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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **May 27, 2006**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________________ to ________________

Commission file number: **1-8504**

UNIFIRST CORPORATION
(Exact name of registrant as specified in its charter)

Massachusetts (State or other jurisdiction of incorporation or organization)	**04-2103460** (I.R.S. Employer Identification No.)
68 Jonspin Road, Wilmington, MA (Address of principal executive offices)	**01887** (Zip Code)

(978) 658-8888
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

The number of outstanding shares of UniFirst Corporation Common Stock and Class B Common Stock at June 23, 2006 were 9,832,080 and 9,415,068, respectively.

UniFirst Corporation
Quarterly Report on Form 10-Q
For the Quarter ended May 27, 2006

PART I – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

UniFirst Corporation and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

(In thousands, except share data)	May 27, 2006	August 27, 2005 (a)
Assets		
Cash and cash equivalents	$ 6,289	$ 4,704
Receivables, less reserves of $3,610 and $3,179, respectively	87,759	78,497
Inventories	29,132	31,021
Rental merchandise in service	83,628	69,808
Prepaid and deferred income taxes	10,634	8,983
Prepaid expenses	2,169	1,492
Total current assets	219,611	194,505
Property and equipment:		
Land, buildings and leasehold improvements	265,456	260,515
Machinery and equipment	279,607	268,272
Motor vehicles	83,440	76,147
	628,503	604,934
Less — accumulated depreciation	316,717	299,983
	311,786	304,951
Goodwill	208,841	187,793
Customer contracts, net	55,946	50,572
Other intangible assets, net	6,649	5,909
Other assets	3,607	4,575
	$ 806,440	$ 748,305
Liabilities and Shareholders' Equity		
Current liabilities:		
Current maturities of long-term obligations	$ 627	$ 1,084
Accounts payable	40,365	36,720
Accrued liabilities	77,036	76,141
Accrued income taxes	—	3,992
Total current liabilities	118,028	117,937
Long-term obligations, net of current maturities	203,062	175,587
Deferred income taxes	42,764	42,439
Commitments and contingencies (Note 7)		
Shareholders' equity:		
Preferred stock, $1.00 par value; 2,000,000 shares authorized; no shares outstanding	—	—
Common stock, $0.10 par value; 30,000,000 shares authorized; shares outstanding 9,831,655 and 9,600,838, respectively	983	960
Class B common stock, $0.10 par value; 20,000,000 shares authorized; shares outstanding 9,415,068 and 9,637,110, respectively	942	964
Capital surplus	14,370	13,462
Retained earnings	421,589	394,910
Accumulated other comprehensive income	4,702	2,046
Total shareholders' equity	442,586	412,342
	$ 806,440	$ 748,305

(a) Derived from audited financial statements

The accompanying notes are an integral part of these consolidated financial statements.

UniFirst Corporation and Subsidiaries
Consolidated Statements of Income
(Unaudited)

(In thousands, except share and per share data)	Thirty-Nine Weeks Ended May 27, 2006	Thirty-Nine Weeks Ended May 28, 2005	Thirteen Weeks Ended May 27, 2006	Thirteen Weeks Ended May 28, 2005
Revenues	$ 613,431	$ 575,075	$ 211,938	$ 195,957
Costs and expenses:				
Operating costs (1)	393,981	360,180	135,483	121,985
Selling and administrative expenses (1)	131,835	120,288	44,610	41,927
Depreciation and amortization	33,725	32,872	11,515	11,142
	559,541	513,340	191,608	175,054
Income from operations	53,890	61,735	20,330	20,903
Other expense (income):				
Interest expense	7,991	6,487	2,996	2,232
Interest income	(1,150)	(1,336)	(419)	(366)
Interest rate swap income	—	(223)	—	—
	6,841	4,928	2,577	1,866
Income before income taxes	47,049	56,807	17,753	19,037
Provision for income taxes	18,414	21,588	6,835	7,235
Net income	$ 28,635	$ 35,219	$ 10,918	$ 11,802
Income per share – Basic:				
Common Stock	$ 1.65	$ 2.04	$ 0.63	$ 0.68
Class B Common Stock	$ 1.32	$ 1.63	$ 0.50	$ 0.55
Income per share – Diluted:				
Common Stock	$ 1.48	$ 1.82	$ 0.57	$ 0.61
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Weighted average number of shares outstanding – Basic:				
Common Stock	9,726	9,401	9,814	9,467
Class B Common Stock	9,515	9,814	9,429	9,758
	19,241	19,215	19,243	19,225
Weighted average number of shares outstanding – Diluted:				
Common Stock	19,315	19,304	19,311	19,336
Dividends per share:				
Common Stock	$ 0.1125	$ 0.1125	$ 0.0375	$ 0.0375
Class B Common Stock	$ 0.0900	$ 0.0900	$ 0.0300	$ 0.0300

(1) Exclusive of depreciation and amortization

The accompanying notes are an integral part of these consolidated financial statements.

UniFirst Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(Unaudited)

(In thousands)	Thirty-Nine Weeks Ended May 27, 2006	Thirty-Nine Weeks Ended May 28, 2005
Cash flows from operating activities:		
Net income	$ 28,635	$ 35,219
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	29,114	28,506
Stock-based compensation	495	—
Amortization of intangible assets	4,611	4,366
Amortization of deferred financing costs	521	521
Accretion on asset retirement obligations	302	287
Interest rate swap income	—	(223)
Changes in assets and liabilities, net of acquisitions:		
Receivables	(8,764)	(12,650)
Inventories	1,889	6,693
Rental merchandise in service	(12,457)	(9,062)
Prepaid expenses	(677)	(739)
Accounts payable	3,645	2,589
Accrued liabilities	593	2,507
Accrued and deferred income taxes	(5,045)	(3,177)
Net cash provided by operating activities	42,862	54,837
Cash flows from investing activities:		
Acquisition of businesses, net of cash acquired	(34,080)	(12,033)
Capital expenditures	(35,216)	(42,106)
Other	160	302
Net cash used in investing activities	(69,136)	(53,837)
Cash flows from financing activities:		
Proceeds from long-term obligations	43,050	8,882
Payments on long-term obligations	(16,032)	(8,586)
Proceeds from exercise of common stock options	141	291
Payment of cash dividends	(1,956)	(1,942)
Net cash provided by (used in) financing activities	25,203	(1,355)
Effect of exchange rate changes	2,656	1,590
Net increase in cash and cash equivalents	1,585	1,235
Cash and cash equivalents at beginning of period	4,704	4,436
Cash and cash equivalents at end of period	$ 6,289	$ 5,671

The accompanying notes are an integral part of these consolidated financial statements.

UniFirst Corporation and Subsidiaries
Notes to Consolidated Financial Statements

(Amounts in thousands, except per share and common stock options data)

1. Summary of Significant Accounting Policies

Business Description

UniFirst Corporation (the "Company") is one of the largest providers of workplace uniforms and protective clothing in the United States. The Company designs, manufactures, personalizes, rents, cleans, delivers, and sells a wide range of uniforms and protective clothing, including shirts, pants, jackets, coveralls, lab coats, smocks and aprons, and also rents industrial wiping products, floor mats, facility service products, other non-garment items, and provides first aid cabinet services and other safety supplies, to a variety of manufacturers, retailers and service companies.

The Company serves businesses of all sizes in numerous industry categories. Typical customers include automobile service centers and dealers, delivery services, food and general merchandise retailers, food processors and service operations, light manufacturers, maintenance facilities, restaurants, service companies, soft and durable goods wholesalers, transportation companies, and others who require employee clothing for image, identification, protection or utility purposes.

At certain specialized facilities, the Company also decontaminates and cleans work clothes that may have been exposed to radioactive materials and services special cleanroom protective wear. Typical customers for these specialized services include government agencies, research and development laboratories, high technology companies and utilities operating nuclear reactors.

As discussed and described in Note 10 to the consolidated financial statements, the Company has five reporting segments, US and Canadian Rental and Cleaning, Manufacturing ("MFG"), Specialty Garments Rental and Cleaning ("Specialty Garments"), First Aid and Corporate. The operations of the US and Canadian Rental and Cleaning reporting segment are referred to by the Company as its "industrial laundry operations" and the locations related to this reporting segment are referred to as "industrial laundries". The Company refers to the US and Canadian Rental and Cleaning, MFG, and Corporate reporting segments combined as its "core laundry operations".

Interim Financial Information

These consolidated financial statements have been prepared by the Company without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations; however, the Company believes that the information furnished reflects all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of results for the interim period. It is suggested that these consolidated financial statements be read in conjunction with the financial statements and the notes, thereto, included in the Company's annual report on Form 10-K for the fiscal year ended August 27, 2005. Results for an interim period are not indicative of any future interim periods or for an entire fiscal year.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned. Intercompany balances and transactions are eliminated in consolidation.

Foreign Currency Translation

The functional currency of UniFirst's foreign operations is the local country's currency. Transaction gains and losses, including gains and losses on intercompany transactions, are included in selling and administrative expenses in the accompanying consolidated statements of income. Assets and liabilities of operations outside the United States are translated into U.S. dollars using period-end exchange rates. Revenues and expenses are translated at the average exchange rates in effect during each month of the fiscal period. The effects of foreign currency translation adjustments are included in shareholders' equity as a component of accumulated other comprehensive income in the accompanying consolidated balance sheets.

The Company reported in selling and administrative expenses, net, foreign currency transaction gains totaling $0.3 million and $0.5 million for the thirty-nine and thirteen weeks ended May 27, 2006, respectively, and foreign currency transaction losses totaling $0.2 million and $0.1 million for the thirty-nine and thirteen weeks ended May 28, 2005, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates. There have been no changes in judgments or the method of determining estimates that had a material effect on our consolidated financial statements for the periods presented.

Fiscal Year

The Company's fiscal year ends on the last Saturday in August. For financial reporting purposes, fiscal 2006 will have 52 weeks, as did fiscal 2005.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and bank short-term investments with maturities of less than ninety days.

Financial Instruments

The Company's financial instruments, which may expose the Company to concentrations of credit risk, include cash and cash equivalents, receivables, accounts payable, notes payable and long-term obligations. Each of these financial instruments is recorded at cost, which approximates its fair value.

Revenue Recognition and Allowance for Doubtful Accounts

The Company recognizes revenue from rental operations in the period in which the services are provided. Direct sale revenue is recognized in the period in which the product is shipped. Management's judgment and estimates are used in determining the collectability of accounts receivable and evaluating the adequacy of the allowance for doubtful accounts. The Company considers specific accounts receivable and historical bad debt experience, customer credit worthiness, current economic trends and the age of outstanding balances as part of its evaluation. Changes in estimates are reflected in the period in which they become known. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Material changes in the Company's estimates may result in significant differences in the amount and timing of bad debt expense recognition for any given period.

Inventories and Rental Merchandise in Service

Inventories are stated at the lower of cost or market value, net of any reserve for excess and obsolete inventory. Judgments and estimates are used in determining the likelihood that new goods on hand can be sold to customers or used in rental operations. Historical inventory usage and current revenue trends are considered in estimating both excess and obsolete inventories. If actual product demand and market conditions are less favorable than those projected by management, additional inventory write-downs may be required. The Company uses the first-in, first-out ("FIFO") method to value its inventories. Inventories primarily consist of finished goods.

