

**INGLES MARKETS, INCORPORATED**

(Amounts in thousands except per share data)

**Unaudited Financial Highlights**

	Quarter Ended		Year Ended	
	Sept. 25, 2004	Sept. 27, 2003	Sept. 25, 2004	Sept. 27, 2003
Net sales	\$ 544,880	\$ 502,963	\$ 2,137,426	\$ 1,991,093
Gross profit	143,181	134,014	554,739	523,411
Operating and administrative expenses	121,504	119,988	475,736	467,951
Rental income, net	1,669	1,722	7,088	8,270
Income from operations	23,346	15,748	86,091	63,730
Other income, net	7,162	11,675	13,687	15,019
Interest expense	13,120	13,850	53,739	51,916
Income taxes	6,574	5,032	17,287	9,815
Net income	\$ 10,814	\$ 8,541	\$ 28,752	\$ 17,018
Basic earnings per common share	\$ 0.45	\$ 0.37	\$ 1.22	\$ 0.74
Diluted earnings per common share	\$ 0.45	\$ 0.37	\$ 1.22	\$ 0.74
Additional selected information:				
Depreciation and amortization expense	\$ 16,466	\$ 13,569	\$ 59,100	\$ 51,821
Rent expense	\$ 7,171	\$ 10,562	\$ 30,158	\$ 43,569

**Condensed Consolidated Balance Sheets (Unaudited)**

	Sept. 25, 2004	Sept. 27, 2003
<b>ASSETS</b>		
Cash and cash equivalents	\$ 80,594	\$ 80,879
Receivables-net	34,450	34,221
Inventories	189,432	193,403
Other current assets	9,390	11,768
Property and equipment-net	738,219	739,023
Other assets	11,602	16,156
<b>TOTAL ASSETS</b>	<b>\$ 1,063,687</b>	<b>\$ 1,075,450</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Short-term loans and current maturities of long-term debt	\$ 31,196	\$ 38,032
Accounts payable, accrued expenses and current portion of other long-term liabilities	154,915	149,627
Deferred income taxes	40,886	39,664
Long-term debt	571,238	602,932
Other long-term liabilities	4,235	8,600
<b>Total Liabilities</b>	<b>802,470</b>	<b>838,855</b>
Stockholders' equity	261,217	236,595
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 1,063,687</b>	<b>\$ 1,075,450</b>