

INGLES MARKETS INC
Form S-4/A
July 01, 2009
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As filed with the Securities and Exchange Commission on July 1, 2009

Registration No. 333-160138

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

PRE-EFFECTIVE AMENDMENT NO. 1
TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

INGLES MARKETS, INCORPORATED

(Exact Name of Registrant as Specified in Its Charter)

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North Carolina
(State or Other Jurisdiction of Incorporation
or Organization)

5411
(Primary Standard Industrial
Classification Code Number)

56-0846267
(I.R.S. Employer
Identification No.)

2913 U.S. Highway 70 West

Ronald B. Freeman
Vice President-Finance and Chief Financial Officer
2913 U.S. Highway 70 West

Black Mountain, North Carolina 28711
(828) 669-2941
(Address, Including Zip Code, and Telephone Number, Including
Area Code, of Registrant's Principal Executive Offices)

Black Mountain, North Carolina 28711
(828) 669-2941
(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent for Service)

Copies of communications to:

Andrew E. Balog, Esq.

Theodore I. Blum, Esq.

Greenberg Traurig, LLP

3290 Northside Parkway, Suite 400

Atlanta, Georgia 30327

Telephone No.: (305) 579-0500

Facsimile No.: (305) 579-0717

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by a check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of *large accelerated filer*, *accelerated filer*, and *smaller reporting company* in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

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Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) "

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) "

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 1, 2009

PROSPECTUS

\$575,000,000

INGLES MARKETS, INCORPORATED

Offer to Exchange

Outstanding 8⁷/₈% Senior Notes due 2017

for

Registered 8⁷/₈% Senior Notes due 2017

Ingles Markets, Incorporated is offering to exchange up to \$575,000,000 aggregate principal amount of its registered 8⁷/₈% senior notes due 2017, or the registered notes, for up to a like aggregate principal amount of its outstanding 8⁷/₈% senior notes due 2017, or the outstanding notes. As of the date of this prospectus, there is outstanding \$575,000,000 aggregate principal amount of the outstanding notes. The terms of the registered notes are substantially identical to the terms of the outstanding notes, except that the registered notes are registered under the Securities Act of 1933, as amended, or the Securities Act, and the transfer restrictions and registration rights and related additional interest provisions applicable to the outstanding notes do not apply to the registered notes. The registered notes will represent the same debt as the outstanding notes and we will issue the registered notes under the same indenture.

The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2009, unless extended.

Terms of the Exchange Offer

All outstanding notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer will be exchanged for the registered notes.

You may withdraw tendered outstanding notes at any time before the exchange offer expires.

The exchange of the outstanding notes for the registered notes will not be a taxable event for federal income tax purposes.

We will not receive any proceeds from the exchange offer.

The exchange offer is subject to customary conditions, including the conditions that the exchange offer not violate applicable law or any applicable interpretation of the staff of the Securities and Exchange Commission.

The Registered Notes

The registered notes are being offered in order to satisfy our obligations under the registration rights agreement entered in connection with the private offering of the outstanding notes.

The registered notes will be our general senior unsecured obligations.

No public market currently exists for the registered notes. We do not intend to apply for listing of the registered notes on any securities exchange or to arrange for them to be quoted on any quotation system.

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Before participating in the exchange offer, please refer to the section in this prospectus entitled *Risk Factors* beginning on page 10.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the registered notes or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2009

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You should rely only on the information contained in this prospectus and in any other written communication authorized by us. We have not authorized anyone to provide you with different information, whether orally or in writing. We are not making an offer of these securities in any state or other jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date printed on the front of this prospectus.

In this prospectus, unless the context indicates otherwise, the *Company*, *Ingles*, *we*, *us* and *our* refer to Ingles Markets, Incorporated, a North Carolina corporation, and its consolidated subsidiaries; *notes* refers to the outstanding notes and the registered notes collectively; and *indenture* refers to the indenture that applies to both the outstanding notes and the registered notes.

BROKER-DEALER PROSPECTUS DELIVERY OBLIGATION

Each broker-dealer that receives registered notes for its own account pursuant to this exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such registered notes. The letter of transmittal accompanying this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of registered notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period ending of the earlier of (i) 180 days after the date of this prospectus and (ii) the date on which a broker-dealer is no longer required to deliver a prospectus in connection with market-making or other trading activities, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See *Plan of Distribution*.

