

INGLES MARKETS, INCORPORATED

(Amounts in thousands except per share data)

Unaudited Financial Highlights

| | Three Months Ended | | Nine Months Ended | |
|---------------------------------------|--------------------|------------------|-------------------|------------------|
| | June 25, 2005 | June 26, 2004 | June 25, 2005 | June 26, 2004 |
| Net sales | \$ 566,656 | \$ 537,447 | \$ 1,683,198 | \$ 1,592,546 |
| Gross profit | 143,123 | 141,041 | 427,103 | 411,558 |
| Operating and administrative expenses | 122,364 | 117,664 | 366,654 | 354,232 |
| Rental income, net | 1,838 | 2,182 | 4,389 | 5,419 |
| Income from operations | 22,597 | 25,559 | 64,838 | 62,745 |
| Other income, net | 638 | 1,004 | 1,323 | 6,525 |
| Interest expense | 12,592 | 13,037 | 38,550 | 40,619 |
| Income taxes | 4,017 | 5,237 | 10,448 | 10,713 |
| Net income | \$ 6,626 | \$ 8,289 | \$ 17,163 | \$ 17,938 |
| | | | | |
| Basic earnings per common share | \$ 0.27 | \$ 0.35 | \$ 0.71 | \$ 0.77 |
| Diluted earnings per common share | \$ 0.27 | \$ 0.35 | \$ 0.71 | \$ 0.77 |
| | | | | |
| Additional selected information: | | | | |
| Depreciation and amortization expense | \$ 13,798 | \$ 14,013 | \$ 42,288 | \$ 42,336 |
| Rent expense | \$ 6,403 | \$ 7,239 | \$ 20,581 | \$ 23,039 |

Condensed Consolidated Balance Sheets (Unaudited)

| | June 25, 2005 | Sept. 25, 2004 |
|--|---------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 50,301 | \$ 80,594 |
| Receivables-net | 36,357 | 34,450 |
| Inventories | 200,506 | 189,432 |
| Other current assets | 9,983 | 9,063 |
| Property and equipment-net | 738,627 | 738,219 |
| Other assets | 14,942 | 11,929 |
| TOTAL ASSETS | \$ 1,050,716 | \$ 1,063,687 |
| | | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current maturities of long-term debt | \$ 22,512 | \$ 33,827 |
| Accounts payable-trade | 108,501 | 88,725 |
| Accrued expenses and current portion of other long-term liabilities | 56,031 | 66,189 |
| Deferred income taxes | 33,875 | 40,886 |
| Long-term debt | 557,199 | 568,608 |
| Other long-term liabilities | 2,962 | 4,235 |
| Total Liabilities | 781,080 | 802,470 |
| Stockholders' equity | 269,636 | 261,217 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 1,050,716 | \$ 1,063,687 |