Rental merchandise in service is amortized on a straight-line basis over the estimated service lives of the merchandise, which range from 6 to 36 months. In establishing estimated lives for merchandise in service, management considers historical experience and the intended use of the merchandise. Material differences may result in the amount and timing of operating profit for any period if management makes significant changes to these estimates.

Property and Equipment

Property and equipment are recorded at cost. The Company provides for depreciation using the straight-line method based on the following estimated useful lives:

Buildings	30-40 years
Leasehold improvements	Term of lease
Machinery and equipment	3-10 years
Motor vehicles	3-5 years

Expenditures for maintenance and repairs are expensed as incurred. Expenditures for renewals and betterments are capitalized. The Company recorded as depreciation expense $29.1 million and $28.5 million for the thirty-nine weeks ended May 27, 2006 and May 28, 2005, respectively, and $9.9 million and $9.7 million for the thirteen weeks ended May 27, 2006 and May 28, 2005, respectively.

In accordance with Statements of Financial Accounting Standards ("SFAS") No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets,* long-lived assets, including property and equipment, are evaluated for impairment whenever events and circumstances indicate an asset may be impaired. There have been no material impairments of property and equipment in the thirty-nine weeks ended May 27, 2006 or the year ended August 27, 2005.

Goodwill and Other Intangible Assets

In accordance with SFAS No. 142*, Goodwill and Other Intangible Assets*, goodwill is not amortized. SFAS No. 142 requires that companies test goodwill for impairment on an annual basis. In addition, SFAS No. 142 also requires that companies test goodwill if events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit to which goodwill is assigned below its carrying amount. The Company's evaluation considers changes in the operating environment, competitive information, market trends, operating performance and cash flow modeling. Management completes its annual impairment test in the fourth quarter of each fiscal year and there have been no impairments of goodwill or indefinite-lived intangible assets in the thirty-nine weeks ended May 27, 2006 or the year ended August 27, 2005. Future events could cause management to conclude that impairment indicators exist and that goodwill or other intangibles associated with previously acquired businesses are impaired. Any resulting impairment loss could have a material impact on the Company's financial condition and results of operations.

Definite-lived intangible assets are amortized over useful lives, which are based on management estimates of the period that the assets will generate revenue. Definite-lived intangible assets are also evaluated for impairment in accordance with SFAS No. 144. There have been no impairments of definite-lived intangible assets in the thirty-nine weeks ended May 27, 2006 or the year ended August 27, 2005.

The Company recorded amortization expense of $4.6 million and $4.4 million for the thirty-nine weeks ended May 27, 2006 and May 28, 2005, respectively, and $1.6 million and $1.5 million for the thirteen weeks ended May 27, 2006 and May 28, 2005, respectively.

Asset Retirement Obligations

The Company follows the provisions of SFAS No. 143*, Accounting for Asset Retirement Obligations,* which generally applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or the normal operation of a long-lived asset. Under this accounting method, the Company recognizes asset retirement obligations in the period in which they are incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. The Company depreciates, on a straight-line basis, the amount added to property and equipment and recognizes accretion expense in connection with the discounted liability over the various remaining lives which range from approximately four to twenty-five years. The estimated liability has been based on historical experience in decommissioning nuclear laundry facilities, estimated useful lives of the underlying assets, external vendor estimates as to the cost to decommission these assets in the future, and federal and state regulatory requirements.

Insurance

The Company self-insures for certain obligations related to health, workers' compensation, vehicles and general liability programs. The Company also purchases stop-loss insurance policies to protect itself from catastrophic losses. Judgments and estimates are used in determining the potential value associated with reported claims and for events that have occurred, but have not been reported. The Company's estimates consider historical claims experience and other factors. The Company's liabilities are based on estimates, and, while the Company believes that its accruals are adequate, the ultimate liability may be significantly different from the amounts recorded. Changes in claim experience, the Company's ability to settle claims or other estimates and judgments used by management could have a material impact on the amount and timing of expense for any period.

Environmental and Other Contingencies

The Company is subject to legal proceedings and claims arising from the conduct of its business operations, including environmental matters, personal injury, customer contract matters and employment claims. Accounting principles generally accepted in the United States require that a liability for contingencies be recorded when it is probable that a liability has occurred and the amount of the liability can be reasonably estimated. Significant judgment is required to determine the existence of a liability, as well as the amount to be recorded. The Company regularly consults with attorneys and outside consultants to ensure that all of the relevant facts and circumstances are considered before a contingent liability is recorded. The Company records accruals for environmental and other contingencies based on enacted laws, regulatory orders or decrees, the Company's estimates of costs, insurance proceeds, participation by other parties, the timing of payments, and the input of outside consultants and attorneys.

The estimated liability for environmental contingencies has been discounted using risk-free interest rates ranging from 4% to 5% over periods ranging from ten to thirty years. The estimated current costs, net of legal settlements with insurance carriers, have been adjusted for the estimated impact of inflation at 3% per year. Changes in enacted laws, regulatory orders or decrees, management's estimates of costs, insurance proceeds, participation by other parties, the timing of payments and the input of outside consultants and attorneys based on changing legal or factual circumstances could have a material impact on the amounts recorded for environmental and other contingent liabilities. Refer to Note 7 of these consolidated financial statements for additional discussion and analysis.

Pensions

The calculation of pension expense and the corresponding liability requires the use of a number of critical assumptions, including the expected long-term rate of return on plan assets and the assumed discount rate. Changes in these assumptions can result in different expense and liability amounts, and future actual experience can differ from these assumptions. Pension expense increases as the expected rate of return on pension plan assets decreases. Future changes in plan asset returns, assumed discount rates and various other factors related to the participants in our pension plans will impact the Company's future pension expense and liabilities. The Company cannot predict with certainty what these factors will be in the future.

Income Taxes

The Company accounts for income taxes in accordance with SFAS No. 109*, Accounting for Income Taxes*. Deferred income taxes are provided for temporary differences between the amounts recognized for income tax and financial reporting purposes at currently enacted tax rates. The Company computes income tax expense by jurisdiction based on its operations in each jurisdiction.

The Company is periodically reviewed by domestic and foreign tax authorities regarding the amount of taxes due. These reviews include questions regarding the timing and amount of deductions and the allocation of income among various tax jurisdictions. In evaluating the exposure associated with various filing positions, the Company records estimated reserves for probable exposures, in accordance with SFAS No. 5, *Accounting for Contingencies*.

The Company's effective income tax rate was 39.1% and 38.5% for the thirty-nine and thirteen weeks ended May 27, 2006, respectively, as compared to 38.0% for the thirty-nine and thirteen weeks ended May 28, 2005. The increase in the effective income tax rate was primarily due to $0.3 million of tax reserves booked in the thirty-nine weeks ended May 27, 2006 related to tax exposure identified by the Company.

Net Income Per Share

The Company follows the provisions of the Emerging Issues Task Force ("EITF") Issue No. 03-6*, Participating Securities and the Two-Class Method under FAS 128*, in determining when the two-class method, as defined in SFAS No. 128*, Earnings per Share,* must be utilized in calculating earnings per share. The Common Stock of the Company has a 25% dividend preference to the Class B Common Stock. The Class B Common Stock, which has ten votes per share as opposed to one vote per share for the Common Stock, is not freely transferable but may be converted at any time on a one-for-one basis into Common Stock at the option of the holder of the Class B Common Stock. EITF Issue No. 03-6 requires the income per share for each class of common stock to be calculated assuming 100% of the Company's earnings are distributed as dividends to each class of common stock based on their respective dividend rights, even though the Company does not anticipate distributing 100% of its earnings as dividends. The effective result of EITF Issue No. 03-6 is that the earnings per share for the Common Stock will be 25% greater than the earnings per share of the Class B Common Stock.

Basic earnings per share for the Company's Common Stock and Class B Common Stock is calculated by dividing net income allocated to Common Stock and Class B Common Stock by the weighted average number of shares of Common Stock and Class B Common Stock outstanding, respectively. Diluted earnings per share for the Company's Common Stock assumes the conversion of all the Company's Class B Common Stock into Common Stock and the exercise of outstanding stock options under the Company's stock based employee compensation plans, when dilutive.

For the basic earnings per share calculation, net income available to the Company's shareholders is allocated among the Company's two classes of common stock: Common Stock and Class B Common Stock. The allocation among each class is based upon the two-class method. The following table shows how net income is allocated using this method:

	Thirty-Nine Weeks Ended		Thirteen Weeks Ended	
	May 27, 2006	May 28, 2005	May 27, 2006	May 28, 2005
Net income available to shareholders	$ 28,635	$ 35,219	$ 10,918	$ 11,802
Allocation of net income for Basic:				
Common Stock	$ 16,064	$ 19,191	$ 6,173	$ 6,468
Class B Common Stock	12,571	16,028	4,745	5,334
	$ 28,635	$ 35,219	$ 10,918	$ 11,802

The diluted earnings per share calculation assumes the conversion of all the Company's Class B Common Stock into Common Stock, so no allocation of earnings to Class B Common Stock is required.

The following table illustrates the weighted average number of Common and Class B Common shares outstanding during the thirty-nine and thirteen weeks ended May 27, 2006 and May 28, 2005 and is utilized in the calculation of earnings per share:

	Thirty-Nine Weeks Ended		Thirteen Weeks Ended	
	May 27, 2006	May 28, 2005	May 27, 2006	May 28, 2005
Weighted average number of Common shares — Basic	9,726	9,401	9,814	9,467
Add: effect of dilutive potential common shares — employee Common Stock options	74	89	68	111
Add: effect assuming conversion of Class B Common shares into Common Stock	9,515	9,814	9,429	9,758
Weighted average number of Common shares — Diluted	19,315	19,304	19,311	19,336
Weighted average number of Class B Common shares — Basic	9,515	9,814	9,429	9,758

Stock options to purchase 70,900 shares of Common Stock were not included in the calculation of diluted earnings per share for the thirty-nine and thirteen weeks ended May 27, 2006 because they were anti-dilutive.

Stock Based Compensation

The Company has stock-based employee compensation plans which are described in Note 8 to these consolidated financial statements.

Prior to August 28, 2005, the Company accounted for employee stock-based compensation using the intrinsic value-based method as prescribed by APB No. 25, *Accounting for Stock Issued to Employees*. Accordingly, no compensation expense was recognized because the exercise price of the Company's stock options was equal to the market price of the underlying stock on the date of grant.

Effective August 28, 2005, the Company adopted SFAS No. 123R, *Share-Based Payment,* under the modified prospective method as described in SFAS No. 123R. Under this transition method, compensation expense recognized in the thirty-nine and thirteen weeks ended May 27, 2006 includes compensation expense for all stock-based payments granted subsequent to the Company's adoption of SFAS 123R and for all stock-based payments granted prior to August 28, 2005, but which were not yet fully vested as of that date, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123. Accordingly, prior period financial statements have not been restated. The total amount of compensation expense recognized in the thirty-nine and thirteen weeks ended May 27, 2006 was $0.5 million and $0.1 million, respectively, which was recorded in the consolidated statement of operations in both operating costs and selling and administrative expenses. The adoption of SFAS No. 123R had no effect on the Company's cash flows for the thirty-nine or thirteen weeks ended May 27, 2006.

