

Indigo Enters Into Automatic Share Repurchase Plan

TORONTO – September 26, 2008 – Indigo Books & Music Inc. (TSX: IDG), Canada's largest book retailer, announced today that it has entered into a pre-defined plan with a designated broker to allow for the repurchase of its common shares under its previously announced normal course issuer bid 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.

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, 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 2004, Indigo 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 for more information.

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