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INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The Securities and Exchange Commission, or the SEC, allows us to incorporate by reference in this prospectus the information in other documents that we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus, and information in documents that we file later with the SEC will automatically update and supersede information contained in documents filed earlier with the SEC or contained in this prospectus or a prospectus supplement. We incorporate by reference in this prospectus the documents listed below, and any future filings that we may make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended which we refer to as the Exchange Act, after the date of this prospectus and prior to the termination of the offering under this prospectus. The documents we incorporate by reference are:

Our Annual Report on Form 10-K for the fiscal year ended September 27, 2008;

Our definitive Proxy Statement dated December 23, 2008, as supplemented on January 26, 2009, relating to our 2009 annual meeting of stockholders;

Our Quarterly Report on Form 10-Q for the quarterly period ended December 27, 2008;

Our Quarterly Report on Form 10-Q for the quarterly period ended March 28, 2009; and

Our Current Reports on Form 8-K dated April 28, 2009, April 28, 2009, May 11, 2009, May 12, 2009 and May 27, 2009.

In addition, all documents filed pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the initial registration statement and prior to the effectiveness of the registration statement of which this prospectus forms a part shall be deemed to be incorporated by reference in this prospectus and to be part of this prospectus from the date they are filed.

Unless specifically stated to the contrary, none of the information that we disclose under Item 2.02, 7.01 or 9.01 of any Current Report on Form 8-K that we may, from time to time, furnish to the SEC will be incorporated by reference into, or otherwise included in, this prospectus. The information contained in each of the documents incorporated by reference speaks only as of the date of such document. Any statement contained in a document incorporated by reference or deemed to be incorporated by reference herein, or contained in this prospectus shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any subsequently filed document or report that also is incorporated by reference or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You may obtain a copy of any or all of the documents referred to above and a copy of the indenture which may have been or may be incorporated by reference into this prospectus (excluding certain exhibits to the documents) at no cost to you by writing or telephoning us at the following address:

Ingles Markets, Incorporated

2913 U.S. Highway 70 West

Black Mountain, North Carolina 28711

Telephone: (828) 669-2941

To obtain timely delivery of any of our filings, agreements or other documents, you must make your request to us no later than _____, 2009. In the event that we extend the exchange offer, you must submit your request at least five business days before the expiration date of the exchange offer, as extended.

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WHERE YOU CAN FIND MORE INFORMATION

We are subject to the periodic reporting and other informational requirements of the Securities Exchange Act of 1934. We file annual, quarterly and current reports and other information with the SEC.

We have filed a registration statement on Form S-4 with the SEC to register under the Securities Act the registered notes. This prospectus constitutes a part of that registration statement. As allowed by the SEC's rules, this prospectus does not contain all the information set forth in the registration statement, certain parts of which have been omitted in accordance with the rules and regulations of the SEC. Please refer to the registration statement and related exhibits and schedules filed therewith for further information with respect to us and the registered notes offered hereby. Statements contained herein concerning the provisions of any document are not necessarily complete and, in each instance, reference is made to the copy of such document filed as an exhibit to the registration statement or otherwise filed by us with the SEC and each such statement is qualified in its entirety by such reference.

You may read and copy any materials we file with the SEC at the SEC's Public Reference Room located at 100F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Our SEC filings are also available at the web site maintained by the SEC at: <http://www.sec.gov>. Information about us, including our SEC filings, are also available on our Internet website at www.ingles-markets.com. The information contained on our website is neither a part of or incorporated by reference in this prospectus or any prospectus supplement.

You should rely only on the information provided in this prospectus or any prospectus supplement. We have not authorized anyone else to provide you with different information. We may not make an offer of the registered notes in any state where the offer is not permitted. The delivery of this prospectus does not, under any circumstances, mean that there has not been a change in our affairs since the date of this prospectus. It also does not mean that the information in this prospectus is correct after this date.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This prospectus contains or incorporates by reference certain forward-looking statements within the meaning of Section 27A of the Securities Act. All statements other than statements of historical fact contained or incorporated by reference in this prospectus, including the statements under Management's Discussion and Analysis of Financial Condition and Results of Operations, *Business* and elsewhere regarding our strategy, future operations, financial position, estimated revenues, projected costs, projections, prospects and plans and objectives of management, are forward-looking statements. The words *expect*, *anticipate*, *intend*, *plan*, *likely*, *goal*, *believe*, *seek* and similar expressions are intended to identify forward-looking statements. While these forward-looking statements and the related assumptions are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Such statements are based upon a number of assumptions and estimates which are inherently subject to significant risks and uncertainties many of which are beyond our control. Some of these assumptions inevitably will not materialize, and unanticipated events will occur which will affect our results. Some important factors (but not necessarily all factors) that affect our revenues, growth strategies, future profitability and operating results, or that otherwise could cause actual results to differ materially from those expressed in or implied by any forward-looking statement, include the following:

business and economic conditions generally in our operating area;

our ability to successfully implement our expansion and operating strategies and to manage rapid expansion;

pricing pressures and other competitive factors;

