

INGLES MARKETS, INCORPORATED

(Amounts in thousands except per share data)

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

	Quarter Ended	
	Dec. 24, 2005	Dec. 25, 2004
Net sales	\$ 623,394	\$ 559,275
Gross profit	153,551	141,952
Operating and administrative expenses	130,478	122,708
Rental income, net	1,284	1,470
Income from operations	24,357	20,714
Other income, net	740	447
Interest expense	12,327	13,047
Income taxes	5,000	3,050
Net income	\$ 7,770	\$ 5,064
Basic earnings per common share – Class A	\$ 0.33	\$ 0.22
Diluted earnings per common share – Class A	\$ 0.32	\$ 0.21
Basic earnings per common share – Class B	\$ 0.30	\$ 0.20
Diluted earnings per common share – Class B	\$ 0.30	\$ 0.20
Additional selected information:		
Depreciation and amortization expense	\$ 14,755	\$ 14,460
Rent expense	\$ 6,129	\$ 7,706

Condensed Consolidated Balance Sheets (Unaudited)

	Dec. 24, 2005	Sept. 24, 2005
ASSETS		
Cash and cash equivalents	\$ 27,879	\$ 50,626
Receivables-net	44,322	39,079
Inventories	214,521	204,113
Other current assets	11,665	10,639
Property and equipment-net	756,172	744,163
Other assets	17,279	17,385
TOTAL ASSETS	\$ 1,071,838	\$ 1,066,005
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current maturities of long-term debt	\$ 14,951	\$ 16,413
Accounts payable, accrued expenses and current portion of other long-term liabilities	193,593	184,462
Deferred income taxes	29,076	31,246
Long-term debt	549,366	553,015
Other long-term liabilities	3,971	4,020
Total Liabilities	790,957	789,156
Stockholders' equity	280,881	276,849
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,071,838	\$ 1,066,005