As a result of adopting SFAS No. 123R on August 28, 2005, the Company's income before income taxes and net income were lower for the thirty-nine weeks ended May 27, 2006 by $0.5 million and $0.3 million, respectively, and were lower for the thirteen weeks ended May 27, 2006 by $0.1 million and $0.1 million, respectively, than if it had continued to account for share-based compensation under APB No. 25. Basic earnings per share for Common Stock and Class B Common Stock and diluted earnings per share for Common Stock were all lower for the thirty-nine weeks ended May 27, 2006 by $0.02 than if the Company had continued to account for share-based compensation under APB No. 25. Basic earning per share for Class B Common Stock was lower for the thirteen weeks ended May 27, 2006 by $0.01 than if the Company had continued to account for share-based compensation under APB No. 25. The adoption of SFAS 123R had no effect on basic or diluted earnings per share for Common Stock for the thirteen weeks ended May 27, 2006.

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair-value recognition provisions required by SFAS No. 123R for the thirty-nine and thirteen weeks ended May 28, 2005.

	Thirty-Nine Weeks Ended May 28, 2005	Thirteen Weeks Ended May 28, 2005
Net income	$ 35,219	$ 11,802
Less: pro forma compensation expense, net of tax	(237)	(48)
Pro forma net income	$ 34,982	$ 11,754
As reported:		
Basic net income per weighted average Common share:	$ 2.04	$ 0.68
Basic net income per weighted average Class B Common share:	$ 1.63	$ 0.55
Diluted net income per weighted average Common share:	$ 1.82	$ 0.61
Pro-forma:		
Basic net income per weighted average Common share:	$ 2.03	$ 0.68
Basic net income per weighted average Class B Common share:	$ 1.62	$ 0.54
Diluted net income per weighted average Common share:	$ 1.81	$ 0.61

As prescribed by SFAS No. 123, the fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model. For the thirty-nine weeks ended May 27, 2006 and May 28, 2005, the following weighted average assumptions were used:

	Thirty-Nine Weeks Ended	
	May 27, 2006	May 28, 2005
Risk-free interest rate	4.47%	4.13%
Expected dividend yield	0.77%	0.76%
Expected life in years	7.5	7.5
Expected volatility	38.5%	38.0%

There were no options granted during either the thirteen weeks ended May 27, 2006 or May 28, 2005.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation. These reclassifications did not impact current or historical net income or shareholders' equity.

Recent Accounting Pronouncements

On October 13, 2004, the FASB issued SFAS No. 123R*, Share Based Payments,* which requires companies to measure compensation cost for all share-based payments, including employee stock options. SFAS No. 123R was effective as of the first fiscal period beginning after June 15, 2005. In March 2005, the SEC issued SAB No. 107 regarding the SEC's interpretation of SFAS No. 123R and the valuation of share-based payments for public companies. The Company adopted SFAS No. 123R on August 28, 2005, and the adoption did not have a material impact on the Company's financial statements. See "Stock Based Compensation" above for further discussion regarding stock based compensation.

2. Comprehensive Income

The components of comprehensive income are as follows:

	Thirty-Nine Weeks Ended		Thirteen Weeks Ended	
	May 27, 2006	May 28, 2005	May 27, 2006	May 28, 2005
Net income	$ 28,635	$ 35,219	$ 10,918	$ 11,802
Other comprehensive income:				
Foreign currency translation adjustments	2,656	1,590	1,040	(446)
Comprehensive income	$ 31,291	$ 36,809	$ 11,958	$ 11,356

3. Acquisitions

On September 2, 2003, the Company completed its acquisition of 100% of Textilease Corporation ("Textilease") for $175.6 million in cash. At the time of acquisition, management initiated a plan to integrate the Textilease facilities into existing operations. Included in the purchase price allocation was an accrual for exit costs and employee termination benefits. As of May 27, 2006 and August 27, 2005, the remaining accrual balances of $0.4 million and $1.3 million, respectively, are included in accrued liabilities in the accompanying consolidated balance sheets. The Company expects to incur substantially all of the remaining costs by the end of fiscal year 2006.

During the thirty-nine weeks ended May 27, 2006, the Company completed thirteen acquisitions with an aggregate purchase price of approximately $34.1 million. The results of operations of these acquisitions have been included in the Company's consolidated financial results since their respective acquisition dates. None of these acquisitions were significant, individually or in the aggregate, in relation to the Company's consolidated financial results and, therefore, pro forma financial information has not been presented.

4. Derivative Instruments and Hedging Activities

The Company had entered into an interest rate swap agreement to manage its exposure to movements in interest rates on its variable rate debt. The Company reflected all changes in the fair value of the swap agreement in earnings in the period of change. The swap agreement, with a notional amount of $40.0 million, matured October 13, 2004. The Company paid a fixed rate of 6.38% and received a variable rate tied to the three month LIBOR rate. The Company recorded, in the interest rate swap income line item of its consolidated statements of income, income of $0.2 million for the thirty-nine weeks ended May 28, 2005 for the changes in the fair value of the $40.0 million swap. There was no effect on income for the thirty-nine weeks ended May 27, 2006 or for the thirteen weeks ended May 27, 2006 and May 28, 2005, for the changes in the fair value of the $40.0 million swap. As of May 27, 2006, there were no interest rate swap agreements outstanding.

5. Employee Benefit Plans

Defined Contribution Retirement Savings Plan

The Company has a defined contribution retirement savings plan with a 401(k) feature for all eligible employees not under collective bargaining agreements. The Company matches a portion of the employee's contribution and can make an additional contribution at its discretion. Contributions charged to expense under the plan for the thirty-nine weeks ended May 27, 2006 and May 28, 2005 were $6.3 million and $5.8 million, respectively. Contributions charged to expense under the plan for the thirteen weeks ended May 27, 2006 and May 28, 2005 were $1.9 million and $1.9 million, respectively.

Pension Plans and Supplemental Executive Retirement Plans

The Company accounts for its pension plans and Supplemental Executive Retirement Plan in accordance with SFAS No. 87*, Employer's Accounting for Pensions*. Under SFAS No. 87, pension expense is recognized on an accrual basis over employees' estimated service periods. Pension expense calculated under SFAS No. 87 is generally independent of funding decisions or requirements.

The Company maintains an unfunded Supplemental Executive Retirement Plan ("SERP") for certain eligible employees of the Company. The benefits are based on the employee's compensation upon retirement. The amounts charged to expense related to this plan for the thirty-nine weeks ended May 27, 2006 and May 28, 2005 were $0.7 million and $0.4 million, respectively. The amounts charged to expense related to this plan for the thirteen weeks ended May 27, 2006 and May 28, 2005 were $0.3 million and $0.1 million, respectively.

The Company maintains a non-contributory defined benefit pension plan ("UniFirst Plan") covering union employees at one of its locations. The benefits are based on years of service and the employee's compensation. The plan assets primarily consist of fixed income and equity securities. The amounts charged to expense related to this plan for the thirty-nine weeks ended May 27, 2006 and May 28, 2005 were $0.1 million and $0.0 million, respectively. The amounts charged to expense related to this plan for the thirteen weeks ended May 27, 2006 and May 28, 2005 were nominal.

In connection with the acquisition of Textilease in fiscal year 2004, the Company assumed liabilities related to a frozen pension plan covering many former Textilease employees ("Textilease Plan"). The pension benefits are based on years of service and the employee's compensation. The plan assets primarily consist of fixed income and equity securities. The amounts charged to expense related to this plan for the thirty-nine and thirteen weeks ended May 27, 2006 and May 28, 2005 were nominal.

6. Asset Retirement Obligations

The Company follows the provisions of SFAS No. 143, which generally applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or the normal operation of a long-lived asset. Under this accounting method, the Company recognizes asset retirement obligations in the period in which they are incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset.

The Company has recognized as a liability the present value of the estimated future costs to decommission its nuclear laundry facilities in accordance with the provisions of SFAS No. 143. The Company depreciates, on a straight-line basis, the amount added to property and equipment and recognizes accretion expense in connection with the discounted liability over the various remaining lives which range from approximately four to twenty-five years.

The estimated liability has been based on historical experience in decommissioning nuclear laundry facilities, estimated useful lives of the underlying assets, external vendor estimates as to the cost to decommission these assets in the future, and federal and state regulatory requirements. The estimated current costs have been adjusted for the estimated impact of inflation at 3% per year. The liability has been discounted using credit-adjusted risk-free rates that range from approximately 3% to 7% over one to thirty years. Revisions to the liability could occur due to changes in the Company's estimated useful lives of the underlying assets, estimated dates of decommissioning, changes in decommissioning costs, changes in federal or state regulatory guidance on the decommissioning of such facilities, or other changes in estimates. Changes due to revised estimates will be recognized by adjusting the carrying amount of the liability and the related long-lived asset if the assets are still in service, or charged to expense in the period if the assets are no longer in service.

The change in the Company's decommissioning liability for the thirty-nine weeks ended May 27, 2006 is as follows:

Balance as of August 27, 2005	$ 6,918
Accretion expense	302
Change in estimate of liability	771
Asset retirement costs incurred	(1,094)
Balance as of May 27, 2006	$ 6,897

As of May 27, 2006, the $6.9 million asset retirement obligation is included in accrued liabilities in the accompanying consolidated balance sheet.

7. Commitments and Contingencies

The Company and its operations are subject to various federal, state and local laws and regulations governing, among other things, the generation, handling, storage, transportation, treatment and disposal of hazardous wastes and other substances. In particular, industrial laundries use and must dispose of detergent waste water and other residues. The Company is attentive to the environmental concerns surrounding the disposal of these materials and has, through the years, taken measures to avoid their improper disposal. In the past, the Company has settled, or contributed to the settlement of, actions or claims brought against the Company relating to the disposal of hazardous materials and there can be no assurance that the Company will not have to expend material amounts to remediate the consequences of any such disposal in the future.

Accounting principles generally accepted in the United States require that a liability for contingencies be recorded when it is probable that a liability has occurred and the amount of the liability can be reasonably estimated. Significant judgment is required to determine the existence of a liability, as well as the amount to be recorded. The Company regularly consults with attorneys and outside consultants to ensure that all of the relevant facts and circumstances are considered, before a contingent liability is recorded. Changes in enacted laws, regulatory orders or decrees, management's estimates of costs, insurance proceeds, participation by other parties, the timing of payments and the input of outside consultants and attorneys based on changing legal or factual circumstances could have a material impact on the amounts recorded for environmental and other contingent liabilities.

Under environmental laws, an owner or lessee of real estate may be liable for the costs of removal or remediation of certain hazardous or toxic substances located on, or in, or emanating from such property, as well as related costs of investigation and property damage. Such laws often impose liability without regard to whether the owner or lessee knew of, or was responsible for, the presence of such hazardous or toxic substances. There can be no assurances that acquired or leased locations have been operated in compliance with environmental laws and regulations or that future uses or conditions will not result in the imposition of liability upon the Company under such laws or expose the Company to third-party actions such as tort suits. The Company continues to address environmental conditions under terms of consent orders negotiated with the applicable environmental authorities or otherwise with respect to sites located in or related to Woburn, Massachusetts, Uvalde, Texas, Springfield, Massachusetts, Stockton, California, and three sites related to former operations in Williamstown, Vermont.

