

INGLES MARKETS, INCORPORATED

(Amounts in thousands except per share data)

Financial Highlights

(Unaudited)

	Quarter Ended		Year Ended	
	Sept. 27, 2008	Sept. 29, 2007	Sept. 27, 2008	Sept. 29, 2007
Net sales	\$ 842,791	\$ 746,035	\$ 3,238,046	\$ 2,851,593
Gross profit	191,643	179,576	747,859	686,235
Operating and administrative expenses	164,986	146,275	626,404	564,023
Rental income, net	536	868	3,322	4,419
(Loss) gain from sale or disposal of assets	(661)	(298)	(1,331)	6,880
Income from operations	26,532	33,871	123,446	133,511
Other income, net	778	875	3,122	3,013
Interest expense	12,121	10,873	46,886	46,675
Income taxes	4,727	9,656	27,559	31,211
Net income	\$ 10,462	\$ 14,217	\$ 52,123	\$ 58,638
Basic earnings per common share – Class A	\$ 0.44	\$ 0.61	\$ 2.22	\$ 2.51
Basic earnings per common share – Class B	\$ 0.40	\$ 0.55	\$ 2.02	\$ 2.28
Diluted earnings per common share – Class A	\$ 0.43	\$ 0.57	\$ 2.13	\$ 2.39
Diluted earnings per common share – Class B	\$ 0.40	\$ 0.55	\$ 2.02	\$ 2.28
Additional selected information:				
Depreciation and amortization expense	\$ 18,286	\$ 16,188	\$ 69,149	\$ 60,944
Rent expense	\$ 2,918	\$ 5,299	\$ 14,495	\$ 17,692

Condensed Consolidated Balance Sheets

	Sept. 27, 2008	Sept. 29, 2007
ASSETS		
Cash and cash equivalents	\$ 4,179	\$ 4,373
Receivables-net	47,272	44,641
Inventories	258,677	233,465
Other current assets	24,635	10,648
Property and equipment-net	1,030,023	839,732
Other assets	10,218	9,947
TOTAL ASSETS	\$ 1,375,004	\$ 1,142,806
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term loans and current maturities of long-term debt	\$ 36,156	\$ 10,728
Accounts payable, accrued expenses and current portion of other long-term liabilities	217,117	206,695
Deferred income taxes	50,523	38,177
Long-term debt	681,001	532,529
Other long-term liabilities	5,393	6,533
Total Liabilities	990,190	794,662
Stockholders' equity	384,814	348,144
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,375,004	\$ 1,142,806