SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended August 26, 2000

Commission File Number 1-8504

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

Massachusetts	04-2103460
(State of Incorporation)	(IRS Employer Identification Number)

68 Jonspin Road
Wilmington, Massachusetts 01887
(Address of principal executive offices)

Registrant's telephone number: (978) 658-8888

Securities registered pursuant to Section 12(b) of the Act:

Title of Class	Name of each exchange on which shares are traded
Common Stock, $.10 par value per share	New York Stock Exchange

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 [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The number of outstanding shares of UniFirst Corporation Common Stock and Class B Common Stock at November 6, 2000 were 9,327,834 and 10,255,744, respectively, and the aggregate market value of these shares held by non-affiliates of the Company on said date was $104,317,571 (based upon the closing price of the Company's Common Stock on the New York Stock Exchange on said date and assuming the market value of a share of Class B Common Stock (which is generally non-transferable, but is convertible at any time into one share of Common Stock) is identical to the market value of the Common Stock).

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's 2000 Annual Report to Shareholders and the Company's Proxy Statement for its 2001 Annual Meeting of Shareholders (which will be filed with the Securities and Exchange Commission within 120 days after the close of the 2000 fiscal year) are incorporated by reference into Parts II, III and IV hereof.

This Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The Company's actual results could differ materially from those set forth in the forward-looking statements. Certain factors that might cause such a difference are discussed in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" incorporated by reference in this Form 10-K.

ITEM 1. BUSINESS

GENERAL

UniFirst Corporation (the "Company") is one of the largest providers of workplace uniforms and protective clothing in the United States. The Company rents, manufactures and sells a wide range of uniforms and protective clothing, including shirts, pants, jackets, coveralls, jumpsuits, lab coats, smocks and aprons, and also rents industrial wiping products, floormats and other non-garment items, 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. In fiscal 2000, the Company generated $528.7 million in revenue, of which approximately 65% was from the rental of uniforms and protective clothing, 26% was from the rental of non-garment items, 7% was from garment decontamination services, and 2% was from the direct sale of garments.

PRODUCTS AND SERVICES

The Company provides its customers with personalized workplace uniforms and protective work clothing in a broad range of styles, colors, sizes and fabrics. The Company's uniform products include shirts, pants, jackets, coveralls, jumpsuits, smocks, aprons and specialized protective wear, such as garments for use in radioactive and clean room environments and fire retardant garments. The Company also offers non-garment items and services, such as industrial wiping products, floormats, mop dust-control service and other textile products. At certain specialized facilities, the Company also decontaminates and cleans clothes which may have been exposed to radioactive materials and services special cleanroom protective wear.

The Company offers its customers a range of garment service options, including full-service rental programs in which garments are cleaned and serviced by the Company and lease programs in which garments are cleaned and maintained by individual employees, as well as the opportunity to purchase garments and related items directly. As part of its rental business, the Company picks up a customer's soiled uniforms or other items on a periodic basis (usually weekly) and delivers at the same time cleaned and processed replacement items. The Company's centralized services, specialized equipment and economies of scale generally allow it to be more cost effective in providing garment services than customers could be by themselves, particularly those customers with high employee turnover rates. The Company's uniform program is intended not only to help its customers foster greater company identity, but to enhance their corporate image and improve employee safety, productivity and morale. The Company typically serves its customers pursuant to written service contracts that range in duration from three to five years.

CUSTOMERS

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. The Company currently services over 100,000 customer locations in 45 states, Canada and Europe from approximately 145 service locations and distribution centers. For fiscal 1998, 1999 and 2000, the Company's garment rental operations produced approximately 68%, 65% and 65%, respectively, of its revenues, while non-garment rentals accounted for 22%, 26% and 26%, direct sales of garments accounted for 3%, 2% and 2%, and the specialized garment services business accounted for approximately 7% of the Company's revenues during each such period. During the past five years, no single customer accounted for more than 1% of total revenues in any year.

MARKETING AND CUSTOMER SERVICE

The Company employs more than 300 trained sales representatives whose sole function is to market the Company's services to potential customers and develop new accounts. The Company also utilizes its route salespeople to maximize sales to existing customers, such as by offering garment rental customers the opportunity to purchase non-garment items. Potential customers are contacted by mail, by telephone and in-person. Sales representatives develop their appointments through the use of an extensive, proprietary database of pre-screened and qualified business prospects. This database is built through responses to the Company's promotional initiatives, through contacts via its World Wide Web site and trade shows and through the selective use of purchased lists. The Company also endeavors to elevate its brand identity through certain advertising and promotional initiatives.

The Company believes that customer service is the most important element in developing and maintaining its market position and that its emphasis on customer service is reflected throughout its business. The Company serves its customers through approximately 1,075 route salespersons, who generally interact on a weekly basis with their accounts, and more than 750 service support people, who are charged with expeditiously handling customer requirements regarding the outfitting of new customer employees, garment repair and replacement, billing inquiries and other matters. The Company's policy is to respond to all customer inquiries and problems within 24 hours.