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sudden or significant changes in the availability of gasoline and retail gasoline prices;

the maturation of new and expanded stores;

general concerns about food safety;

our ability to reduce costs and achieve improvements in operating results;

the availability and terms of financing;

increases in labor and utility costs;

success or failure in the ownership and development of real estate;

changes in the laws and government regulations applicable to us; and

other risks and uncertainties, including those described under the caption *Risk Factors*, as well as those contained in and incorporated by reference from our most recent Annual Report on Form 10-K, as updated or supplemented by subsequent quarterly reports on Form 10-Q and current reports on Form 8-K filed with the SEC.

Consequently, actual events affecting us and the impact of such events on our operations may vary significantly from those described in this prospectus or contemplated or implied by statements in this prospectus. Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements contained or incorporated by reference in this prospectus are made only as of the date of this prospectus. We do not undertake and specifically decline any obligation to update any such statements or to publicly announce the results of any revisions to any of such statements to reflect future events or developments.

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PROSPECTUS SUMMARY

This summary highlights selected information about our business and the exchange offer. It is not complete and may not contain all the information that may be important to you. We urge you to read and review the entire prospectus, including Risk Factors, together with the more detailed business information and consolidated financial statements and related notes that are incorporated by reference into this prospectus before deciding to participate in the exchange offer.

Our Company

We are a leading supermarket chain in the Southeastern United States, operating 200 supermarkets in Georgia (74), North Carolina (67), South Carolina (36), Tennessee (20), Virginia (2) and Alabama (1) as of March 28, 2009. We generated net sales of \$3.2 billion for the fiscal year ended September 27, 2008.

Our strategy is to locate our supermarkets primarily in suburban areas and neighborhood shopping centers. We believe that we were the first supermarket in many of our target communities and were therefore able to secure favorable locations and a loyal customer base. We remodel, expand and relocate stores in these communities and build stores in new locations to retain and grow our customer base with an enhanced *one-stop* product offering, while retaining a high level of customer service and convenience. We offer customers a wide variety of nationally advertised food products, including grocery, meat and dairy products, produce, frozen foods and other perishables, and non-food products. Non-food products include fuel centers, pharmacies, health and beauty care products and general merchandise. We also offer quality private label items.

We believe that customer service and convenience, modern stores and competitive prices on a broad selection of quality merchandise are essential to developing and retaining a loyal customer base. Our new and remodeled supermarkets provide an enhanced level of customer convenience in order to accommodate the lifestyle of today's shoppers. Design features of our modern stores focus on selling high-growth, high-margin products and services, including perishable departments featuring organic and home meal replacement items, in-store pharmacies, on-premises fuel centers, and an expanded selection of food and non-food items to provide a *one-stop* shopping experience.

We have an ongoing renovation and expansion plan to add stores in our target markets and to modernize the appearance and layout of our existing stores. Over the past five full fiscal years, we have spent approximately \$536 million to modernize and remodel our existing stores, relocate older stores to larger, more convenient locations and construct new stores in order to maintain the quality shopping experience that our customers expect. Typically, new and expanded stores occupy at least 65,000 square feet. As part of our renovation and expansion plan, we generally include full-service pharmacies and gas stations at both new and expanded store properties.

Substantially all of our stores are located within 280 miles of our 919,000 square foot warehouse and distribution facilities, near Asheville, North Carolina, from which we distribute grocery, produce, meat and dairy products to all of our stores. As of September 27, 2008, our warehouse supplies our stores with approximately 49% of the goods we sell and the remaining 51% is purchased from third parties. The close proximity of our purchasing and distribution facilities to our stores enables the timely distribution of consistently high quality meat, produce and other perishable items.

We also own and operate a milk processing and packaging plant that supplies approximately 86% of the milk products sold by our supermarkets as of September 27, 2008, as well as a variety of fruit juices and bottled water products. In addition, our milk processing and packaging plant sells approximately 67% of its products to other retailers, food service distributors and grocery warehouses in 17 states, which provides us with an

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additional source of revenue. Beginning in fiscal year 2005, we added organic milk products to our milk processing and packaging plant offerings for distribution to our supermarkets and to outside parties.