In addition, the Company is investigating the extent of environmental contamination and potential exposure at sites it acquired in connection with its acquisition of Textilease, and it is defending against claims concerning alleged environmental conditions with respect to a site once owned by a former subsidiary in Somerville, Massachusetts.

The Company has accrued certain costs related to the sites described above as it has been determined that the costs are probable and can be reasonably estimated. The Company also has potential exposure related to an additional parcel of land (the "Central Area") related to the Woburn, Massachusetts site discussed above. Currently, the consent order for the Woburn, Massachusetts site discussed above does not define or require any remediation work in the Central Area. The Company has not accrued for this contingency as the Company believes, at this time, the liability is not probable and the amount of such contingent liability cannot be reasonably estimated.

The Company routinely reviews and evaluates sites that may require remediation and monitoring and determines its estimated costs based on various estimates and assumptions. These estimates are developed using the Company's internal sources or by third-party environmental engineers or other service providers. Internally developed estimates are based on:

- Management's judgment and experience in remediating and monitoring the Company's sites;
- Information available from regulatory agencies as to costs of remediation and monitoring;
- The number, financial resources and relative degree of responsibility of other potentially responsible parties (PRPs) who may be liable for remediation and monitoring of a specific site; and
- The typical allocation of costs among PRPs.

There is usually a range of reasonable estimates of the costs associated with each site. The Company's accruals reflect the amount within the range that constitutes its best estimate. Where it believes that both the amount of a particular liability and the timing of the payments are reliably determinable, the Company adjusts the cost in current dollars using a rate of 3% for inflation until the time of expected payment and discounts the cost to present value using risk-free rates of interest ranging from 4% to 5%.

For environmental liabilities that have been discounted, the Company includes interest accretion, based on the effective interest method, in operating costs on the consolidated statements of income. The changes to the Company's environmental liabilities for the thirty-nine weeks ended May 27, 2006 are as follows:

Balance as of August 27, 2005	$	9,326
Costs incurred for which reserves have been provided		(653)
Insurance proceeds received		123
Interest accretion		350
Revision in estimates		100
Balance as of May 27, 2006	$	9,246

Anticipated payments and insurance proceeds of currently identified environmental remediation liabilities as of May 27, 2006, for the next five fiscal years and thereafter as measured in current dollars, are reflected below.

	Fiscal Year ended August						
	2006	2007	2008	2009	2010	Thereafter	Total
Estimated costs – current dollars	$ 1,311	$ 1,890	$ 1,793	$ 928	$ 773	$ 9,005	$ 15,700
Estimated insurance proceeds	(124)	(247)	(247)	(266)	(247)	(3,818)	(4,949)
Net anticipated costs	$ 1,187	$ 1,643	$ 1,546	$ 662	$ 526	$ 5,187	$ 10,751
Effect of Inflation							3,321
Effect of Discounting							(4,826)
Balance, May 27, 2006							$ 9,246

Estimated insurance proceeds are primarily received from an annuity received as part of a legal settlement with an insurance company. Annual proceeds of approximately $0.3 million are deposited into an escrow account which funds remediation and monitoring costs for three sites related to former operations in Williamstown, Vermont. Annual proceeds received but not expended in the current year accumulate in this account and may be used in future years for costs related to this site through the year 2027. As of May 27, 2006, the balance in this escrow account, which is held in a trust and is not recorded on the Company's consolidated balance sheet, was approximately $2.0 million. Also included in estimated insurance proceeds are amounts the Company is entitled to receive pursuant to legal settlements as reimbursements from three insurance companies for estimated costs at the site in Uvalde, Texas.

The Company's nuclear garment decontamination facilities are licensed by the Nuclear Regulatory Commission ("NRC"), or, in certain cases, by the applicable state agency, and are subject to regulation by federal, state and local authorities. There can be no assurance that such regulation will not lead to material disruptions in the Company's garment decontamination business.

From time to time, the Company is also subject to legal proceedings and claims arising from the conduct of its business operations, including litigation related to charges for certain ancillary services on invoices, personal injury claims, customer contract matters, employment claims and environmental matters as described above.

While it is impossible to ascertain the ultimate legal and financial liability with respect to contingent liabilities, including lawsuits and environmental contingencies, the Company believes that the aggregate amount of such liabilities, if any, in excess of amounts accrued or covered by insurance, will not have a material adverse effect on the consolidated financial position or results of operation of the Company. It is possible, however, that future financial position or results of operations for any particular future period could be materially affected by changes in the Company's assumptions or strategies related to these contingencies or changes out of the Company's control.

8. Common Stock Options

The Company adopted an incentive stock option plan (the "Plan") in November 1996 and reserved 150,000 shares of Common Stock for issue under the Plan. In January of 2002, the Company increased the number of shares of Common Stock reserved for issuance under the Plan to 450,000. Options granted under the Plan, through May 27, 2006, are at a price equal to the fair market value of the Company's Common Stock on the date of grant. Options granted prior to fiscal 2003 are subject to a proportional four-year vesting schedule and expire eight years from the grant date. Options granted beginning in fiscal 2003 and thereafter are subject to a five-year cliff-vesting schedule under which options become vested or exercisable after five years from date of grant and expire ten years after the grant date. Compensation expense for all option grants, whether proportional four-year vesting or five-year cliff-vesting, is recognized ratably over the related vesting period starting in fiscal 2006. Certain options were granted during fiscal 2006, 2005 and 2004 to outside directors of the Company, which were fully vested upon grant and expire ten years after the grant date. Compensation expense related to the 2006 grants was recognized on the date of grant.

The following table summarizes the Common Stock option activity for the thirty-nine weeks ended May 27, 2006:

	Number of Shares	Weighted Average Exercise Price
Outstanding at August 27, 2005	239,875	$ 21.83
Granted	65,400	34.83
Exercised	(2,450)	19.46
Forfeited	—	—
Outstanding at November 26, 2005	302,825	$ 24.66
Granted	6,000	33.13
Exercised	(425)	17.55
Forfeited	(8,125)	22.46
Outstanding at February 25, 2006	300,275	$ 24.90
Granted	—	—
Exercised	(5,900)	14.56
Forfeited	(2,000)	26.82
Outstanding at May 27, 2006	292,375	$ 25.09
Exercisable at May 27, 2006	70,875	$ 17.63

The following table summarizes information relating to currently outstanding and exercisable stock options as of May 27, 2006:

	Outstanding Options			Exercisable Options	
Range of Exercise Prices	Number Outstanding	Average Remaining Option Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 10.06 - 15.13	31,875	1.87	$ 12.53	31,875	$ 12.53
17.55 - 20.13	72,300	5.39	19.18	26,000	17.55
24.35 - 34.83	188,200	8.53	29.49	13,000	30.27
$ 10.06 - 34.83	292,375	7.03	$ 25.09	70,875	$ 17.63

The following table summarizes the status of the Company’s nonvested shares since August 27, 2005:

	Nonvested Options	
	Number of Shares	Weighted Average Exercise Price
Nonvested at August 27, 2005	173,375	$ 24.11
Granted	65,400	34.83
Vested	(8,525)	18.10
Forfeited	—	—
Nonvested at November 26, 2005	230,250	$ 27.38
Granted	—	—
Vested	—	—
Forfeited	(6,750)	24.19
Nonvested at February 25, 2006	223,500	$ 27.47
Granted	—	—
Vested	—	—
Forfeited	(2,000)	26.82
Nonvested at May 27, 2006	221,500	$ 27.48

9. Shareholders' Equity

The Company has two classes of common stock: Common Stock and Class B Common Stock. Each share of Common Stock is entitled to one vote, is freely transferable, and is entitled to a cash dividend equal to 125% of any cash dividend paid on each share of Class B Common Stock. Each share of Class B Common Stock is entitled to ten votes and can be converted to Common Stock on a share-for-share basis. However, until converted to Common Stock, Class B Common shares are not freely transferable. For the thirty-nine weeks ended May 27, 2006, a total of 222,042 shares of Class B Common Stock were converted to Common Stock.

10. Segment and Geographic Information

Segment Information

SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information*, establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information of those segments to be presented in interim financial reports issued to stockholders. Operating segments are identified as components of an enterprise for which separate discrete financial information is available for evaluation by the chief operating decision-maker, or decision-making group, in making decisions on how to allocate resources and assess performance. The Company's chief operating decision maker, as defined under SFAS No. 131, is the Company's chief executive officer. The Company has six operating segments based on the information reviewed by its chief executive officer; US Rental and Cleaning, Canadian Rental and Cleaning, Manufacturing (MFG), Corporate, Specialty Garments Rental and Cleaning (Specialty Garments) and First Aid. The US Rental and Cleaning and Canadian Rental and Cleaning operating segments have been combined to form the US and Canadian Rental and Cleaning reporting segment, and as a result, the Company has five reporting segments.

The US and Canadian Rental and Cleaning reporting segment purchases, rents, cleans, delivers and sells, uniforms and protective clothing and non-garment items in the United States and Canada. The laundry locations of the US and Canadian Rental and Cleaning reporting segment are referred to by the Company as "industrial laundries" or "industrial laundry locations."

The MFG operating segment designs and manufactures uniforms and non-garment items primarily for the purpose of providing these goods to the US and Canadian Rental and Cleaning reporting segment. MFG revenues are generated when goods are shipped from the Company's manufacturing facilities to other Company locations. These revenues are recorded at a transfer price which is typically in excess of the actual manufacturing cost. The transfer price is determined by management and may not necessarily represent the fair value of the products manufactured. Products are carried in inventory and subsequently placed in service and amortized at this transfer price. On a consolidated basis, intercompany revenues and income are eliminated and the carrying value of inventories and rental merchandise in service is reduced to the manufacturing cost. Income before income taxes from MFG net of the intercompany MFG elimination offsets the merchandise amortization costs incurred by the US and Canadian Rental and Cleaning reporting segment as the merchandise costs of this reporting segment are amortized and recognized based on inventories purchased from MFG at the transfer price which is above the Company's manufacturing cost.

The Corporate operating segment consists of costs associated with the Company's distribution center, sales and marketing, information systems, engineering, materials management, manufacturing planning, finance, budgeting, human resources, other general and administrative costs and interest expense. The revenues generated from the Corporate operating segment represent certain direct sales made by the Company directly from its distribution center. The products sold by this operating segment are the same products rented and sold by the US and Canadian Rental and Cleaning reporting segment. In the table below, no assets or capital expenditures are presented for the Corporate operating segment as no assets are allocated to this operating segment in the information reviewed by the chief executive officer. However, depreciation and amortization expense related to certain assets are reflected in income from operations and income before income taxes for the Corporate operating segment. The assets that give rise to this depreciation and amortization are included in the total assets of the US and Canadian Rental and Cleaning reporting segment as this is how they are tracked and reviewed by the Company. The majority of expenses accounted for within the Corporate segment relate to costs of the US and Canadian Rental and Cleaning segment, with the remainder of the costs relating to the Specialty Garment and First Aid segments.

The Specialty Garments operating segment purchases, rents, cleans, delivers and sells, specialty garments and non-garment items primarily for nuclear and clean room applications. The First Aid operating segment sells first aid cabinet services and other safety supplies.

The Company refers to the US and Canadian Rental and Cleaning, MFG, and Corporate reporting segments combined as its "core laundry operations," which is included as a subtotal in the following tables.

