

Indigo completes \$473,688 private placement

Toronto, July 10, 2002 – Indigo Books & Music Inc. (TSX: IDG) announced today that it has completed a private placement of 73,100 common shares at \$6.48 per share to Doug Caldwell, Indigo' Chief Technology Officer. The proceeds of this private placement will be used for general corporate purposes.

About Indigo

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, Coles, SmithBooks and World's Biggest Bookstore. Indigo operates www.chapters.indigo.ca, an online retailer of books, videos and DVDs.

Indigo is a publicly traded company, listed on the TSX under the stock symbol IDG. To learn more about Indigo, please visit the About Our Company section of www.chapters.indigo.ca.

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