

INGLES MARKETS, INCORPORATED

(Amounts in thousands except per share data)

Financial Highlights

(Unaudited)

	<u>Quarter Ended</u>		<u>Year Ended</u>	
	<u>Sept. 30,</u>	<u>Sept. 24,</u>	<u>Sept. 30,</u>	<u>Sept. 24,</u>
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Net sales	\$ 722,978	\$ 590,743	\$ 2,612,233	\$ 2,273,941
Gross profit	180,957	158,596	652,194	585,699
Operating and administrative expenses	146,986	133,563	536,614	500,217
Rental income, net	964	1,773	4,980	6,162
Income from operations	34,935	26,806	120,560	91,644
Other (expense) income, net	(3,961)	824	(2,696)	2,147
Interest expense	13,046	12,371	49,783	50,921
Income taxes	6,399	5,853	25,499	16,300
Net income	\$ 11,529	\$ 9,406	\$ 42,582	\$ 26,570
Basic earnings per common share – Class A	\$ 0.49	\$ 0.40	\$ 1.82	\$ 1.15
Basic earnings per common share – Class B	\$ 0.45	\$ 0.37	\$ 1.66	\$ 1.05
Diluted earnings per common share – Class A	\$ 0.47	\$ 0.39	\$ 1.74	\$ 1.10
Diluted earnings per common share – Class B	\$ 0.45	\$ 0.37	\$ 1.66	\$ 1.05
Additional selected information:				
Depreciation and amortization expense	\$ 15,550	\$ 14,428	\$ 59,930	\$ 56,992
Rent expense	\$ 4,291	\$ 6,804	\$ 20,889	\$ 27,385

Condensed Consolidated Balance Sheets

	<u>Sept. 30,</u>	<u>Sept. 24,</u>
	<u>2006</u>	<u>2005</u>
ASSETS		
Cash and cash equivalents	\$ 17,540	\$ 50,626
Receivables-net	43,594	39,079
Inventories	215,369	204,113
Other current assets	9,315	10,639
Property and equipment-net	771,628	744,163
Other assets	17,528	17,385
TOTAL ASSETS	<u>\$ 1,074,974</u>	<u>\$ 1,066,005</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term loans and current maturities of long-term debt	\$ 33,666	\$ 16,413
Accounts payable, accrued expenses and current portion of other long-term liabilities	185,195	184,462
Deferred income taxes	22,673	31,246
Long-term debt	522,649	553,015
Other long-term liabilities	6,118	4,020
Total Liabilities	<u>770,301</u>	<u>789,156</u>
Stockholders' equity	<u>304,673</u>	<u>276,849</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 1,074,974</u>	<u>\$ 1,066,005</u>