The Company's customer service function is supported by its fully-networked management information systems, which provide Company personnel with access to information on the status of customers' orders, inventory availability and shipping information, as well as information regarding customers' individual employees, including names, sizes, uniform styles and colors. The Company has recently established a national account sales group that targets larger customers with nationwide operations for which the Company can serve as the primary supplier of garment services. The Company currently employs twenty persons in its national account sales organization.

COMPETITION

The uniform rental and sales industry is highly competitive. The Company believes that the top five companies in the uniform rental segment of the industry currently generate over half of the industry's volume. The remainder of the market, however, is divided among more than 600 smaller businesses, many of which serve one or a limited number of markets or geographic service areas and generate annual revenues of less than $1.0 million, and a small group of which have revenues of up to approximately $200 million. Although the Company is one of the larger companies engaged in the uniform rental and sales business, there are other firms in the industry which are larger and have greater financial resources than the Company. The Company's leading competitors include ARAMARK Corporation, Cintas Corporation and G&K Services, Inc. In addition to its traditional rental competitors the Company may increasingly compete in the future with businesses that focus on selling uniforms and other related items. The principal methods of competition in the industry are quality of service and price. The Company also competes with industry competitors for acquisitions, which has the effect of increasing the price for acquisitions and reducing the number of available acquisition candidates. The Company believes that its ability to compete effectively is enhanced by the superior customer service and support that it provides its customers.

MANUFACTURING AND SOURCING

The Company manufactured approximately 55% of all garments which it placed in service during fiscal 2000. These included work pants manufactured at its plant in Luquillo, Puerto Rico, shirts manufactured at its plant in Cave City, Arkansas, and jackets and certain specialty garments manufactured at its plant in Wilburton, Oklahoma. In September, 2000 the Company announced its plans to close its plant in Puerto Rico effective December, 2000. In July, 2000 the Company opened its new manufacturing plant in Ebano, San Luis Potosi, Mexico. The balance of the garments used in its programs are purchased from a variety of industry suppliers. While the Company currently acquires the raw materials with which it produces its garments from a limited number of suppliers, the Company believes that such materials are readily available from other sources. To date, the Company has experienced no significant difficulty in obtaining any of its raw materials or supplies.

EMPLOYEES

At August 26, 2000, the Company employed approximately 7,500 persons, about 6% of whom are represented by unions pursuant to six separate collective bargaining agreements. The Company considers its employee relations to be good.

EXECUTIVE OFFICERS

The executive officers of the Company are as follows:

NAME	AGE	POSITION
Aldo Croatti	82	Chairman of the Board
Ronald D. Croatti	57	President and Chief Executive Officer
Robert L. Croatti	64	Executive Vice President
John B. Bartlett	59	Senior Vice President and Chief Financial Officer
Cynthia Croatti	45	Treasurer
Bruce P. Boynton	52	Vice President, Operations
Dennis G. Assad	55	Vice President, Sales and Marketing

The principal occupation and positions for the past five years of the executive officers named above are as follows:

Aldo Croatti has been Chairman of the Board since the Company's incorporation in 1950 and of certain of its predecessors since 1940.

Ronald D. Croatti joined the Company in 1965. Mr. Croatti became Vice Chairman of the Board in 1986 and has served as Chief Executive Officer since 1991 and President since August 31, 1995. Mr. Croatti has overall responsibility for the management of the Company.

Robert L. Croatti joined the Company in 1959. Mr. Croatti has served as Executive Vice President since 1986 and has primary responsibility for overseeing the rental operations of the Company.

John B. Bartlett joined the Company in 1977. Mr. Bartlett has served as Senior Vice President and Chief Financial Officer since 1986 and has primary responsibility for overseeing the financial functions of the Company, as well as its human resources and information systems departments.

Cynthia Croatti joined the Company in 1980. Ms. Croatti has served as Treasurer since 1982 and has primary responsibility for overseeing the purchasing and direct sales functions of the Company.

Bruce P. Boynton joined the Company in 1976. Mr. Boynton has served as Vice President, Operations since 1986, is the chief operating officer for the Company's Canadian operations and has primary responsibility for overseeing the operations of certain regions in the United States.

Dennis G. Assad joined the Company in 1975. Mr. Assad has served as Vice President, Sales and Marketing since 1995 and has primary responsibility for overseeing the sales and marketing functions of the Company.

Ronald D. Croatti, Robert L. Croatti and Cynthia Croatti are a son, nephew and daughter, respectively, of Aldo Croatti.

ENVIRONMENTAL MATTERS

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. Further, 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.

In addition, the federal Environmental Protection Agency in 1998 proposed a federal environmental regulatory framework applicable to industrial laundry operations that would replace local regulations. In 1999, however, the Environmental Protection Agency issued a final ruling which declared that the proposed regulatory framework was not required for the industrial laundry industry.

