

INDIGO BOOKS & MUSIC INC.

Investor Fact Sheet

Fiscal 2010
(For the 53-week period ended April 3, 2010)

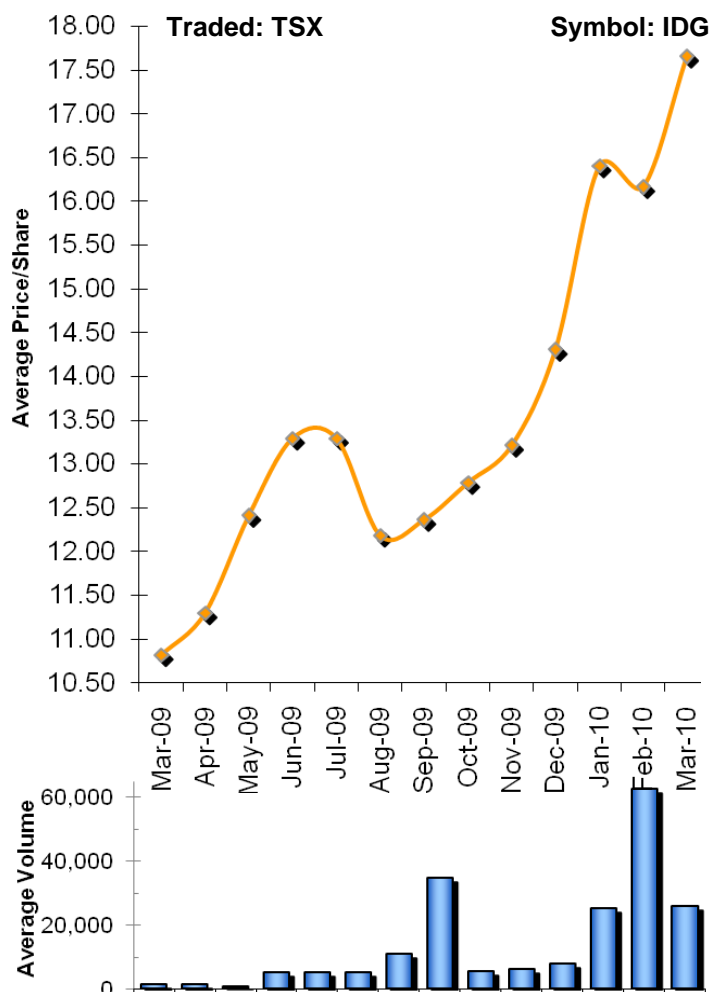
CORPORATE PROFILE

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 April 3, 2010, Indigo operated 247 stores including 96 superstores under the banners *Indigo*, *Chapters* and the *World's Biggest Bookstore*, and 150 small format stores under the banners *Coles*, *Indigo*, *Indigospirit*, *SmithBooks* and *The Book Company* and one 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 2009, Indigo launched Kobo – a leading destination for eReading. In 2009, Indigo spun off its digital eReading division to launch KOBO Inc.– a leading destination for eReading, Indigo retains a 57.7% interest in Kobo Inc. 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 53 weeks ended April 3, 2010, these stores accounted for sales of \$670.5 million, representing 69.2% of total revenues.

53-week trading range:	
High: \$18.07	Low: \$10.75
Market Capitalization (as at April 3, 2010)	\$446.9M
(53 weeks ended April 3, 2010)	
Total Assets:	\$519.8 M
Long-term Debt:	\$3.0 M
Shareholders' Equity:	\$259.0 M
Shares Outstanding:	24,742,915

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 \$157.4 million in the 53 weeks ended April 3, 2010, representing 16.3% 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 53 weeks ended April 3, 2010, the Company's online channel accounted for sales of \$92.2 million, representing 9.5% of total revenues.



chapters.indigo.ca

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	53 –week period ended April 3, 2010	52 –week period ended March 28, 2009	% Change
<small>(millions of dollars, except per share data)</small>			
Revenues:			
Superstores	670.5	634.7	5.6
Small format bookstores	157.4	166.2	(5.3)
Online	92.2	95.2	(3.2)
Other	48.8	44.3	10.1
Total Revenue	968.9	940.4	3.0
EBITDA	73.0	72.5	0.7
Net earnings (loss)	34.9	30.7	13.7
Net earnings(loss) per common share	\$1.42	\$1.24	14.5
<small>(in thousands)</small>			
Superstores			
Square footage	2,217	2,110	5.1
Sales/square foot*	302	301	0.3
Small format Stores			
Square footage	412	415	(0.7)
Sales/square foot*	382	400	(4.5)
<small>*dollars/sq.ft.</small>			

FISCAL 2010 RESULTS

- Fiscal 2010 was a 53-week reporting period.
- Net earnings for the year were up 14% to \$34.9 million compared to \$30.7 million last year.
- Revenue for the year was \$969 million, up \$28.5 million, or 3.0% from last year.
- Revenue for the fourth quarter (a 14-week reporting period) was up \$13.7 million over last year (a 13-week reporting period).

RECENT NEWS

- On December 14, 2009, Indigo transferred the net assets of Shortcovers into a new company, Kobo Inc. (www.kobobooks.com) Kobo subsequently raised \$16 million in funding from strategic partners, including \$5 million from Indigo, and \$11 million from: US based Borders Group Inc.; Instant Fame, a division of Cheung Kong (Holdings) Limited of Hong Kong; and REDGroup Retail PTY Ltd. of Australia. Indigo retains 57.7% ownership of Kobo.

- Shortly after the close of the fiscal year, Canadian retailers, including Indigo, launched Kobo eReaders in-store nationally and online to high demand. Retailers in the United States and Australia launched the Kobo eReader between May and July, 2010.
- In the fiscal year, the Company opened six new superstores across the country. New stores were opened in Surrey, BC; Calgary, AB (2); Edmonton, AB; Milton, ON; and Laval, QC and residents of those cities now enjoy award winning book, toy and gift lover's havens in their market.
- The Company also expanded its IndigoKids departments in 30 locations.
- The Company's first quarterly dividend payment of \$0.10 per common share (or \$0.40 per common share per year) was made on June 30th, 2009.
- Shortly after the close of the fiscal year, the Company announced a 10% increase to the quarterly dividend payment to \$0.11 per common share (or \$0.44 per common share per year). The first increased dividend payment was made on May 19, 2010.



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