For the thirty-nine weeks ended May 27, 2006	US and Canadian Rental and Cleaning	MFG	Net Interco MFG Elim	Corporate	Subtotal Core Laundry Operations	Specialty Garments	First-Aid	Total
Revenues	$ 546,441	$ 52,973	$ (52,973)	$ 4,319	$ 550,760	$ 40,000	$ 22,671	$ 613,431
Income (loss) from operations	$ 76,917	$ 17,627	$ 131	$ (42,658)	$ 52,017	$ 516	$ 1,357	$ 53,890
Interest (income) expense, net	$ (1,185)	$ (16)	$ —	$ 7,980	$ 6,779	$ 62	$ —	$ 6,841
Income (loss) before taxes	$ 78,102	$ 17,643	$ 131	$ (50,638)	$ 45,238	$ 454	$ 1,357	$ 47,049

For the thirty-nine weeks ended May 28, 2005	US and Canadian Rental and Cleaning	MFG	Net Interco MFG Elim	Corporate	Subtotal Core Laundry Operations	Specialty Garments	First-Aid	Total
Revenues	$ 498,964	$ 41,172	$ (41,172)	$ 4,774	$ 503,738	$ 50,683	$ 20,654	$ 575,075
Income (loss) from operations	$ 74,956	$ 15,463	$ (70)	$ (39,694)	$ 50,655	$ 10,089	$ 991	$ 61,735
Interest (income) expense, net	$ (1,034)	$ —	$ —	$ 5,908	$ 4,874	$ 61	$ (7)	$ 4,928
Income (loss) before taxes	$ 75,990	$ 15,463	$ (70)	$ (45,602)	$ 45,781	$ 10,028	$ 998	$ 56,807

For the thirteen weeks ended May 27, 2006	US and Canadian Rental and Cleaning	MFG	Net Interco MFG Elim	Corporate	Subtotal Core Laundry Operations	Specialty Garments	First-Aid	Total
Revenues	$ 186,910	$ 19,390	$ (19,390)	$ 1,350	$ 188,260	$ 15,453	$ 8,225	$ 211,938
Income (loss) from operations	$ 27,219	$ 6,410	$ (623)	$ (14,268)	$ 18,738	$ 853	$ 739	$ 20,330
Interest (income) expense, net	$ (387)	$ (4)	$ —	$ 2,949	$ 2,558	$ 19	$ —	$ 2,577
Income (loss) before taxes	$ 27,606	$ 6,414	$ (623)	$ (17,217)	$ 16,180	$ 834	$ 739	$ 17,753

For the thirteen weeks ended May 28, 2005	US and Canadian Rental and Cleaning	MFG	Net Interco MFG Elim	Corporate	Subtotal Core Laundry Operations	Specialty Garments	First-Aid	Total
Revenues	$ 168,693	$ 14,957	$ (14,957)	$ 1,091	$ 169,784	$ 19,059	$ 7,114	$ 195,957
Income (loss) from operations	$ 24,975	$ 5,627	$ (560)	$ (13,817)	$ 16,225	$ 4,325	$ 353	$ 20,903
Interest (income) expense, net	$ (345)	$ —	$ —	$ 2,198	$ 1,853	$ 20	$ (7)	$ 1,866
Income (loss) before taxes	$ 25,320	$ 5,627	$ (560)	$ (16,015)	$ 14,372	$ 4,305	$ 360	$ 19,037

Geographic Information

The Company's long-lived assets as of May 27, 2006 and August 27, 2005, and revenues and income before income taxes for the thirteen and thirty-nine weeks ended May 27, 2006 and May 28, 2005, were attributed to the following countries:

	May 27, 2006	August 27, 2005
Long-lived assets as of:		
United States	$ 550,713	$ 522,530
Europe, Canada, and Mexico (1)	36,116	31,270
Total	$ 586,829	$ 553,800

	Thirty-Nine Weeks Ended		Thirteen Weeks Ended	
	May 27, 2006	May 28, 2005	May 27, 2006	May 28, 2005
Revenues:				
United States	$ 562,657	$ 534,092	$ 192,703	$ 181,271
Europe, Canada, and Mexico (1)	50,774	40,983	19,235	14,686
	$ 613,431	$ 575,075	$ 211,938	$ 195,957
Income before income taxes:				
United States	$ 39,889	$ 52,520	$ 15,046	$ 17,677
Europe, Canada, and Mexico	7,160	4,287	2,707	1,360
	$ 47,049	$ 56,807	$ 17,753	$ 19,037

(1) No country accounts for greater than 10% of total long-lived assets or revenues.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

(Amounts in thousands, except per share and common stock options data)

SAFE HARBOR FOR FORWARD LOOKING STATEMENTS

Forward looking statements contained in this report are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995 and are highly dependent upon a variety of important factors that could cause actual results to differ materially from those reflected in such forward looking statements. Such factors include uncertainties regarding the Company's ability to consummate and successfully integrate acquired businesses, uncertainties regarding any existing or newly-discovered expenses and liabilities related to environmental compliance and remediation, the Company's ability to compete successfully without any significant degradation in its margin rates, seasonal fluctuations in business levels, uncertainties regarding the price levels of natural gas, electricity, fuel, and labor, the impact of negative economic conditions on the Company's customers and such customer's workforce, the continuing increase in domestic healthcare costs, demand and prices for the Company's products and services, additional professional and internal costs necessary for compliance with recent and proposed future changes in Securities and Exchange Commission (including the Sarbanes-Oxley Act of 2002), New York Stock Exchange, and accounting rules, strikes and unemployment levels, the Company's efforts to evaluate and potentially reduce internal costs, economic and other developments associated with the war on terrorism and its impact on the economy and general economic conditions. When used in this report, the words "intend", "anticipate", "believe", "estimate", and "expect" and similar expressions as they relate to the Company are included to identify such forward looking statements.

Business Overview

UniFirst is one of the largest providers of workplace uniforms and protective clothing in the United States. The Company designs, manufactures, personalizes, rents, cleans, delivers, and sells a wide range of uniforms and protective clothing, including shirts, pants, jackets, coveralls, lab coats, smocks and aprons, and also rents industrial wiping products, floor mats and other non-garment items, and provides first aid cabinet services and other safety supplies, to a variety of manufacturers, retailers and service companies.

The Company serves businesses of all sizes in numerous industry categories. Typical customers include automobile service centers and dealers, delivery services, food and general merchandise retailers, food processors and service operations, light manufacturers, maintenance facilities, restaurants, service companies, soft and durable goods wholesalers, transportation companies, and others who require employee clothing for image, identification, protection or utility purposes.

At certain specialized facilities, the Company also decontaminates and cleans work clothes that may have been exposed to radioactive materials and services special cleanroom protective wear. Typical customers for these specialized services include government agencies, research and development laboratories, high technology companies and utilities operating nuclear reactors.

The Company continues to expand into additional geographic markets through acquisitions and organic growth. The Company currently operates 189 locations which service 95 of the top 100 and 218 of the top 250 US markets. In addition, the Company's Specialty Garments Division also provides nuclear decontamination services in Europe.

As discussed and described in Note 10 to the consolidated financial statements, the Company has five reporting segments, US and Canadian Rental and Cleaning, Manufacturing (MFG), Corporate, Specialty Garments and First Aid. The laundry locations of the US and Canadian Rental and Cleaning reporting segment are referred to by the Company as "industrial laundries" or "industrial laundry locations." The Company refers to the US and Canadian Rental and Cleaning, MFG, and Corporate reporting segments combined as its "core laundry operations."

Results of Operations

The following table presents, as a percent of total revenue, certain selected financial data for the thirty-nine and thirteen weeks ended May 27, 2006 and May 28, 2005:

	Thirteen weeks ended					Thirty-nine weeks ended				
	May 27, 2006	% of Rev.	May 28, 2005	% of Rev.	% Change	May 27, 2006	% of Rev.	May 28, 2005	% of Rev.	% Change
Revenues	$ 211,938	100.0%	$ 195,957	100.0%	8.2%	$ 613,431	100.0%	$ 575,075	100.0%	6.7%
Costs and expenses:										
Operating costs (1)	135,483	63.9	121,985	62.2	11.1	393,981	64.2	360,180	62.6	9.4
Selling and administrative expenses (1)	44,610	21.1	41,927	21.4	6.4	131,835	21.5	120,288	20.9	9.6
Depreciation and amortization	11,515	5.4	11,142	5.7	3.3	33,725	5.5	32,872	5.7	2.6
	191,608	90.4	175,054	89.3	9.5	559,541	91.2	513,340	89.2	9.0
Income from operations	20,330	9.6	20,903	10.7	(2.7)	53,890	8.8	61,735	10.8	(12.7)
Other expense (income)	2,577	1.2	1,866	1.0	38.1	6,841	1.1	4,928	0.9	38.8
Income before income taxes	17,753	8.4	19,037	9.7	(6.7)	47,049	7.7	56,807	9.9	(17.2)
Provision for income taxes	6,835	3.2	7,235	3.7	(5.5)	18,414	3.0	21,588	3.8	(14.7)
Net income	$ 10,918	5.2%	$ 11,802	6.0%	(7.5)%	$ 28,635	4.7%	$ 35,219	6.1%	(18.7)%

(1) Exclusive of depreciation and amortization

General

UniFirst Corporation (the “Company”) derives its revenues through the design, manufacture, personalization, rental, cleaning, delivering, and selling of a wide range of uniforms and protective clothing, including shirts, pants, jackets, coveralls, lab coats, smocks and aprons. The Company also rents industrial wiping products, floor mats, facility service products, other non-garment items, and provides first aid cabinet services and other safety supplies, to a variety of manufacturers, retailers and service companies. The Company has five reporting segments, US and Canadian Rental and Cleaning, Manufacturing (“MFG”), Corporate, Specialty Garments Rental and Cleaning (“Specialty Garments”), and First Aid. The Company refers to the US and Canadian Rental and Cleaning, MFG, and Corporate reporting segments combined as its “core laundry operations.”

Operating costs include merchandise costs related to the amortization of rental merchandise in service and direct sales as well as labor and other production, service and delivery costs, and distribution costs associated with operating the Company’s core laundry operations, Specialty Garments facilities, and First Aid locations. Selling and administrative costs include costs related to the Company’s sales and marketing functions as well as general and administrative costs associated with the Company’s corporate offices and operating locations including information systems, engineering, materials management, manufacturing planning, finance, budgeting, and human resources.

Revenues.

	May 27, 2006	May 28, 2005	Dollar Change	Percent Change
	(In millions, except percentages)			
Thirty-nine weeks ended	$ 613.4	$ 575.1	$ 38.3	6.7%
Thirteen weeks ended	$ 211.9	$ 196.0	$ 15.9	8.2%

For the thirty-nine weeks ended May 27, 2006, revenues increased by $38.3 million from the comparable period in 2005, or 6.7%. This increase was primarily due to organic growth within the core laundry operations, which accounted for a 6.6% increase in revenue, and acquisition-related revenues, which resulted in an increase in revenues of 1.6%. First Aid also accounted for a 0.4% increase in revenues. These increases were offset by a 21.1% decline in Specialty Garments revenues, which resulted in a 1.9% decrease in consolidated revenues, and was primarily due to the conclusion of a significant contract in fiscal 2005.

