

## Indigo July sales up 28%

### *Last Harry Potter installment drives significant growth*

**TORONTO – August 15, 2007** – Indigo Books & Music Inc. (TSX: IDG), Canada’s largest book retailer, today reported that the long awaited seventh and final Harry Potter installment, *Harry Potter and the Deathly Hallows*, drove strong top line results for the month of July across all of the Company’s channels. The Company noted that it was releasing July results ahead of its normal quarterly reporting schedule due to the extraordinary success of the book and the unprecedented interest in its launch.

Total revenues for the four-week period ended July 28, 2007 increased 28% to \$71.8 million compared to the same period last year. On a comparative basis, Indigo and Chapters superstores and Coles small format stores both had significant revenue increases of 15.3% and 18.2%, respectively. Sales from Indigo’s online channel, [chapters.indigo.ca](http://chapters.indigo.ca), grew 153% to \$11.9 million.

“It is clear that we just knocked our launch of the seventh Harry Potter book right out of the park, delighting kids and adults alike,” commented Indigo CEO Heather Reisman.

In the first 48 hours of sales, Indigo sold over 325,000 units of *Harry Potter and the Deathly Hallows*, an increase of 41% over the sixth book, *Harry Potter and the Half-Blood Prince* (released in July 2005).

Comparatively, the Canadian publisher, Raincoast Books reported a 25% increase in units sold during the first 48 hours of sale, from the sixth to the seventh book.

“Our midnight madness events across the country and our unwavering focus on making the launch of Harry Potter 7 a fantastic experience for all customers enabled us to seize significant market share from our competitors,” said Reisman.

### **Forward-Looking Statements**

Statements contained in this news release that are not historical facts are forward-looking statements which involve risk and uncertainties that could cause results to differ materially from those expressed in the forward-looking statements. Among the key factors that could cause such differences are: general economic, market or business conditions in Canada;

competitive actions by other companies; changes in laws or regulations; and other factors, many of which are beyond the control of the Company.

### **About Indigo Books & Music Inc.**

Indigo is a Canadian company and the largest book retailer in Canada, operating bookstores in all provinces under the names Indigo Books Music & more, Chapters, The World's Biggest Bookstore and Coles. Indigo operates [chapters.indigo.ca](http://chapters.indigo.ca), an online retailer of books, music, movies and more. It is a publicly traded company listed on the Toronto Stock Exchange under the stock symbol IDG.

In 2005 and 2006, the Company qualified as one of Canada's Top 100 Employers in a survey run by Mediacorp Canada. To learn more about Indigo, please visit the About Our Company section of [chapters.indigo.ca](http://chapters.indigo.ca).

In 2004, Indigo also founded the Indigo Love of Reading Fund, a registered charity whose mission is to provide new books and creative learning materials to high-needs elementary schools, enhancing the literacy and self-esteem of students in Canada. Visit [chapters.indigo.ca/loveofreading](http://chapters.indigo.ca/loveofreading) for more information.

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