The Company's nuclear garment decontamination facilities are licensed by the Nuclear Regulatory Commission, or in certain cases by the applicable state agency, and are subject to regulation by federal, state and local authorities. In recent years, there has been increased scrutiny and, in certain cases, regulation of nuclear facilities or related services that have resulted in the suspension of operations at certain nuclear facilities served by the Company or disruptions of the Company's ability to service such facilities. There can be no assurance that such increased scrutiny will not lead to the shut-down of such facilities or otherwise cause material disruptions in the Company's garment decontamination business.

ITEM 2. PROPERTIES

At August 26, 2000, the Company owned or occupied 149 facilities containing an aggregate of approximately 4.0 million square feet located in the United States, Canada, Mexico, Puerto Rico, Germany, and the Netherlands. These facilities include the Company's 320,000 square foot Owensboro, Kentucky distribution center (which the Company believes is one of the largest and most advanced garment distribution facilities in the industry), garment manufacturing plants in Ebano, San Luis Potosi, Mexico, Luquillo, Puerto Rico, Cave City, Arkansas and Wilburton, Oklahoma, and its many customer service locations. The Company owns 92 of these facilities containing approximately 3.4 million square feet. The Company believes that by owning its manufacturing facilities, it can produce custom garment programs for its larger customers, offer a diverse range of designs within its standard line of garments and better control the quality, price and speed at which it produces such garments. The Company also believes that its industrial laundry facilities are among the most modern in the industry.

The Company owns substantially all of the machinery and equipment used in its operations. In the opinion of the Company, all of its facilities and its production, cleaning and decontamination equipment have been well maintained, are in good condition and are adequate for the Company's present needs. The Company also owns and leases a fleet of approximately 1,925 delivery vans, trucks and other vehicles. The Company believes that these vehicles are in good repair and are adequate for the Company's present needs.

ITEM 3. LEGAL PROCEEDINGS

From time to time the Company is subject to legal proceedings and claims arising from the conduct of its business operations, including personal injury, customer contract, employment claims and environmental matters as described in Item 1 above. The Company maintains insurance coverage providing indemnification against the majority of such claims and management does not expect that any material loss to the Company will be sustained as a result thereof.

ITEM 4. SUBMISSION OF MATTERS TO VOTE OF SECURITY HOLDERS

None

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Incorporated by reference to the information provided as part of the Company's 2000 Annual Report to Shareholders.

ITEM 6. SELECTED FINANCIAL DATA

Incorporated by reference to the information provided under the caption "Eleven Year Financial Summary" which is incorporated herein by reference, as part of the Company's 2000 Annual Report to Shareholders.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Incorporated by reference to the information provided under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's 2000 Annual Report to Shareholders.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and the accompanying notes, which are incorporated herein by reference to the Company's 2000 Annual Report to Shareholders, are indexed herein under Items 14(a)(1) and (2) of Part IV.

ITEM 9. DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

Not applicable

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

Incorporated by reference to the information provided under the caption "Election of Directors" in the Company's Proxy Statement for its 2001 Annual Meeting of Shareholders.

ITEM 11. EXECUTIVE COMPENSATION

Incorporated by reference to the information provided under the caption "Summary Compensation Table" in the Company's Proxy Statement for its 2001 Annual Meeting of Shareholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Incorporated by reference to the information provided under the captions "Election of Directors" and "Security Ownership of Management and Principal Shareholders" in the Company's Proxy Statement for its 2001 Annual Meeting of Shareholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Incorporated by reference to the information provided under the caption "Certain Relationships and Related Transactions" in the Company's Proxy Statement for its 2001 Annual Meeting of Shareholders.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) The financial statements listed below are filed as part of this report:

1. and 2. FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES.

The financial statements and financial statement schedules listed below are incorporated herein by reference to the Company's 2000 Annual Report to Shareholders.

Consolidated balance sheets as of August 26, 2000 and August 28, 1999

Consolidated statements of income for each of the three years in the period ended August 26, 2000

Consolidated statements of shareholders' equity for each of the three years in the period ended August 26, 2000

Consolidated statements of cash flows for each of the three years in the period ended August 26, 2000

Notes to consolidated financial statements

Report of independent public accountants

The following additional schedules are filed herewith:

Report of independent public accountants on supplemental schedule to the consolidated financial statements.

Schedule II - Valuation and qualifying accounts and reserves for each of the three years in the period ended August 26, 2000.

Separate financial statements of the Company have been omitted because the Company is primarily an operating company and all subsidiaries included in the consolidated financial statements are totally held.

All other schedules have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the financial statements or the notes thereto.

3. EXHIBITS. The exhibits listed in the accompanying Exhibit Index are filed as part of this report.

b) During the three months ended August 26, 2000 the Company did not file any reports on Form 8-K with the Securities and Exchange Commission.

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.

