

INGLES MARKETS, INCORPORATED

(Amounts in thousands except per share data)

**Unaudited Financial Highlights
Condensed Consolidated Statements of Income (Unaudited)**

	Three Months Ended		Six Months Ended	
	March 29, 2008	March 31, 2007	March 29, 2008	March 31, 2007
Net sales	\$ 782,787	\$ 681,164	\$ 1,559,909	\$ 1,366,863
Gross profit	184,495	166,568	365,153	331,431
Operating and administrative expenses	153,063	139,498	303,349	275,962
Rental income, net	880	1,281	2,112	2,303
Loss from sale or disposal of assets	(487)	(328)	(559)	(490)
Income from operations	31,825	28,023	63,357	57,282
Other income, net	827	574	1,502	1,345
Interest expense	11,645	11,935	23,139	23,941
Income taxes	8,012	3,155	16,032	10,012
Net income	\$ 12,995	\$ 13,507	\$ 25,688	\$ 24,674
Basic earnings per common share – Class A	\$ 0.56	\$ 0.58	\$ 1.10	\$ 1.06
Diluted earnings per common share – Class A	\$ 0.53	\$ 0.55	\$ 1.05	\$ 1.01
Basic earnings per common share – Class B	\$ 0.51	\$ 0.53	\$ 1.00	\$ 0.96
Diluted earnings per common share – Class B	\$ 0.51	\$ 0.53	\$ 1.00	\$ 0.96
Additional selected information:				
Depreciation and amortization expense	\$ 16,911	\$ 14,209	\$ 33,381	\$ 29,348
Rent expense	\$ 3,976	\$ 4,099	\$ 7,787	\$ 8,631

Condensed Consolidated Balance Sheets (Unaudited)

	March 29, 2008	September 29, 2007
ASSETS		
Cash and cash equivalents	\$ 12,918	\$ 16,839
Receivables-net	49,932	44,641
Inventories	246,988	233,465
Other current assets	10,024	10,648
Property and equipment-net	923,767	839,732
Other assets	9,851	9,947
TOTAL ASSETS	\$ 1,253,480	\$ 1,155,272
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current maturities of long-term debt	\$ 32,956	\$ 31,307
Accounts payable, accrued expenses and current portion of other long-term liabilities	215,559	219,161
Deferred income taxes	39,697	38,177
Long-term debt	593,146	511,950
Other long-term liabilities	6,015	6,533
Total Liabilities	887,373	807,128
Stockholders' equity	366,107	348,144
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,253,480	\$ 1,155,272

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