Revenues increased from $196.0 million for the thirteen weeks ended May 28, 2005 to $211.9 million for the thirteen weeks ended May 27, 2006, or 8.2%. This increase was also primarily due to organic growth within the core laundry operations, which accounted for a 7.8% increase in revenue, and acquisition-related revenues, which accounted for an increase in revenues of 1.6%. First Aid also accounted for a 0.6% increase in revenues. These increases were offset by an 18.9% decline in Specialty Garments revenues, which resulted in a 1.8% decrease in consolidated revenues, and was also primarily due to the conclusion of the significant contract in fiscal 2005.

Operating costs.

	May 27, 2006	May 28, 2005	Dollar Change	Percent Change
	(In millions, except percentages)			
Thirty-nine weeks ended	$ 394.0	$ 360.2	$ 33.8	9.4%
Percentage of total revenues	64.2 %	62.6 %		
Thirteen weeks ended	$ 135.5	$ 122.0	$ 13.5	11.1%
Percentage of total revenues	63.9 %	62.2 %		

Operating costs increased to $394.0 million, or 64.2% of revenues, for the thirty-nine weeks ended May 27, 2006 as compared to $360.2 million, or 62.6% of revenues, for the thirty-nine weeks ended May 28, 2005. For the thirteen weeks ended May 27, 2006, operating costs increased to $135.5 million, or 63.9% of revenues, compared to $122.0 million, or 62.2% of revenues, for the comparable period in 2005. The increase in costs as a percent of revenue for both periods was primarily attributable to higher energy costs associated with operating our industrial laundries and our fleet of delivery vehicles, somewhat offset by a decrease in production payroll and payroll-related costs. Overall operating costs from Specialty Garments increased as a percent of revenues due to its decrease in revenues, and for the thirty-nine weeks ended May 27, 2006, the decrease in Specialty Garment revenues was compounded by an incremental $0.8 million in expense the Specialty Garments segment incurred related to the decommissioning of two of its facilities.

Selling and administrative expense.

	May 27, 2006	May 28, 2005	Dollar Change	Percent Change
	(In millions, except percentages)			
Thirty-nine weeks ended	$ 131.8	$ 120.3	$ 11.5	9.6%
Percentage of total revenues	21.5 %	20.9 %		
Thirteen weeks ended	$ 44.6	$ 41.9	$ 2.7	6.4%
Percentage of total revenues	21.1 %	21.4 %		

Selling and administrative expenses increased to $131.8 million, or 21.5% of revenues, for the thirty-nine weeks ended May 27, 2006 from $120.3 million, or 20.9% of revenues, for the thirty-nine weeks ended May 28, 2005. The increase in selling and administrative expenses as a percent of revenues was primarily due to an increase in the sales force within the US and Canadian Rental and Cleaning segment. The growth within the sales force is the result of the Company's continued effort to foster revenue growth. This increase in selling payroll costs was somewhat offset by a $0.6 million gain from the sale of one of the Company's industrial laundry facilities. In addition, overall selling and administrative costs associated with the Company's Specialty Garments segment increased as a percentage of revenues due to the large decrease in revenues discussed above.

For the thirteen weeks ended May 27, 2006, selling and administrative costs decreased to 21.1% of revenues, or $44.6 million, compared to 21.4% of revenues, or $41.9 million, for the comparable period in 2005. The decrease was primarily due to a $0.6 million gain from the sale of one of the Company's industrial laundry facilities and foreign exchange gains realized as a result of fluctuations in exchange rates. These decreases were offset by increased selling payroll costs due to the Company's investment in its sales force. The increase in the payroll costs was not as significant in the thirteen weeks ended May 27, 2006 as it had been in the prior two quarters. In addition, overall selling and administrative costs associated with the Company's Specialty Garments segment increased as a percentage of revenues due to the decrease in revenues discussed above.

Depreciation and amortization.

	May 27, 2006	May 28, 2005	Dollar Change	Percent Change
		(In millions, except percentages)		
Thirty-nine weeks ended	$ 33.7	$ 32.9	$ 0.8	2.6%
Percentage of total revenues	5.5 %	5.7 %		
Thirteen weeks ended	$ 11.5	$ 11.1	$ 0.4	3.3%
Percentage of total revenues	5.4 %	5.7 %		

The Company's depreciation and amortization expense increased to $33.7 million, or 5.5% of revenue, for the thirty-nine weeks ended May 27, 2006 from $32.9 million, or 5.7% of revenues, for the thirty-nine weeks ended May 28, 2005. For the thirteen weeks ended May 27, 2006, depreciation and amortization expense increased to $11.5 million, or 5.4% of revenue, compared to $11.1 million, or 5.7% of revenues, for the comparable period in 2005. The increase in depreciation and amortization expense for both the thirty-nine and thirteen weeks ended May 27, 2006 was due to normal capital expenditure and acquisition activity.

Income from Operations.

	May 27, 2006	May 28, 2005	Dollar Change	Percent Change
		(In millions, except percentages)		
Thirty-nine weeks ended	$ 53.9	$ 61.7	$ (7.8)	(12.7) %
Percentage of total revenues	8.8 %	10.8 %		
Thirteen weeks ended	$ 20.3	$ 20.9	$ (0.6)	(2.7) %
Percentage of total revenues	9.6 %	10.7 %		

For the thirty-nine weeks ended May 27, 2006, income from operations decreased to $53.9 million, or $7.8 million, from $61.7 million from the comparable period in 2005. This change was primarily attributable to a decrease in income from operations in Specialty Garments of $9.6 million, which was due to a 21.1% decline in Specialty Garment revenues. As discussed above, this decrease in revenue was primarily attributable to the conclusion of a significant contract in fiscal 2005. Within the thirty-nine weeks ended May 27, 2006, Specialty Garments also incurred incremental expenses of approximately $0.8 million related to the decommissioning of two of its facilities. This decrease was offset by an increase in income from operations from the core laundry operations and First Aid of $1.4 million and $0.4 million respectively, which was primarily attributable to increases in the Core Laundry Operation and First Aid revenues of 9.3% and 9.8%, respectively.

The Company's income from operations decreased to $20.3 million for the thirteen weeks ended May 27, 2006 from $20.9 million for the thirteen weeks ended May 28, 2005, or $0.6 million. This increase was primarily attributable to a decrease in income from operations in Specialty Garments, which accounted for $3.5 million of the decline. For the thirteen weeks ended May 27, 2006, Specialty Garment revenues decreased by 18.9% as a result of the conclusion of a significant contract within fiscal 2005. The Company's Core Laundry Operation's income from operations increased by $2.5 million, or 15.5%, as a result a 10.9% increase in Core Laundry Operation revenues. First Aid's income from operations increased by $0.4 million as a result of a 15.6% increase in First Aid revenues.

Other expense (income)

	May 27, 2006	May 28, 2005	Dollar Change	Percent Change
		(In millions, except percentages)		
Thirty-nine weeks ended	$ 6.8	$ 4.9	$ 1.9	38.8%
Percentage of total revenues	1.1 %	0.9 %		
Thirteen weeks ended	$ 2.6	$ 1.9	$ 0.7	38.1%
Percentage of total revenues	1.2 %	1.0 %		

Other expense (income) includes interest expense, interest income and interest rate swap income.

For the thirty-nine weeks ended May 27, 2006, other expense increased to $6.8 million, or $1.9 million, compared to $4.9 million from the thirty-nine weeks ended May 28, 2005. This increase was primarily attributable to an increase in net interest expense of $1.5 million. Net interest expense increased due to an increase in interest rates compared to the comparable period in 2005 which resulted in an increase in the interest expense on the Company's variable interest rate on its outstanding borrowings under its $125.0 million Credit Agreement and its Floating Rate Notes. The average debt outstanding in the thirty-nine weeks ended May 27, 2006 was $190.2 million as compared to $179.0 million during the thirty-nine weeks ended May 28, 2005. The remainder of the increase was due to $0.2 million of income that was booked in the thirty-nine weeks ended May 28, 2005 related to changes in the fair value of a $40.0 million interest rate swap that matured in fiscal 2005.

Other expense increased to $2.6 million for the thirteen weeks ended May 27, 2006 from $1.9 million for the thirteen weeks ended May 28, 2005, or $0.7 million. This increase was attributable to an increase in interest rates compared to the comparable period in 2005, discussed above, and its effect on the Company's variable interest rate on its outstanding borrowings under its $125.0 million Credit Agreement and its Floating Rate Notes. The average debt outstanding in the thirteen weeks ended May 27, 2006 was $198.5 million as compared to $179.9 million during the thirteen weeks ended May 28, 2005.

Provision for income taxes.

	May 27, 2006	May 28, 2005	Dollar Change
	(In millions, except percentages)		
Thirty-nine weeks ended:	$ 18.4	$ 21.6	$ (3.2)
Percentage of income before income taxes	39.1 %	38.0 %	
Thirteen weeks ended:	$ 6.8	$ 7.2	$ (0.4)
Percentage of income before income taxes	38.5 %	38.0 %	

The Company's effective income tax rate was 39.1% and 38.5% for the thirty-nine and thirteen weeks ended May 27, 2006, respectively, as compared to 38.0% for the thirty-nine and thirteen weeks ended May 28, 2005. The increase in the effective income tax rate was primarily due to $0.3 million of tax reserves booked in the thirty-nine weeks ended May 27, 2006 related to tax exposure identified by the Company.

Liquidity and Capital Resources

General. For the thirty-nine weeks ended May 27, 2006, the Company had a net increase in cash and cash equivalents of $1.6 million. As of May 27, 2006, the Company had cash and cash equivalents of $6.3 million and working capital of $101.6 million. The Company believes that current cash and cash equivalent balances, cash generated from operations and amounts available under the Company's Credit Agreement (defined below) will be sufficient to meet the Company's anticipated working capital and capital expenditure requirements for at least the next 12 months.

Sources and uses of cash. During the thirty-nine weeks ended May 27, 2006, the Company generated cash from operating activities of $42.9 million, resulting primarily from net income of $28.6 million, amounts charged for depreciation and amortization of $33.7 million, a net decrease in inventories of $1.9 million and an increase in accounts payable and accrued expenses of $4.2 million, offset by an increase in accounts receivable of $8.8 million, an increase in rental merchandise in service of $12.5 million, an increase in prepaid expenses of $0.7 million and a decrease in accrued income taxes of $5.0 million. The Company used its cash to, among other things, fund $35.2 million in capital expenditures and fund the acquisitions of businesses of approximately $34.1 million. The Company's long-term debt increased by approximately $27.0 million as a result of $43.1 million of borrowings offset by $16.0 million of payments during the thirty-nine weeks ended May 27, 2006.

Long-term debt and borrowing capacity. On June 14, 2004, the Company issued $165.0 million of fixed and floating rate notes pursuant to a Note Purchase Agreement ("Note Agreement"). Under the Note Agreement, the Company issued $75.0 million of notes with a seven year term bearing interest at approximately 5.3% ("Fixed Rate Notes"). The Company also issued $90.0 million of floating rate notes due in ten years ("Floating Rate Notes"). Of the Floating Rate Notes, $75.0 million bear interest at LIBOR plus 70 basis points and may be repaid at face value two years from the date they were issued. The remaining $15.0 million of Floating Rate Notes were prepaid in September 2005.