UniFirst Corporation

By: /s/ Aldo Croatti

Aldo Croatti
Chairman

Date: November 27, 2000

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

NAME	TITLE	DATE
/s/ Aldo Croatti -------------------- Aldo Croatti	Chairman and Director	November 27, 2000
/s/ Ronald D. Croatti -------------------- Ronald D. Croatti	Principal Executive Officer and Director	November 27, 2000
/s/ John B. Bartlett -------------------- John B. Bartlett	Principal Financial Officer and Principal Accounting Officer	November 27, 2000
/s/ Cynthia Croatti -------------------- Cynthia Croatti	Director	November 27, 2000
/s/ Donald J. Evans -------------------- Donald J. Evans	Director	November 27, 2000

/s/ Reynold L. Hoover Reynold L. Hoover	Director	November 27, 2000
/s/ Albert Cohen Albert Cohen	Director	November 27, 2000

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON SUPPLEMENTAL SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS

To UniFirst Corporation:

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated financial statements included in this Form 10-K, and have issued our report thereon dated October 31, 2000. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedule to the consolidated financial statements listed as Item 14(a)(2) in the Form 10-K is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic consolidated financial statements. This supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly states, in all material respects, the financial data required to be set forth therein, in relation to the basic consolidated financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Boston, Massachusetts
October 31, 2000

UNIFIRST CORPORATION AND SUBSIDIARIES
SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS AND RESERVES FOR EACH OF THE THREE YEARS IN THE PERIOD ENDED AUGUST 26, 2000

Description	Balance, Beginning of Period	Charged to Costs and Expenses	Charges for Which Reserves Were Created	Balance, End of Period
FOR THE YEAR ENDED AUGUST 26, 2000				
Allowance for doubtful accounts	$2,979,000	$2,739,000	$(2,608,000)	$3,110,000
FOR THE YEAR ENDED AUGUST 28, 1999				
Allowance for doubtful accounts	$1,529,000	$3,231,000	$(1,781,000)	$2,979,000
FOR THE YEAR ENDED AUGUST 29, 1998				
Allowance for doubtful accounts	$1,299,000	$2,759,000	$(2,529,000)	$1,529,000

EXHIBIT INDEX

DESCRIPTION

3-A Restated Articles of Organization -- incorporated by reference to Exhibit 3-A to the Company's Registration Statement on Form S-1 (No. 2-83051) -- and the Articles of Amendment dated January 12, 1988, a copy of which was filed on an exhibit to the Company's Annual Report on Form 10-K for fiscal year ended August 27, 1988 -- and the Articles of Amendment dated January 21, 1993, a copy of which was filed on an exhibit to the Company's Quarterly Report on Form 10-Q for fiscal quarter ended February 27, 1993.

3-B By-laws -- incorporated by reference to Exhibit 3-B to the Company's Annual Report on Form 10-K for fiscal year ended August 31, 1991.

10-A UniFirst Corporation Profit Sharing Plan -- incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-8 (number 33-60781) -- and the Amendment dated June 27, 1995, a copy of which was filed on an exhibit to the Company's Annual Report on Form 10-K for fiscal year ended August 31, 1996.

10-D UniFirst Corporation 1996 Stock Incentive Plan, a copy of which was filed on an exhibit to the Company's Annual Report on Form 10-K for fiscal year ended August 31, 1996.

13 The Company's 2000 Annual Report to Shareholders (filed herewith to the extent expressly incorporated by reference herein).

21 List of Subsidiaries

23 Consent of Arthur Andersen LLP

27 Financial Data Schedule

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ELEVEN YEAR FINANCIAL SUMMARY   UniFirst Corporation and Subsidiaries

FISCAL YEAR ENDED AUGUST (In thousands, except ratios and per share data)