Our significant real estate ownership is an important component of our operations. We own and operate 73 shopping centers, 57 of which contain an Ingles supermarket, and own 91 additional properties that contain a free-standing Ingles store. We also own ten undeveloped sites suitable for free-standing stores. The majority of the land that we own contains additional acreage which may either be sold or developed in the future. Our owned real estate is generally located in the same geographic region as our supermarkets.

Our ownership of store and shopping center locations provides increased flexibility to remodel or expand store properties and add features such as on-site fuel centers. Shopping center ownership provides us with tenant income and enhances store traffic through the presence of additional products and services that complement grocery store operations. Additionally, we believe that real estate ownership allows us to decrease our occupancy costs, control the development and management of our properties and benefit from value created through the development and operation of free-standing supermarkets and shopping centers in smaller markets.

Recent Developments

On May 12, 2009, we completed the offering of the outstanding notes from which we received net cash proceeds of approximately \$545.1 million. We used approximately \$340.4 million of these cash proceeds to repurchase our outstanding 8^{7/8}% senior subordinated notes due 2011 pursuant to our previously announced pending tender offer and consent solicitation for these notes. The tender offer and consent solicitation expired on May 26, 2009, and approximately \$335.8 million aggregate principal amount, representing approximately 96.0%, of the outstanding subordinated notes were validly tendered and accepted. On June 1, 2009, we used approximately \$14.2 million of the cash proceeds from the offering to redeem the remaining outstanding subordinated notes. We also used cash proceeds from the offering to repay in full and terminate four lines of credit. We will use the remaining cash proceeds from the offering to repay certain other debt, fund capital expenditures and for general corporate purposes.

Also on May 12, 2009, as previously announced, we entered into a new unsecured revolving line of credit for \$175 million. For a description of this new line of credit, please see *Description of Our Other Indebtedness*.

Additional Information

We were incorporated in 1965 under the laws of the State of North Carolina. Our executive offices are located at 2913 U.S. Highway 70 West, Black Mountain, North Carolina 28711-9727. Our principal mailing address is P.O. Box 6676, Highway 70, Asheville, North Carolina 28816, and our telephone number is 828-669-2941. Our website is www.ingles-markets.com. Information contained on our website is not part of and is not incorporated by reference into this prospectus.

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Summary of the Terms of the Exchange Offer

The following is a summary of the terms of the exchange offer. For a more complete description of the exchange offer, see *The Exchange Offer*.

Background

On May 12, 2009, we completed a private placement of \$575,000,000 aggregate principal amount of the outstanding notes. In connection with that private placement, we and the initial purchasers entered into a registration rights agreement for the benefit of the holders of the outstanding notes. As described below, under the registration rights agreement, we agreed to, among other things, deliver this prospectus to you and to consummate the exchange offer for the outstanding notes by January 17, 2010. If we do not consummate the exchange offer for the outstanding notes by such date, we will be required to pay additional interest on the outstanding notes until the exchange offer is completed.

The Exchange Offer

We are offering to exchange the registered notes which have been registered under the Securities Act for a like principal amount of the outstanding notes. You may only tender outstanding notes in minimal denominations of \$2,000 principal amount and integral multiples of \$1,000 in excess thereof. See *The Exchange Offer Terms of the Exchange Offer*.

Registration Rights Agreement

On May 12, 2009, we and the initial purchasers entered into a registration rights agreement for the benefit of the holders of the outstanding notes. The registration rights agreement provides that if we do not consummate the exchange offer for the outstanding notes by January 17, 2010, we are required to pay additional interest on the outstanding notes at an initial rate of 0.25% per annum. The additional interest will increase by an additional 0.25% per annum with respect to each 90-day period until the exchange offer is consummated, up to a maximum of 1.00% per annum. After the exchange offer is complete, except as set forth in the next paragraph, you will no longer be entitled to any exchange or registration rights with respect to your outstanding notes.

The registration rights agreement requires us to file a shelf registration statement for a continuous offering in accordance with Rule 415 under the Securities Act for your benefit if:

the exchange offer is not consummated by January 17, 2010;

we are not permitted to consummate the exchange offer because the exchange offer is not permitted by applicable law or SEC policy;

you are prohibited by applicable law or SEC policy to participate in the exchange offer and indicate that you wish to have your outstanding notes registered under the Securities Act;

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you may not resell registered notes you have acquired in the exchange offer to the public without delivering a prospectus and this prospectus (including any amendment or supplement thereto) is not appropriate or available for resales by you; or

you are a broker-dealer and hold outstanding notes acquired directly from us or any of our affiliates.

Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on [], 2009, or a later date and time to which we may extend it. We do not currently intend to extend the expiration of the exchange offer. See <i>The Exchange Offer Expiration Date; Extensions; Amendments.</i>
Withdrawal	You may withdraw your tender of outstanding notes in the exchange offer at any time before the expiration of the exchange offer. Any outstanding notes not accepted for exchange for any reason will be returned without expense to you promptly after the expiration or termination of the exchange offer. See <i>The Exchange Offer Withdrawal of Tenders.</i>
Exchange Date	The date of acceptance for exchange of the outstanding notes is the exchange date, which will be as soon as practicable following the expiration date of the exchange offer. See <i>The Exchange Offer Terms of the Exchange Offer.</i>
Issuance of Registered Notes	We will issue registered notes in exchange for outstanding notes tendered and accepted in the exchange offer promptly following the exchange date. See <i>The Exchange Offer Terms of the Exchange Offer.</i>
Conditions to the Exchange Offer	The exchange offer is subject to customary conditions, which we may assert or waive. See <i>The Exchange Offer Conditions.</i>
Procedures for Tendering Outstanding Notes	We issued all of the outstanding notes as global securities in fully registered form without coupons. Beneficial interests in the outstanding notes which are held by direct or indirect participants in The Depository Trust Company through certificateless depositary interests are shown on, and transfers of the outstanding notes can be made only through, records maintained in book-entry form by DTC with respect to its participants.
	If you wish to participate in the exchange offer, you must complete, sign and date the accompanying letter of transmittal, or a facsimile of the letter of transmittal, according to the instructions contained in this prospectus and the letter of transmittal. You must then mail or otherwise deliver the letter of transmittal, or a facsimile of the letter of transmittal, together with the outstanding notes and any other required documents, to the exchange agent at the address set forth on the cover page of the letter of transmittal. See <i>The Exchange Offer Procedures for Delivery.</i>

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Special Procedures for Beneficial Owners

If you are a beneficial owner whose outstanding notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you want to tender outstanding notes in the exchange offer, you should contact the registered owner promptly and instruct the registered holder to tender on your behalf. If you wish to tender in the exchange offer on your own behalf, you must, before completing and executing the letter of transmittal and delivering your outstanding notes, either make appropriate arrangements to register ownership of the outstanding notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time. See *The Exchange Offer Procedures for Tendering*.

Guaranteed Delivery Procedures

If you wish to tender your outstanding notes, and time will not permit your required documents to reach the exchange agent by the expiration date, or the procedure for book-entry transfer cannot be completed on time, you may tender your outstanding notes under the procedures described under *The Exchange Offer Guaranteed Delivery Procedures*.

Resales

Under existing interpretations of the Securities Act by the staff of the SEC contained in several no-action letters to third parties, and subject to the immediately following sentence, we believe that the New Notes will generally be freely transferable by holders after the exchange offer without further compliance with the registration and prospectus delivery requirements of the Securities Act, if:

you are not one of our affiliates as defined in Rule 405 under the Securities Act;

you are acquiring the registered notes in the ordinary course of your business; and

you have not engaged in, do not intend to engage in and have no arrangement or understanding with any person to participate in a distribution of the registered notes.

If you are our affiliate, or are engaging in, or intend to engage in, or have any arrangement or understanding with any person to participate in, a distribution of the registered notes, or are not acquiring the registered notes in the ordinary course of your business, you will not be able to rely on the interpretations of the staff of the SEC, will not be permitted to tender outstanding notes in the exchange offer and, in the absence of any exemption, you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the registered notes.

Our belief that transfers of registered notes would be permitted without registration or prospectus delivery under the conditions described above is based on SEC interpretations given to other, unrelated issuers in similar exchange offers. We cannot assure you

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that the SEC would make a similar interpretation with respect to our exchange offer. We will not be responsible for or indemnify you against any liability you may incur under the Securities Act.

If you are a broker-dealer and receive registered notes for your own account in exchange for outstanding notes that you acquired as a result of market-making or other trading activity, you must acknowledge that you will deliver this prospectus in connection with any resale of the registered notes. See *Plan of Distribution*.

We do not intend to list the registered notes on any securities exchange or for quotation on an automated dealer quotation system. Accordingly, there can be no assurance that an active market will develop for the registered notes upon completion of the exchange offer or, if developed, that such market will be sustained or as to the liquidity of any market.

Consequences of Failure to Exchange

Outstanding notes that are not tendered in the exchange offer or are not accepted for exchange will continue to bear legends restricting their transfer. You will not be able to offer or sell such outstanding notes:

except pursuant to an exemption from the requirements of the Securities Act;

unless the outstanding notes are registered under the Securities Act; or

if neither such registration nor such exemption is required by law.

