

## INGLES MARKETS, INCORPORATED

(Amounts in thousands except per share data)

### Unaudited Financial Highlights

	Three Months Ended		Six Months Ended	
	Mar. 25, <u>2006</u>	Mar. 26, <u>2005</u>	Mar. 25, <u>2006</u>	Mar. 26, <u>2005</u>
Net sales	\$ 606,649	\$ 557,267	\$ 1,230,043	\$ 1,116,542
Gross profit	154,535	142,028	308,086	283,980
Operating and administrative expenses	128,029	121,582	258,507	244,290
Rental income, net	1,301	1,081	2,585	2,551
Income from operations	27,807	21,527	52,164	42,241
Other income, net	80	239	820	685
Interest expense	12,226	12,912	24,553	25,958
Income taxes	6,220	3,380	11,220	6,430
Net income	\$ 9,441	\$ 5,474	\$ 17,211	\$ 10,538
Basic earnings per common share – Class A	\$ 0.41	\$ 0.24	\$ 0.74	\$ 0.46
Basic earnings per common share – Class B	\$ 0.37	\$ 0.22	\$ 0.67	\$ 0.42
Diluted earnings per common share – Class A	\$ 0.38	\$ 0.23	\$ 0.70	\$ 0.44
Diluted earnings per common share – Class B	\$ 0.37	\$ 0.22	\$ 0.67	\$ 0.42
Additional selected information:				
Depreciation and amortization expense	\$ 14,777	\$ 14,030	\$ 29,532	\$ 28,490
Rent expense	\$ 5,110	\$ 6,472	\$ 11,239	\$ 14,178

### Condensed Consolidated Balance Sheets (Unaudited)

	Mar. 25, <u>2006</u>	Sept. 24, <u>2005</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 22,141	\$ 50,626
Receivables-net	42,858	39,079
Inventories	207,620	204,113
Other current assets	11,996	10,639
Property and equipment-net	759,312	744,163
Other assets	17,469	17,385
<b>TOTAL ASSETS</b>	<u>\$ 1,061,396</u>	<u>\$ 1,066,005</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current maturities of long-term debt	\$ 14,165	\$ 16,413
Accounts payable, accrued expenses and current portion of other long-term liabilities	182,639	184,462
Deferred income taxes	26,396	31,246
Long-term debt	546,477	553,015
Other long-term liabilities	4,841	4,020
Total Liabilities	<u>774,518</u>	<u>789,156</u>
Stockholders' equity	<u>286,878</u>	<u>276,849</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 1,061,396</u>	<u>\$ 1,066,005</u>