	2000	1999	1998	1997	1996	1995	1994	1993	1992
SUMMARY OF OPERATIONS									
Revenues	$528,726	$487,100	$448,052	$419,093	$391,794	$355,041	$318,039	$287,728	$268,190
Earnings before interest, taxes, depreciation and amortization (EBITDA)	73,954	83,471	80,804	70,387	61,729	53,725	50,369	47,199	42,010
Depreciation and amortization	34,710	31,724	26,629	23,386	20,814	19,194	17,912	16,454	15,999
Income from operations	39,244	51,747	54,175	47,001	40,915	34,531	32,457	30,745	26,011
Interest expense (income), net	7,200	4,841	2,316	2,118	2,398	2,787	2,513	2,669	4,098
Provision for income taxes	12,176	22,800	18,669	16,160	13,855	11,110	11,073	10,387	7,570
Net income	19,868	24,106	33,190	28,723	24,662	20,634	18,871	17,689	14,343*
FINANCIAL POSITION AT YEAR END									
Total assets	$500,150	$465,627	$376,130	$339,626	$302,378	$272,691	$250,160	$219,064	$212,097
Long-term obligations	126,638	113,105	47,149	40,837	39,365	36,376	41,602	32,231	47,641
Shareholders' equity	271,172	257,433	246,374	217,192	191,109	168,596	149,472	132,723	117,329
FINANCIAL RATIOS									
Net income as a % of revenues	3.8%	4.9%	7.4%	6.9%	6.3%	5.8%	5.9%	6.1%	5.3%
Return on average shareholders' equity	7.5%	9.6%	14.3%	14.1%	13.7%	13.0%	13.4%	14.1%	12.9%
Weighted average number of shares outstanding	19,670	20,438	20,511	20,511	20,511	20,511	20,506	20,453	20,451
PER SHARE DATA									
Revenues	$ 26.88	$ 23.83	$ 21.84	$ 20.43	$ 19.10	$ 17.31	$ 15.51	$ 14.07	$ 13.11
Earnings before interest, taxes, depreciation and amortization (EBITDA)	3.76	4.08	3.94	3.43	3.01	2.62	2.46	2.31	2.05
Net Income - Diluted	1.01	1.18	1.62	1.40	1.20	1.01	0.92	0.86	0.67
Shareholders' equity	13.79	12.60	12.01	10.59	9.32	8.22	7.29	6.49	5.74
Dividends Common stock	.15	.14	.12	.12	.11	.10	.10	.10	.06
Class B common stock	.12	.11	.10	.10	.09	.08	.08	.04	--

	1991	1990
SUMMARY OF OPERATIONS		
Revenues	$250,432	$226,682
Earnings before interest, taxes, depreciation and amortization (EBITDA)	38,562	38,749

Depreciation and amortization	14,229	12,422
Income from operations	24,333	26,327
Interest expense (income), net	4,320	3,513
Provision for income taxes	6,803	8,516
Net income	13,210	14,298

FINANCIAL POSITION AT YEAR END

Total assets	$204,398	$189,411
Long-term obligations	52,032	53,134
Shareholders' equity	105,888	93,739

FINANCIAL RATIOS

Net income as a % of revenues	5.3%	6.3%
Return on average shareholders' equity	13.2%	16.4%

Weighted average number of shares outstanding	20,426	20,431

PER SHARE DATA

Revenues	$ 12.26	$ 11.09
Earnings before interest, taxes, depreciation and amortization (EBITDA)	1.89	1.90
Net Income - Diluted	0.63	0.67
Shareholders' equity	5.18	4.59
Dividends		
Common stock	.06	.06
Class B common stock	--	--

Per share amounts for all years have been restated to reflect a two-for-one stock split declared by the Board of Directors on November 18, 1993.

* Amount reflects income before extraordinary item and accounting change. Net income was $12,923.

Year Ended (In thousands, except per share data)	August 26, 2000	August 28, 1999	August 29, 1998
Revenues	$ 528,726	$ 487,100	$ 448,052
Cost and expenses:			
Operating costs	336,324	294,517	269,660
Selling and administrative expenses	118,448	109,112	97,588
Depreciation and amortization	34,710	31,724	26,629
	489,482	435,353	393,877
Income from operations	39,244	51,747	54,175
Interest expense (income):			
Interest expense	7,459	4,990	2,613
Interest income	(259)	(149)	(297)
	7,200	4,841	2,316
Income before income taxes	32,044	46,906	51,859
Provision for income taxes	12,176	22,800	18,669
Net income	$ 19,868	$ 24,106	$ 33,190
Weighted average number of shares outstanding - diluted	19,670	20,438	20,511
Net income per share - diluted	$ 1.01	$ 1.18	$ 1.62
Dividends per share:			
Common stock	$ 0.15	$ 0.14	$ 0.12
Class B common stock	0.12	0.11	0.10

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

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CONSOLIDATED BALANCE SHEETS UniFirst Corporation and Subsidiaries

(In thousands, except per share data)	August 26, 2000	August 28, 1999

ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,137	$ 2,912
Receivables, less reserves of $3,110 in 2000 and $2,979 in 1999	54,015	51,786
Inventories	27,598	27,194
Rental merchandise in service	59,256	55,631
Prepaid expenses	299	199
Total current assets	148,305	137,722
Property and equipment:		
Land, buildings and leasehold improvements	194,619	174,979
Machinery and equipment	205,883	190,722
Motor vehicles	53,535	49,396
	454,037	415,097
Less - accumulated depreciation	191,704	172,912
	262,333	242,185
Other assets, net	89,512	85,720
	$ 500,150	$ 465,627
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term obligations	$ 1,903	$ 1,911
Notes payable	1,118	2,331
Accounts payable	19,718	17,659
Accrued liabilities	47,170	46,659
Accrued and deferred income taxes	12,294	7,754
Total current liabilities	82,203	76,314
Long-term obligations, net of current maturities	124,735	111,194
Deferred income taxes	22,040	20,686
Commitments and Contingencies (Note 8)		
Shareholders' equity:		
Preferred stock, $1.00 par value; 2,000,000 shares authorized; none issued	--	--
Common stock, $.10 par value; 30,000,000 shares authorized; issued 10,499,634 shares in 2000 and 10,499,634 shares in 1999	1,050	1,050
Class B common stock, $.10 par value; 20,000,000 shares authorized; issued and outstanding 10,255,744 shares in 2000 and 10,255,744 shares in 1999	1,026	1,026
Treasury stock, 1,091,500 shares in 2000 and 857,500 shares in 1999, at cost	(20,049)	(16,583)
Capital surplus	12,438	12,438
Retained earnings	278,676	261,450
Accumulated other comprehensive loss	(1,969)	(1,948)
Total shareholders' equity	271,172	257,433
	$ 500,150	$ 465,627

