 27, 2009)	
Total Assets:	$450.1 M
Long-term Debt:	$4.4 M
Shareholders' Equity:	$226.5 M
Shares Outstanding:	24,530,472



SMALL FORMAT STORES – Small format stores are typically located in retail shopping centres, street-front retail areas, major airports and central business districts. Indigo's small format stores generated combined sales of $31.3 million in the 13 weeks ended June 27, 2009, representing 16.2% of total revenues.

ONLINE - Indigo operates chapters.indigo.ca, a leading Canadian destination for online shoppers. The site features a large selection of books, audio books, music CDs, DVDs and toys. For the 13 weeks ended June 27, 2009, the Company's online channel accounted for sales of $19.1 million, representing 9.9% of total revenues.

Chapters Indigo COLES
chapters.indigo.ca

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CANADIAN BOOK MARKET

Estimated at $2.8 billion dollars per year, the Canadian book market is highly fragmented and regionalized. The largest numbers of per capita book purchases are made by 35-54 year olds. Increased accessibility, improved selection, and the rising international recognition of Canadian authors are all contributing to the growth of the Canadian book market. As the only national multi-channel book retailer, Indigo is well positioned to take advantage of this expanding market.

Statistics	13 –week period ended June 27, 2009	13 –week period ended June 28, 2008	% Change
(millions of dollars, except per share data)			
Revenues:			
Superstores	136.6	131.5	3.9
Small format bookstores	31.3	32.0	(2.2)
Online	19.1	21.0	(9.1)
Other	6.6	6.1	8.2
Total Revenue	193.6	190.6	1.6
EBITDA	4.0	5.2	(23.1)
Net Earnings (loss)	(2,304)	(1,225)	(88.1)
Net earnings(loss) per common share	$(0.09)	$ (0.05)	(80.0)
(in thousands)			
Superstores			
Square footage	2,126	2,042	4.1
Sales/square foot*	64.3	64.4	(0.2)
Small format Stores			
Square footage	421	424	(0.7)
Sales/square foot*	74.4	75.5	(1.5)

*dollars/sq.ft.

RECENT HIGHLIGHTS – OPERATIONS

- Fourteen of our superstores now include full-line toy departments, providing net-new toy sales and increased book sales in these locations.
- Indigo has implemented new workforce management software to help mitigate increasing store labour costs driven by provincial minimum wage increases.

FISCAL 2010 1st QUARTER RESULTS

- Revenue for the quarter was up 1.6% over the same period last year.
- Comparable store sales grew 1.4% for superstores and 0.8% for small format stores.
- EBITDA was down compared to the same period last year largely due to increased spending on our strategic initiatives including Pistachio and Shortcovers

RECENT NEWS

- One new superstore opened in Surrey, British, showcasing an award winning store design which represents an evolution of our original concept with expanded gift, toy and paper departments.

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