Exchange Agent

U.S. Bank, National Association is serving as the exchange agent in connection with the exchange offer. The address and telephone number of the exchange agent are set forth in the section entitled *Exchange Offer Exchange Agent*.

Use of Proceeds

We will not receive any cash proceeds from the issuance of the registered notes in the exchange offer. See *Use of Proceeds*.

Accounting Treatment

We will not recognize any gain or loss for accounting purposes upon completion of the exchange offer.

U.S. Federal Tax Considerations

The exchange of the outstanding notes will not be a taxable exchange for federal income tax purposes. See *Certain U.S. Federal Income Tax Considerations*.

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Summary of the Terms of the Registered Notes

The following is a summary of the principal terms of the registered notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The *Description of the Registered Notes* section of this prospectus contains a more detailed description of the terms and conditions of the registered notes.

Issuer	Ingles Markets, Incorporated
Registered Notes Offered	<p>\$575,000,000 aggregate principal amount of registered 8⁷/₈% senior notes due 2017. The registered notes will evidence the same debt as the outstanding notes and will be issued under, and entitled to the benefits of, the same indenture. The registered notes will be identical in all material respects to the outstanding notes for which they have been exchanged, except:</p> <p>the registered notes have been registered under the Securities Act and thus generally will not be subject to restrictions on transfer applicable to the outstanding notes or bear restrictive legends;</p> <p>the registered notes will bear a different CUSIP number from the outstanding notes; and</p> <p>the registered notes will not be entitled to registration rights; and</p> <p>the registered notes will not have the right to earn additional interest under circumstances relating to our registration obligations.</p>
Maturity Date	May 15, 2017.
Interest	Interest will accrue at a rate of 8 ⁷ / ₈ % per year, payable semi-annually in cash in arrears on May 15 and November 15 of each year, commencing on November 15, 2009.
Ranking	<p>The registered notes will constitute senior unsecured debt of the Company and will have the same ranking as the outstanding notes. The outstanding notes:</p> <p>rank equally in right of payment with all of our and any guarantors' existing and future senior debt;</p> <p>are senior in right of payment to all of our and any guarantors' existing and future subordinated debt;</p>

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are effectively subordinated to our and any guarantors' existing and future secured debt to the extent of the value of the assets securing such debt; and

are structurally subordinated to all of the existing and future liabilities of each of our subsidiaries that do not guarantee the notes.

Upon initial issuance, the registered notes, like the outstanding notes, will not be guaranteed. However, if any restricted subsidiary of the

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Company subsequently becomes a guarantor or obligor in respect of any other Indebtedness of the Company or any other restricted subsidiary, such restricted subsidiary shall also guarantee the registered notes on a senior basis. See *Description of the Registered Notes Guarantees*.

As of March 28, 2009, on a pro forma basis after giving effect to the sale of the outstanding notes and use of the net proceeds therefrom, we had approximately \$887.2 million of senior debt outstanding, of which approximately \$312.2 million effectively ranked senior to the outstanding notes to the extent of the collateral securing such debt. In addition, we had approximately \$190.0 million of availability under our lines of credit.

Optional Redemption

On or after May 15, 2013, we may redeem some or all of the registered notes at any time at the redemption prices described in the section *Description of the Registered Notes Optional Redemption*. In addition, we may redeem up to 35% of the aggregate principal amount of the registered notes before May 15, 2012, with the net proceeds of certain equity offerings by us. We may also redeem some or all of the registered notes before May 15, 2013 at a redemption price of 100% of the principal amount plus accrued and unpaid interest, if any, to the redemption date, plus a make-whole premium.

Change of Control

If we experience certain kinds of changes of control, we must offer to purchase the registered notes at 101% of their principal amount, plus accrued and unpaid interest. For more details, see the section *Description of the Registered Notes Change of Control*.

Certain Covenants

The indenture governing the notes contains certain covenants limiting our ability and the ability of our restricted subsidiaries to, under certain circumstances:

incur additional debt;

prepay subordinated indebtedness;

pay dividends or make other distributions on, redeem or repurchase, capital stock;

make investments or other restricted payments;

enter into transactions with affiliates;

sell assets;

create liens on assets to secure debt; or

effect a consolidation or merger or sell all, or substantially all, of our assets.

These covenants are subject to important exceptions and qualifications as described in this prospectus under *Description of the Registered Notes Certain Covenants*.