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

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY UniFirst Corporation and Subsidiaries

Class B Class B

(In thousands)	Common Shares	Common Shares	Treasury Shares	Common Stock	Common Stock	Treasury Stock
Balance, August 30, 1997	7,899	12,612	--	$ 790	$ 1,261	--
Net income	--	--	--	--	--	--
Dividends	--	--	--	--	--	--
Shares converted	2,318	(2,318)	--	232	(232)	--
Foreign Currency translation adjustments	--	--	--	--	--	--
Balance, August 29, 1998	10,217	10,294	--	1,022	1,029	--
Net income	--	--	--	--	--	--
Dividends	--	--	--	--	--	--
Shares issued in connection with an acquisition	245	--	--	25	--	--
Shares converted	38	(38)	--	3	(3)	--
Shares repurchased	--	--	(858)	--	--	(16,583)
Foreign Currency translation adjustments	--	--	--	--	--	--
Balance, August 28, 1999	10,500	10,256	(858)	1,050	1,026	(16,583)
Net income	--	--	--	--	--	--
Dividends	--	--	--	--	--	--
Shares repurchased	--	--	(234)	--	--	(3,466)
Foreign Currency translation adjustments	--	--	--	--	--	--
Balance, August 26, 2000	10,500	10,256	(1,092)	$ 1,050	$ 1,026	$ (20,049)

(In thousands)	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Loss
Balance, August 30, 1997	$ 7,078	$ 208,949	$ (886)
Net income	--	33,190	--
Dividends	--	(2,187)	--
Shares converted	--	--	--
Foreign Currency translation adjustments	--	--	(1,821)
Balance, August 29, 1998	7,078	239,952	(2,707)
Net income	--	24,106	--
Dividends	--	(2,608)	--
Shares issued in connection with an acquisition	5,360	--	--
Shares converted	--	--	--
Shares repurchased	--	--	--
Foreign Currency translation adjustments	--	--	759
Balance, August 28, 1999	12,438	261,450	(1,948)
Net income	--	19,868	--
Dividends	--	(2,642)	--
Shares repurchased	--	--	--
Foreign Currency translation adjustments	--	--	(21)
Balance, August 26, 2000	$ 12,438	$ 278,676	$ (1,969)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS   UniFirst Corporation and Subsidiaries

Year Ended (In thousands)	August 26, 2000	August 28, 1999	August 29, 1998
Cash flows from operating activities:			
Net income	$ 19,868	$ 24,106	$ 33,190
Adjustments:			
Depreciation	28,042	25,923	22,074
Amortization of other assets	6,668	5,801	4,555
Changes in assets and liabilities, net of acquisitions:			
Receivables	(2,220)	(5,639)	(2,691)
Inventories	491	3,717	(4,684)
Rental merchandise in service	(3,492)	(7,957)	(2,627)
Prepaid expenses	(100)	41	(41)
Accounts payable	1,981	2,290	1,022
Accrued liabilities	509	1,235	(416)
Accrued and deferred income taxes	4,537	5,134	83
Deferred income taxes	1,352	2,257	1,302
Net cash provided by operating activities	57,636	56,908	51,767
Cash flows from investing activities:			
Acquisition of businesses, net of cash acquired	(6,783)	(53,782)	(7,470)
Capital expenditures	(46,714)	(45,083)	(43,052)
Increase in other assets	(5,032)	(4,928)	(3,479)
Net cash used in investing activities	(58,529)	(103,793)	(54,001)
Cash flows from financing activities:			
Increase in debt	15,509	67,284	7,405
Reduction of debt	(4,283)	(3,626)	(1,708)
Repurchase of common stock	(3,466)	(16,583)	--
Cash dividends	(2,642)	(2,608)	(2,187)
Net cash provided by financing activities	5,118	44,467	3,510
Net increase (decrease) in cash and cash equivalents	4,225	(2,418)	1,276
Cash and cash equivalents at beginning of year	2,912	5,330	4,054
Cash and cash equivalents at end of year	$ 7,137	$ 2,912	$ 5,330
Supplemental disclosure of cash flow information:			
Interest paid	$ 7,745	$ 4,355	$ 2,613
Income taxes paid	6,282	15,246	17,445

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

(Amounts in thousands, except per share data)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BUSINESS DESCRIPTION

UniFirst Corporation is a leading company in the garment service business. The Company designs, manufactures, personalizes, rents, cleans, delivers and sells a variety of superior quality occupational garments, career apparel and imagewear programs to businesses of all kinds. It also services industrial wiper towels, floor mats and other non-garment items. The Company also decontaminates and cleans, in separate facilities, garments which may have been exposed to radioactive materials.

