

INGLES MARKETS, INCORPORATED

(Amounts in thousands except per share data)

Unaudited Financial Highlights

	Three Months Ended		Six Months Ended	
	March 31, <u>2007</u>	March 25, <u>2006</u>	March 31, <u>2007</u>	March 25, <u>2006</u>
Net sales	\$ 681,164	\$ 606,649	\$ 1,366,863	\$ 1,230,043
Gross profit	166,568	155,575	331,431	310,062
Operating and administrative expenses	139,498	129,069	275,962	260,483
Rental income, net	1,281	1,301	2,303	2,585
Income from operations	28,351	27,807	57,772	52,164
Other income, net	246	80	855	820
Interest expense	11,935	12,226	23,941	24,553
Income taxes	3,155	6,220	10,012	11,220
Net income	\$ 13,507	\$ 9,441	\$ 24,674	\$ 17,211
Basic earnings per common share – Class A	\$ 0.58	\$ 0.41	\$ 1.06	\$ 0.74
Basic earnings per common share – Class B	\$ 0.53	\$ 0.37	\$ 0.96	\$ 0.67
Diluted earnings per common share – Class A	\$ 0.55	\$ 0.38	\$ 1.01	\$ 0.70
Diluted earnings per common share – Class B	\$ 0.53	\$ 0.37	\$ 0.96	\$ 0.67
Additional selected information:				
Depreciation and amortization expense	\$ 14,209	\$ 14,753	\$ 29,348	\$ 29,461
Rent expense	\$ 4,099	\$ 5,110	\$ 8,631	\$ 11,239

Condensed Consolidated Balance Sheets (Unaudited)

	March 31, <u>2007</u>	September 30, <u>2006</u>
ASSETS		
Cash and cash equivalents	\$ 12,341	\$ 17,540
Receivables-net	42,772	43,594
Inventories	228,903	215,369
Other current assets	9,770	9,315
Property and equipment-net	783,695	771,628
Other assets	9,983	17,528
TOTAL ASSETS	<u>\$ 1,087,464</u>	<u>\$ 1,074,974</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current maturities of long-term debt	\$ 47,098	\$ 33,666
Accounts payable, accrued expenses and current portion of other long-term liabilities	193,974	185,195
Deferred income taxes	17,971	22,673
Long-term debt	500,978	522,649
Other long-term liabilities	5,600	6,118
Total Liabilities	765,621	770,301
Stockholders' equity	321,843	304,673
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 1,087,464</u>	<u>\$ 1,074,974</u>