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No Prior Public Market

The registered notes will generally be freely transferable but will be a new issue of securities for which there is currently no established market. Accordingly, there can be no assurance as to the development or liquidity of any market for the registered notes. Although the initial purchasers of the outstanding notes have advised us that they currently intend to make a market in the registered notes, they are not obligated to do so and they may discontinue market making activities at any time without notice. We do not intend to apply for a listing of the registered notes on any securities exchange or an automated dealer quotation system.

Risk Factors

We urge you to read carefully the risk factors beginning on page 10 for a discussion of factors you should consider before exchanging your outstanding notes for registered notes.

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RISK FACTORS

You should carefully consider the risks described below together with all of the other information included or incorporated by reference in this prospectus before you decide to participate in the exchange offer. These risks could have a material adverse effect on our business, financial position or results of operations. The following risk factors may not include all of the important factors that could affect our business or our industry or that could cause our future financial results to differ materially from historic or expected results. If any of the following risks occur, you could lose all or part of your investment in, and the expected return on, the notes.

Risks Relating to Our Business

Our expansion and renovation plans may not be successful which may adversely affect our business and financial condition due to the capital expenditures and management resources required to carry out our plans.

We have spent, and intend to continue to spend, significant capital and management resources on the development and implementation of our expansion and renovation plans. These plans, if implemented, may not be successful, may not improve operating results and may have an adverse effect on cash flow and management resources due to the significant amount of capital invested and management time expended.

The level of sales and profit margins in our existing stores may not be duplicated in our new stores, depending on factors such as prevailing competition, development cost, and our market position in the surrounding community. These factors could have an adverse effect on our business, financial condition and/or results of operations.

Our warehouse and distribution center and milk processing and packaging plant, as well as all of our stores, are concentrated in the Southeastern United States, which makes us vulnerable to economic downturns, natural disasters and other adverse conditions or other catastrophic events in this region.

We operate in the Southeastern United States, which has experienced economic and demographic growth over the past several years. Our performance is therefore heavily influenced by economic developments in this region. Our headquarters, warehouse and distribution center and milk processing and packaging plant are located in North Carolina and all of our stores are located in the Southeastern United States. As a result, our business may be more susceptible to regional factors than the operations of more geographically diversified competitors. These factors include, among others, changes in the economy, weather conditions, demographics and population.

Disruptions in the capital markets, as have been experienced during 2008 and 2009, could adversely affect our ability to fund our short-term liquidity needs and our expansion and renovation plans.

Disruptions in the capital markets as a result of uncertainty, changing or increased regulation, reduced alternatives or failures of significant financial institutions could adversely affect our access to liquidity needed for our business. Any disruption could limit our access to capital and raise our cost of capital to the extent available and require us to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for our business needs can be arranged. Such measures could include deferring capital expenditures, dividend payments or other discretionary uses of cash.

Our principal stockholder, Robert P. Ingle, has the ability to elect a majority of our directors, appoint new members of management and approve many actions requiring shareholder approval.

Mr. Ingle's share ownership represents approximately 86% of the combined voting power of all classes of our capital stock as of September 27, 2008. As a result, Mr. Ingle has the power to elect a majority of our directors and approve any action requiring the approval of the holders of our Class A Common Stock and Class B Common Stock, including adopting certain amendments to our charter and approving mergers or sales of substantially all of our assets. Currently, three of our nine directors are members of the Ingle family.

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If we lose the services of our key personnel, including Robert P. Ingle and Robert P. Ingle, II, our business could suffer.

Our continued success depends upon the availability and performance of our executive officers, including Robert P. Ingle and Robert P. Ingle, II, who possess unique and extensive industry knowledge and experience. The loss of the services of any of our executive officers or other key employees could adversely affect our business.

Various aspects of our business are subject to federal, state and local laws and regulations. Our compliance with these regulations may require additional capital expenditures and could adversely affect our ability to conduct our business as planned.

We are subject to federal, state and local laws and regulations relating to zoning, land use, work place safety, public health, community right-to-know, beer and wine sales, country of origin labeling of food products, pharmaceutical sales and gasoline station operations. Furthermore, our business is regulated by a variety of governmental agencies, including, but not limited to, the U.S. Food and Drug Administration, the U.S. Department of Agriculture, and the Occupational Health and Safety Administration. A number of states and local jurisdictions regulate the licensing of supermarkets, including beer and wine license grants. In addition, under certain local regulations, we are prohibited from selling beer and wine in certain of our stores. Employers are also subject to laws governing their relationship with employees, including minimum wage requirements, overtime, working conditions, disabled access and work permit requirements. Compliance with, or changes in, these laws could reduce the revenue and profitability of our supermarkets and could otherwise adversely affect our business, financial condition or results of operations. A number of federal, state and local laws exist which impose burdens or restrictions on owners with respect to access by disabled persons. Our compliance with these laws may result in modifications to our properties, or prevent us from performing certain further renovations, with respect to access by disabled persons.