PRINCIPLES OF CONSOLIDATION AND OTHER

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. The Company recognizes revenues when the actual services are provided to customers.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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.

FISCAL YEAR

The Company's fiscal year ends on the last Saturday in August. For financial reporting purposes, fiscal 2000, 1999 and 1998 all had a 52-week year.

INVENTORIES

Inventories are stated at the lower of cost or market value. The Company uses the last-in, first-out (LIFO) method to value a significant portion of its inventories. Had the Company used the first-in, first-out (FIFO) accounting method, inventories would have been approximately $1,489 and $1,356 higher at August 26, 2000 and August 28, 1999, respectively.

RENTAL MERCHANDISE IN SERVICE

Rental merchandise in service, stated at cost less amortization, is being amortized on a straight-line basis over the estimated service lives (primarily 15 months) of the merchandise. In July 1998, the Company changed the estimated service lives and related amortization periods for rental merchandise in service, from primarily 12 months to primarily 15 months, which is more consistent with their respective useful lives.

PROPERTY AND EQUIPMENT

The Company provides for depreciation on 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

AMORTIZATION OF INTANGIBLE ASSETS

Customer contracts are amortized over periods of eight to seventeen years. Restrictive covenants are amortized over the terms of the respective non-competition agreements, which range from five to fifteen years. Goodwill is amortized over periods of thirty to forty years.

INCOME TAXES

Deferred income taxes are provided for temporary differences between amounts recognized for income tax and financial reporting purposes at currently enacted tax rates.

EARNINGS PER SHARE

Basic and diluted earnings per share (EPS) are computed in accordance with

Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share". SFAS 128 requires basic EPS, for companies having two classes of common stock with different dividend rights, to be calculated under the "two-class method". The two-class method allocates income to the different classes of stock based on their respective dividend rights and uses the weighted average shares outstanding for each class of common stock to determine basic EPS by class. Basic EPS under the two-class method for Common Stock was $1.13, $1.31 and $1.82 for fiscal years 2000, 1999 and 1998, respectively. Basic EPS under the two-class method for Class B Common Stock was $.90, $1.05 and $1.46 for fiscal years 2000, 1999 and 1998, respectively. Diluted EPS has been calculated under the if-converted method, which assumes Class B Common Stock has been converted to Common Stock.

CASH AND CASH EQUIVALENTS

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

2. ACQUISITIONS

Information relating to the acquisition of businesses which were accounted for as purchases is as follows:

Year ended	August 26, 2000	August 28, 1999	August 29, 1998
Fair value of tangible assets acquired	$ 2,310	$ 26,927	$ 3,715
Fair value of intangible assets acquired	5,568	35,990	3,790
Liabilities assumed or created	(1,095)	(3,750)	(35)
Common stock issued (244,770 shares in 1999)	--	(5,385)	--
Acquisition of businesses, net of cash acquired	$ 6,783	$ 53,782	$ 7,470

The results of operations of these acquisitions have been included on the Company's consolidated financial statements since their respective acquisition dates. None of these acquisitions were significant, individually or in the aggregate, in relation to the Company's consolidated financial statements and therefore pro forma financial information has not been presented.

3. INCOME TAXES

The provision for income taxes consists of the following:

Year ended	August 26, 2000	August 28, 1999	August 29, 1998
Current:			
Federal and Foreign	$ 15,402	$ 12,463	$ 18,328
State	2,158	(102)	3,033
	17,560	12,361	21,361
Deferred:			
Federal and Foreign	(4,798)	8,777	(1,875)

State	(586)	1,662	(817)
	(5,384)	10,439	(2,692)
	$ 12,176	$ 22,800	$ 18,669

The following table reconciles the provision for income taxes using the statutory federal income tax rate to the actual provision for income taxes:

Year ended	August 26, 2000	August 28, 1999	August 29, 1998
Income taxes at the statutory federal income tax rate	$ 11,215	$ 16,417	$ 18,151
Puerto Rico exempt income	(680)	(652)	(1,062)
Corporate-Owned Life Insurance	--	5,500	(850)
State income taxes	986	798	1,434
Foreign income taxes	289	176	265
Other	366	561	731
	$ 12,176	$ 22,800	$ 18,669

The Company's Puerto Rico subsidiary's income is 90% exempt from Puerto Rico income taxes through 2001. The Company provides for anticipated tollgate taxes on the repatriation of the subsidiary's accumulated earnings.