The Company also has a $125.0 million unsecured revolving credit agreement ("Credit Agreement"), with a syndicate of banks, which matures September 2, 2007, and bears interest at floating rates which vary based on the Company's funded debt ratio. At May 27, 2006, the interest rate applicable to the Company's borrowings under the Credit Agreement was LIBOR plus 87.5 basis points, which approximated 5.9%. As of May 27, 2006, the Company had outstanding borrowings of $52.0 million, letters of credit of $28.6 million and $44.4 million available for borrowing. Availability of credit requires compliance with financial and other covenants. Under the most restrictive of these provisions, the Company was required to maintain minimum consolidated tangible net worth as of May 27, 2006 of $152.7 million. As of May 27, 2006, the Company's consolidated tangible net worth was $171.1 million and the Company was in compliance with all covenants under the Note Agreement and the Credit Agreement.

Commitments and Contingencies

The Company and its operations are subject to various federal, state and local laws and regulations governing, among other things, the generation, handling, storage, transportation, treatment and disposal of hazardous wastes and other substances. In particular, industrial laundries use and must dispose of detergent waste water and other residues. The Company is attentive to the environmental concerns surrounding the disposal of these materials and has, through the years, taken measures to avoid their improper disposal. In the past, the Company has settled, or contributed to the settlement of, actions or claims brought against the Company relating to the disposal of hazardous materials and there can be no assurance that the Company will not have to expend material amounts to remediate the consequences of any such disposal in the future.

Under environmental laws, an owner or lessee of real estate may be liable for the costs of removal or remediation of certain hazardous or toxic substances located on, or in, or emanating from, such property, as well as related costs of investigation and property damage. Such laws often impose liability without regard to whether the owner or lessee knew of, or was responsible for, the presence of such hazardous or toxic substances. There can be no assurances that acquired or leased locations have been operated in compliance with environmental laws and regulations or that future uses or conditions will not result in the imposition of liability upon the Company under such laws or expose the Company to third-party actions such as tort suits. The Company continues to address environmental conditions under terms of consent orders negotiated with the applicable environmental authorities or otherwise with respect to sites located in or related to Woburn, Massachusetts, Uvalde, Texas, Springfield, Massachusetts, Stockton, California, and three sites related to former operations in Williamstown, Vermont.

In addition, the Company is investigating the extent of environmental contamination and potential exposure at sites it acquired in connection with its acquisition of Textilease, and it is defending against claims concerning alleged environmental conditions with respect to a site once owned by a former subsidiary in Somerville, Massachusetts.

The Company has accrued certain costs related to the sites described above as it has been determined that the costs are probable and can be reasonably estimated. The Company also has potential exposure related to an additional parcel of land (the "Central Area") related to the Woburn, Massachusetts site discussed above. Currently, the consent order for the Woburn, Massachusetts site discussed above does not define or require any remediation work in the Central Area. The Company has not accrued for this contingency as the Company believes, at this time, the liability is not probable and the amount of such contingent liability cannot be reasonably estimated.

The Company routinely reviews and evaluates sites that may require remediation and monitoring and determines its estimated costs based on various estimates and assumptions. These estimates are developed using the Company's internal sources or by third party environmental engineers or other service providers. Internally developed estimates are based on:

- Management's judgment and experience in remediating and monitoring the Company's sites;
- Information available from regulatory agencies as to costs of remediation and monitoring;
- The number, financial resources and relative degree of responsibility of other potentially responsible parties (PRPs) who may be liable for remediation and monitoring of a specific site; and
- The typical allocation of costs among PRPs.

There is usually a range of reasonable estimates of the costs associated with each site. The Company's accruals reflect the amount within the range that constitutes its best estimate. Where it believes that both the amount of a particular liability and the timing of the payments are reliably determinable, the Company adjusts the cost in current dollars using a rate of 3% for inflation until the time of expected payment and discounts the cost to present value using risk-free rates of interest ranging from 4% to 5%.

For environmental liabilities that have been discounted, the Company includes interest accretion, based on the effective interest method, in operating costs on the consolidated statements of income. The changes to the Company's environmental liabilities for the thirty-nine weeks ended May 27, 2006 are as follows (in thousands):

Balance as of August 27, 2005	$	9,326
Costs incurred for which reserves have been provided		(653)
Insurance proceeds received		123
Interest accretion		350
Revision in estimates		100
Balance as of May 27, 2006	$	9,246

Anticipated payments and insurance proceeds of currently identified environmental remediation liabilities as of May 27, 2006, for the next five fiscal years and thereafter as measured in current dollars, are reflected below.

	Fiscal Year ended August						
	2006	2007	2008	2009	2010	Thereafter	Total
Estimated costs – current dollars	$ 1,311	$ 1,890	$ 1,793	$ 928	$ 773	$ 9,005	$ 15,700
Estimated insurance proceeds	(124)	(247)	(247)	(266)	(247)	(3,818)	(4,949)
Net anticipated costs	$ 1,187	$ 1,643	$ 1,546	$ 662	$ 526	$ 5,187	$ 10,751
Effect of Inflation							3,321
Effect of Discounting							(4,826)
Balance, May 27, 2006							$ 9,246

Estimated insurance proceeds are primarily received from an annuity received as part of a legal settlement with an insurance company. Annual proceeds of approximately $0.3 million are deposited into an escrow account which funds remediation and monitoring costs for three sites related to former operations in Williamstown, Vermont. Annual proceeds received but not expended in the current year accumulate in this account and may be used in future years for costs related to this site through the year 2027. As of May 27, 2006 the balance in this escrow account, which is held in a trust and is not recorded on the Company's consolidated balance sheet, was approximately $2.0 million. Also included in estimated insurance proceeds are amounts the Company is entitled to receive pursuant to legal settlements as reimbursements from three insurance companies for estimated costs at the site in Uvalde, Texas.

The Company's nuclear garment decontamination facilities are licensed by the Nuclear Regulatory Commission ("NRC"), or, in certain cases, by the applicable state agency, and are subject to regulation by federal, state and local authorities. There can be no assurance that such regulation will not lead to material disruptions in the Company's garment decontamination business.

From time to time, the Company is also subject to legal proceedings and claims arising from the conduct of its business operations, including litigation related to charges for certain ancillary services on invoices, personal injury claims, customer contract matters, employment claims and environmental matters as described above.

While it is impossible to ascertain the ultimate legal and financial liability with respect to contingent liabilities, including lawsuits and environmental contingencies, the Company believes that the aggregate amount of such liabilities, if any, in excess of amounts accrued or covered by insurance, will not have a material adverse effect on the consolidated financial position or results of operation of the Company. It is possible, however, that future financial position or results of operations for any particular future period could be materially affected by changes in the Company's assumptions or strategies related to these contingencies or changes out of the Company's control.

Other

On September 2, 2003, the Company completed its acquisition of 100% of Textilease Corporation ("Textilease") for $175.6 million in cash. At the time of acquisition, management initiated a plan to integrate the Textilease facilities into existing operations. Included in the purchase price allocation was an accrual for exit costs and employee termination benefits. As of May 27, 2006 and August 27, 2005, the remaining accrual balances of $0.4 million and $1.3 million, respectively, are included in accrued liabilities in the accompanying consolidated balance sheets. The Company expects to incur substantially all of the remaining costs by the end of fiscal year 2006.

Recent Accounting Pronouncements

On October 13, 2004, the FASB issued SFAS No. 123R*, Share Based Payments,* which requires companies to measure compensation cost for all share-based payments, including employee stock options. SFAS No. 123R was effective as of the first fiscal period beginning after June 15, 2005. In March 2005, the SEC issued SAB No. 107 regarding the SEC's interpretation of SFAS No. 123R and the valuation of share-based payments for public companies. The Company adopted SFAS No. 123R on August 28, 2005, and the adoption did not have a material impact on the Company's financial statements. See Note 1 to these consolidated financial statements for further discussion regarding stock based compensation.

Critical Accounting Policies and Estimates

The Company believes the following critical accounting policies reflects its more significant judgments and estimates used in the preparation of our consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates. There have been no changes in judgments or the method of determining estimates that had a material effect on our consolidated financial statements for the periods presented.

Foreign Currency Translation

The functional currency of UniFirst's foreign operations is the local country's currency. Transaction gains and losses, including gains and losses on intercompany transactions, are included in selling and administrative expenses, in the accompanying consolidated statements of income. Assets and liabilities of operations outside the United States are translated into U.S. dollars using period-end exchange rates. Revenues and expenses are translated at the average exchange rates in effect during each month during the fiscal year. The effects of foreign currency translation adjustments are included in shareholders' equity as a component of accumulated other comprehensive income in the accompanying consolidated balance sheets.

Revenue Recognition and Allowance for Doubtful Accounts

The Company recognizes revenue from rental operations in the period in which the services are provided. Direct sale revenue is recognized in the period in which the product is shipped. Management judgments and estimates are used in determining the collectability of accounts receivable and evaluating the adequacy of allowance for doubtful accounts. The Company considers specific accounts receivable and historical bad debt experience, customer credit worthiness, current economic trends and the age of outstanding balances as part of its evaluation. Changes in estimates are reflected in the period they become known. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Material changes in management's estimates may result in significant differences in the amount and timing of bad debt expense recognition for any given period.

Inventories and Rental Merchandise in Service

Inventories are stated at the lower of cost or market value, net of any reserve for excess and obsolete inventory. Judgments and estimates are used in determining the likelihood that new goods on hand can be sold to customers or used in rental operations. Historical inventory usage and current revenue trends are considered in estimating both excess and obsolete inventories. If actual product demand and market conditions are less favorable than those projected by management, additional inventory write-downs may be required. The Company uses the first-in, first-out ("FIFO") method to value its inventories. Inventories primarily consist of finished goods.

Rental merchandise in service is amortized on a straight-line basis over the estimated service lives of the merchandise, which range from 6 to 36 months. In establishing estimated lives for merchandise in service, management considers historical experience and the intended use of the merchandise. Material differences may result in the amount and timing of operating profit for any period if management makes significant changes to these estimates.

Goodwill, Intangibles and Other Long-Lived Assets

In accordance with SFAS No. 142*, Goodwill and Other Intangible Assets*, goodwill is not amortized. SFAS No. 142 requires that companies test goodwill for impairment on an annual basis. In addition, SFAS 142 also requires that companies test goodwill if events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit to which goodwill is assigned below its carrying amount. The Company's evaluation considers changes in the operating environment, competitive information, market trends, operating performance and cash flow modeling. Management completes its annual impairment test in the fourth quarter of each fiscal year and there have been no impairments of goodwill or indefinite-lived intangible assets in the thirty-nine weeks ended May 27, 2006 or the year ended August 27, 2005. Future events could cause management to conclude that impairment indicators exist and that goodwill or other intangibles associated with previously acquired businesses are impaired. Any resulting impairment loss could have a material impact on our financial condition and results of operations.

Property and equipment and definite-lived intangible assets are depreciated or amortized over their useful lives. Useful lives are based on management estimates of the period that the assets will generate revenue. Long-lived assets are evaluated for impairment whenever events or circumstances indicate an asset may be impaired. There have been no material impairments of property and equipment, or definite-lived intangible assets in the thirty-nine weeks ended May 27, 2006 or the year ended August 27, 2005.