We are also subject to various state and federal environmental laws relating to our stores, gas stations, distribution facilities and use of hazardous or toxic substances. As a result of these laws, we could be responsible for remediation of environmental conditions and may be subject to associated liabilities.

We are affected by certain operating costs which could increase or fluctuate considerably.

We depend on qualified employees to operate our stores and may be affected by future tight labor markets. A shortage of qualified employees could require us to enhance our wage and benefit package in order to better compete for and retain qualified employees, and we may not be able to recover these increased labor costs through price increases charged to customers, which could significantly increase our operating costs.

Finally, interchange fees charged to us for accepting debit and credit cards have increased substantially and may continue to increase as more customer transactions are settled with debit and credit cards.

We are affected by the availability and wholesale price of gasoline and retail gasoline prices, all of which can fluctuate quickly and considerably.

We operate fuel stations at 65 of our store locations. We believe fuel stations give customers a competitive fuel choice and increase store traffic by allowing customers to consolidate trips. While we obtain gasoline and diesel fuel from a number of different suppliers, long-term disruption in the availability and wholesale price of gasoline for resale could have a material adverse effect on our business, financial condition and/or results of operations.

Fluctuating fuel costs adversely affect our operating costs which depend on fuel for our fleet of tractors and trailers which distribute goods from our distribution facilities and for our fluid dairy operations. In addition, operations at our stores are sensitive to rising utility fuel costs due to the amount of electricity and gas required to operate the stores and the influence of petroleum costs on plastic bags and wraps.

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Furthermore, fluctuating fuel costs could have an adverse effect on our total gasoline sales (both in terms of dollars and gallons sold), the profitability of gasoline sales, or our plans to develop additional fuel centers. Fuel centers are part of our one-stop shopping experience and are intended to increase customer traffic at our stores. Also, retail gas price volatility could diminish customer usage of fueling centers and, thus, adversely affect customer traffic at our stores.

Our industry is highly competitive. If we are unable to compete effectively, our financial condition and results of operations could be adversely affected.

The supermarket industry is highly competitive and continues to be characterized by intense price competition, aggressive supercenter expansion, increasing fragmentation of retail formats, entry of non-traditional competitors and market consolidation. Furthermore, some of our competitors have greater financial resources and could use these financial resources to take measures, such as altering product mix or reducing prices, which could adversely affect our competitive position.

We also face increasing competition from restaurants and fast food chains due to the increasing proportion of household food expenditures for food prepared outside the home. In addition, certain of our stores also compete with local video stores, florists, book stores, pharmacies and gas stations.

Disruptions in the efficient distribution of food products to our warehouse and stores may adversely affect our business.

Our business could be adversely affected by disruptions in the efficient distribution of food products to our warehouse and to our stores. Such disruptions could be caused by, among other things, adverse weather conditions, fuel availability, food contamination recalls and civil unrest in foreign countries in which our suppliers do business.

Our operations are subject to economic conditions that impact consumer spending.

Our results of operations are sensitive to changes in overall economic conditions that impact consumer spending, including discretionary spending. Future economic conditions such as employment levels, business conditions, interest rates, energy and fuel costs and tax rates could reduce consumer spending or change consumer purchasing habits. A general reduction in the level of consumer spending or our inability to respond to shifting consumer attitudes regarding products, store location and other factors could adversely affect our business, financial condition and/or results of operations.

Risks Relating to the Notes

Our substantial indebtedness may impair our financial condition and prevent us from fulfilling our obligations under the notes and our other debt instruments.

We have a substantial amount of debt. At March 28, 2009, on a pro forma basis after giving effect to the sale of the outstanding notes and the use of the proceeds therefrom, we had approximately \$887.2 million of total debt, and we had \$190.0 million of availability under our lines of credit. Our substantial indebtedness could have important consequences to you, including:

making it more difficult for us to satisfy our obligations with respect to the notes;

limiting our ability to borrow additional amounts to fund working capital, capital expenditures, acquisitions, debt service requirements, execution of our growth strategy and other general corporate purposes;

requiring us to dedicate a substantial portion of our cash flow from operations to pay interest on our debt, which would reduce availability of our cash flow to fund working capital, capital expenditures, acquisitions, execution of our growth strategy and other general corporate purposes;