

INGLES MARKETS, INCORPORATED

(Amounts in thousands except per share data)

Unaudited Financial Highlights

	Three Months Ended		Nine Months Ended	
	June 24, <u>2006</u>	June 25, <u>2005</u>	June 24, <u>2006</u>	June 25, <u>2005</u>
Net sales	\$ 659,212	\$ 566,656	\$ 1,889,255	\$ 1,683,198
Gross profit	163,151	143,123	471,237	427,103
Operating and administrative expenses	131,122	122,364	389,629	366,654
Rental income, net	1,431	1,838	4,016	4,389
Income from operations	33,460	22,597	85,624	64,838
Other income, net	446	638	1,266	1,323
Interest expense	12,184	12,592	36,737	38,550
Income taxes	7,880	4,017	19,100	10,448
Net income	\$ 13,842	\$ 6,626	\$ 31,053	\$ 17,163
Basic earnings per common share – Class A	\$ 0.59	\$ 0.29	\$ 1.33	\$ 0.75
Basic earnings per common share – Class B	\$ 0.54	\$ 0.26	\$ 1.21	\$ 0.68
Diluted earnings per common share – Class A	\$ 0.57	\$ 0.27	\$ 1.27	\$ 0.71
Diluted earnings per common share – Class B	\$ 0.54	\$ 0.26	\$ 1.21	\$ 0.68
Additional selected information:				
Depreciation and amortization expense	\$ 14,765	\$ 13,798	\$ 44,297	\$ 42,288
Rent expense	\$ 5,359	\$ 6,403	\$ 16,598	\$ 20,581

Condensed Consolidated Balance Sheets (Unaudited)

	June 24, <u>2006</u>	Sept. 24, <u>2005</u>
ASSETS		
Cash and cash equivalents	\$ 22,281	\$ 50,626
Receivables-net	40,758	39,079
Inventories	216,754	204,113
Other current assets	11,287	10,639
Property and equipment-net	762,748	744,163
Other assets	<u>17,150</u>	<u>17,385</u>
TOTAL ASSETS	<u>\$ 1,070,978</u>	<u>\$ 1,066,005</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current maturities of long-term debt	\$ 12,174	\$ 16,413
Accounts payable, accrued expenses and current portion of other long-term liabilities	189,792	184,462
Deferred income taxes	24,576	31,246
Long-term debt	543,271	553,015
Other long-term liabilities	<u>4,163</u>	<u>4,020</u>
Total Liabilities	773,976	789,156
Stockholders' equity	<u>297,002</u>	<u>276,849</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 1,070,978</u>	<u>\$ 1,066,005</u>