Insurance

The Company self-insures for certain obligations related to health, workers' compensation, vehicles and general liability programs. The Company also purchases stop-loss insurance policies to protect itself from catastrophic losses. Judgments and estimates are used in determining the potential value associated with reported claims and for events that have occurred, but have not been reported. The Company's estimates consider historical claim experience and other factors. The Company's liabilities are based on estimates, and, while the Company believes that its accruals are adequate, the ultimate liability may be significantly different from the amounts recorded. Changes in claim experience, the Company's ability to settle claims or other estimates and judgments used by management could have a material impact on the amount and timing of expense for any given period.

Environmental and Other Contingencies

The Company is subject to legal proceedings and claims arising from the conduct of its business operations, including environmental matters, personal injury, customer contract matters and employment claims. Accounting principles generally accepted in the United States require that a liability for contingencies be recorded when it is probable that a liability has occurred and the amount of the liability can be reasonably estimated. Significant judgment is required to determine the existence of a liability, as well as the amount to be recorded. The Company regularly consults with attorneys and outside consultants to ensure that all of the relevant facts and circumstances are considered, before a contingent liability is recorded. The Company records accruals for environmental and other contingencies based on enacted laws, regulatory orders or decrees, the Company's estimates of costs, insurance proceeds, participation by other parties, the timing of payments, and the input of outside consultants and attorneys.

The estimated liability for environmental contingencies has been discounted using risk-free interest rates ranging from 4% to 5% over periods ranging from ten to thirty years. The estimated current costs, net of legal settlements with insurance carriers, have been adjusted for the estimated impact of inflation at 3% per year. Changes in enacted laws, regulatory orders or decrees, management's estimates of costs, insurance proceeds, participation by other parties, the timing of payments and the input of outside consultants and attorneys based on changing legal or factual circumstances could have a material impact on the amounts recorded for environmental and other contingent liabilities. Refer to Note 7 of these consolidated financial statements for additional discussion and analysis.

Asset Retirement Obligations

The Company follows the provisions of SFAS No. 143*, Accounting for Asset Retirement Obligations,* which generally applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or the normal operation of a long-lived asset. Under this accounting method, the Company recognizes asset retirement obligations in the period in which they are incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. The Company depreciates, on a straight-line basis, the amount added to property and equipment and recognizes accretion expense in connection with the discounted liability over the various remaining lives which range from approximately four to twenty-five years.

The estimated liability has been based on historical experience in decommissioning nuclear laundry facilities, estimated useful lives of the underlying assets, external vendor estimates as to the cost to decommission these assets in the future, and federal and state regulatory requirements. The estimated current costs have been adjusted for the estimated impact of inflation at 3% per year. The liability has been discounted using credit-adjusted risk-free rates that range from approximately 3% to 7% over one to thirty years. Revisions to the liability could occur due to changes in the Company's estimated useful lives of the underlying assets, estimated dates of decommissioning, changes in decommissioning costs, changes in federal or state regulatory guidance on the decommissioning of such facilities, or other changes in estimates. Changes due to revised estimates will be recognized by adjusting the carrying amount of the liability and the related long-lived asset if the assets are still in service, or charged to expense in the period if the assets are no longer in service.

Pensions

The calculation of pension expense and the corresponding liability requires the use of a number of critical assumptions, including the expected long-term rate of return on plan assets and the assumed discount rate. Changes in these assumptions can result in different expense and liability amounts, and future actual experience can differ from these assumptions. Pension expense increases as the expected rate of return on pension plan assets decreases. Future changes in plan asset returns, assumed discount rates and various other factors related to the participants in our pension plans will impact our future pension expense and liabilities. We cannot predict with certainty what these factors will be in the future.

Income Taxes

The Company accounts for income taxes in accordance with SFAS No. 109*, Accounting for Income Taxes*. Deferred income taxes are provided for temporary differences between the amounts recognized for income tax and financial reporting purposes at currently enacted tax rates. The Company computes income tax expense by jurisdiction based on its operations in each jurisdiction.

The Company is periodically reviewed by domestic and foreign tax authorities regarding the amount of taxes due. These reviews include questions regarding the timing and amount of deductions and the allocation of income among various tax jurisdictions. In evaluating the exposure associated with various filing positions, the Company records estimated reserves for probable exposures, in accordance with SFAS No. 5*, Accounting for Contingencies.*

Seasonality

Historically, the Company's revenues and operating results have varied from quarter to quarter and are expected to continue to fluctuate in the future. These fluctuations have been due to a number of factors, including: general economic conditions in the Company's markets; the timing of acquisitions and of commencing start-up operations and related costs; the effectiveness of integrating acquired businesses and start-up operations; the timing of nuclear plant outages; capital expenditures; seasonal rental and purchasing patterns of the Company's customers; and price changes in response to competitive factors. In addition, the Company's operating results historically have been lower during the second and fourth fiscal quarters than during the other quarters of the fiscal year. The operating results for any historical quarter are not necessarily indicative of the results to be expected for an entire fiscal year or any other interim periods.

Effects of Inflation

In general, management believes that the Company's results of operations are not dependent on moderate changes in the inflation rate. Historically, the Company has been able to manage the impacts of more significant changes in inflation rates through its customer relationships, customer agreements that generally provide for price increases consistent with the rate of inflation, and continued focus on improvements of operational productivity.

Significant increases in energy costs, specifically natural gas and gasoline, can materially affect our results of operations and financial condition. Currently, energy costs represent approximately 4% of our total revenue.

Contractual Obligations and Other Commercial Commitments

As of May 27, 2006, there were no material changes in the Company's contractual obligations as disclosed in our Annual Report on Form 10-K for the year ended August 27, 2005.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Currency Exchange Risk

Management has determined that all of the Company's foreign subsidiaries operate primarily in local currencies that represent the functional currencies of the subsidiaries. All assets and liabilities of foreign subsidiaries are translated into U.S. dollars using the exchange rate prevailing at the balance sheet date. The effect of exchange rate fluctuations on the translation of assets and liabilities are recorded as a component of stockholders' equity. Income and expense accounts are translated at average exchange rates during the year. As such, the Company's financial condition and operating results are affected by fluctuations in the value of the U.S. dollar as compared to currencies in foreign countries. Revenue denominated in currencies other than the U.S. dollar represented approximately 8% and 9% of total consolidated revenues for the thirty-nine and thirteen weeks ended May 27, 2006, respectively, and total assets denominated in currencies other than the U.S. dollar represented approximately 8% and 7% of total consolidated assets at May 27, 2006 and August 27, 2005, respectively. If exchange rates had changed by 10% from the actual rates in effect during the thirty-nine and thirteen weeks ended May 27, 2006, the Company's revenues for the thirty-nine and thirteen weeks ended would have changed by approximately $5.1 million and $1.9 million, respectively, and assets as of May 27, 2006 and August 27, 2005 would have changed by approximately $6.3 million and $5.2 million, respectively.

The Company does not operate a hedging program to mitigate the effect of a significant rapid change in the value of the Canadian Dollar, Euro, British Pound, or Mexican Peso as compared to the U.S. dollar. Any gains or losses resulting from foreign currency transactions, including exchange rate fluctuations on intercompany accounts, are reported as transaction gains (losses) in selling and administrative expenses. The intercompany payables and receivables are denominated in Canadian Dollars, Euros, British Pounds and Mexican Pesos. During the thirty-nine and thirteen weeks ended May 27, 2006 transaction gains (losses) included in selling and administrative expenses were not material. If the exchange rates had changed by 10% during the thirty-nine and thirteen weeks ended May 27, 2006, the Company would have recognized additional gains of $0.0 million and $0.1 million for the thirty-nine and thirteen weeks ended May 27, 2006, respectively.

Interest Rate Sensitivity

The Company is exposed to market risk from changes in interest rates which may adversely affect its financial position, results of operations and cash flows. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposures through its regular operating and financing activities. The Company is exposed to interest rate risk primarily through its borrowings under its $125.0 million Credit Agreement with a syndicate of banks and its Floating Rate Notes with a group of insurance companies. Under both agreements, the Company borrows funds at variable interest rates based on the Eurodollar rate or LIBOR rates. If the LIBOR and Eurodollar rates fluctuated by 10% from the actual rates in effect during the thirty-nine and thirteen weeks ended May 27, 2006, interest expense would have fluctuated by approximately $0.4 million and $0.2 million from the interest expense recognized for the thirty-nine and thirteen weeks ended May 27, 2006, respectively.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures. As required by Rule 13a-15 under the Securities Exchange Act of 1934 (the "Exchange Act"), the Company carried out an evaluation under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based upon their evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective to ensure that material information relating to the Company required to be disclosed by the Company in reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. In designing and evaluating the disclosure controls and procedures, the Company's management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurances of achieving the desired control objectives, and management necessarily was required to apply its judgment in designing and evaluating the controls and procedures. The Company continues to review its disclosure controls and procedures, and its internal control over financial reporting, and may from time to time make changes aimed at enhancing their effectiveness and to ensure that the Company's systems evolve with its business.

Changes in Internal Control over Financial Reporting. There were no changes in the Company's internal control over financial reporting during the thirteen weeks ended May 27, 2006 that have materially affected, or that are reasonably likely to materially affect, its internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

See Note 7, "Contingencies and Commitments," to the financial statements above for a general description. Reference is made to the "Legal Proceedings" section of the Company's Annual Report on Form 10-K for the fiscal year ended August 27, 2005.

Item 2. Unregistered Sales of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders:

None.

Item 5. Other Information

None.

ITEM 6. EXHIBITS

10.1***	UniFirst Corporation Unfunded Supplemental Executive Retirement Plan dated as of March 8, 2006
31.1*	Rule 13a-14(a)/15d-14(a) certification of Ronald D. Croatti
31.2*	Rule 13a-14(a)/15d-14(a) certification of John B. Bartlett
32.1**	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002
32.2**	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002
*	Filed herewith
**	Furnished herewith
***	Incorporated by reference from the Registrant's Current Report on Form 8-K filed with the Commission on March 8, 2006

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

June 30, 2006	UniFirst Corporation
	By: /s/ Ronald D. Croatti Ronald D. Croatti President and Chief Executive Officer
June 30, 2006	UniFirst Corporation
	By: /s/ John B. Bartlett John B. Bartlett Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

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Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a) OF THE SECURITIES EXCHANGE ACT, AS AMENDED

I, Ronald D. Croatti, certify that:

1. I have reviewed this quarterly report on Form 10-Q of UniFirst Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant, and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation, and;

   (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting;

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: June 30, 2006

By: /s/ Ronald D. Croatti
Ronald D. Croatti,
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a) OF THE SECURITIES EXCHANGE ACT, AS AMENDED

I, John B. Bartlett, certify that:

1. I have reviewed this quarterly report on Form 10-Q of UniFirst Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant, and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation, and;

   (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting;

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: June 30, 2006

By: /s/ John B. Bartlett
John B. Bartlett,
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION
906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), I, Ronald D. Croatti, President and Chief Executive Officer of UniFirst Corporation (the "Company"), do hereby certify, to the best of my knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended May 27, 2006 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 30, 2006

By: /s/ Ronald D. Croatti
Ronald D. Croatti, President and
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION
906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), I, John B. Bartlett, Chief Financial Officer of UniFirst Corporation (the "Company"), do hereby certify, to the best of my knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended May 27, 2006 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 30, 2006

By: /s/ John B. Bartlett
John B. Bartlett,
Chief Financial Officer
(Principal Financial Officer)