

## **Indigo Announces Normal Course Issuer Bid**

**TORONTO – May 6, 2008** -- Indigo Books & Music Inc. (TSX: IDG), Canada's largest book retailer, announced today that, subject to final acceptance of its notice of intention by the Toronto Stock Exchange, Indigo intends to make a normal course issuer bid ("NCIB"). Under the NCIB, Indigo may purchase up to 1,242,157 of its common shares, representing approximately 5% of its total outstanding common shares. Daily purchases will be limited to 2,905 common shares, other than block purchase exceptions. All common shares purchased under the NCIB will be cancelled and returned to treasury. As of May 5, 2008, Indigo had 24,843,147 common shares issued and outstanding.

Indigo believes that its common shares have been trading in a range that may not fully reflect the value of the common shares. As a result, the Board of Directors of Indigo believes that the purchase of common shares from time to time can be undertaken at prices that make the acquisition of such common shares an appropriate use of Indigo's available funds and an appropriate mechanism for returning capital to its shareholders.

Indigo intends to commence the NCIB on May 12, 2008. The NCIB will expire on May 11, 2009 or such earlier date as Indigo completes its purchases pursuant to the NCIB. Indigo has not purchased any of its common shares in the past twelve months. All purchases made by Indigo under the bid will be made through the facilities of and in accordance with the rules of the TSX at market prices prevailing at the time of purchase.

Indigo may from time to time enter into a pre-defined plan with a registered investment dealer to allow for the repurchase of common shares at times when Indigo ordinarily would not be active in the market due to its own internal trading blackout periods, insider trading rules, or otherwise. This plan will be adopted in accordance with applicable Canadian securities laws.

### **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 Indigo.

### **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 2006 and 2007, Indigo 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 Foundation, 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.

For further information please contact:

Janet Eger

Director, Public Relations

416 342 8561

[jejer@indigo.ca](mailto:jejer@indigo.ca)