The tax effect of items giving rise to the Company's net deferred tax liabilities are as follows:

	August 26, 2000	August 28, 1999	August 29, 1998
Rental merchandise in service	$ 21,599	$ 20,234	$ 15,470
Tax in excess of book depreciation	19,244	16,662	15,713
Accruals and other	(17,358)	(8,027)	(12,753)
	$ 23,485	$ 28,869	$ 18,430

4. LONG-TERM OBLIGATIONS

Long-term obligations outstanding on the accompanying consolidated balance sheets are as follows:

	August 26, 2000	August 28, 1999
Unsecured revolving credit agreement with a syndicate of banks, interest rates of 8.15% and 5.82%, respectively	$119,000	$105,500

Notes payable, interest from 4.0% - 8.0%, payable in various installments through 2007	5,815	4,963
Amounts due for restrictive covenants and other, payable in various installments through 2005	1,823	2,642
	126,638	113,105
Less - current maturities	1,903	1,911
	$124,735	$111,194

Aggregate current maturities of long-term obligations for each of the next five years are $1,903, $1,249, $120,033, $2,254, $378 and $821 thereafter.

The Company's unsecured revolving credit agreement runs through August 15, 2003. As of August 26, 2000, the maximum line of credit was $170,000.

In 2000 the Company entered into an interest rate swap agreement with a bank, notional amount $40,000 maturing October 13, 2004. The Company pays a fixed rate of 6.38% and receives a variable rate tied to the LIBOR rate. As of August 26, 2000 the variable rate was 6.73%.

Certain of the long-term obligations contain, among other things, provisions regarding net worth and debt coverage. Under the most restrictive of these provisions, the Company was required to maintain minimum consolidated tangible net worth of $164,787 as of August 26, 2000. Certain notes payable are guaranteed or secured by assets of the Company.

As of August 26, 2000 and August 28, 1999, the fair market values of the Company's outstanding debt and swap agreement approximate their carrying value.

5. EMPLOYEE BENEFIT PLANS

The Company has a profit sharing 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 were $4,404 in 2000, $4,100 in 1999 and $5,649 in 1998.

Some employees under collective bargaining agreements are covered by union-sponsored multi-employer pension plans. Company contributions, generally based upon hours worked, are in accordance with negotiated labor contracts. Payments to the plans amounted to $419 in 2000, $404 in 1999 and $389 in 1998. Information is not readily available for the Company to determine its share of unfunded vested benefits, if any, under these plans.

6. OTHER ASSETS

Other assets on the accompanying consolidated balance sheets are as follows:

	August 26, 2000	August 28, 1999
Customer contracts, restrictive covenants and other assets arising from acquisitions, less accumulated amortization of $32,728 and $27,807, respectively	$28,075	$30,104
Goodwill, less accumulated		

amortization of $7,238 and $5,496, respectively	56,007	50,246
Other	5,430	5,370
	$89,512	$85,720

7. ACCRUED LIABILITIES

Accrued liabilities on the accompanying consolidated balance sheets are as follows:

	August 26, 2000	August 28, 1999
Insurance	$19,815	$18,245
Payroll related	12,025	15,090
Other	15,330	13,324
	$47,170	$46,659

8. COMMITMENTS AND CONTINGENCIES

LEASE COMMITMENTS

The Company leases certain buildings from independent parties. Total rent expense on all leases was $3,542 in 2000, $3,027 in 1999 and $2,685 in 1998. Annual minimum lease commitments for all years subsequent to August 26, 2000 are $2,760 in 2001, $2,101 in 2002, $1,418 in 2003, $848 in 2004, $464 in 2005 and $182 thereafter.

CONTINGENCIES

The Company and its subsidiaries are subject to legal proceedings and claims arising from the conduct of their business operations, including personal injury, customer contract, employment claims and environmental matters. In the opinion of management, such proceedings and claims are not likely to result in losses which would have a material adverse effect upon the financial position or results of operations of the Company.

As security for certain agreements, the Company had standby irrevocable bank commercial letters of credit and mortgages of $17,203 and $16,326 outstanding as of August 26, 2000 and August 28, 1999, respectively.

9. COMMON STOCK OPTIONS

The Company adopted an incentive stock option plan in November, 1996 and reserved 150,000 shares of common stock for issue under the plan. Options granted under the plan are at a price equal to the fair market value of the Company's common stock on the date of grant and expire eight years after the grant date. Each option is subject to a proportional four-year vesting schedule with no options generally being vested or exercisable until one year from date of grant. Options for 57,000 shares at $15.125 per share and 1,000 shares at $11.875 per share were granted in 2000. As of August 26, 2000, none of the options were exercisable and options to purchase 2,200 shares were forfeited.

The Company accounts for the stock option plan under Accounting Principles Board No. 25, under which no compensation cost has been recognized related to stock option grants. Had compensation cost for this plan been determined consistent with SFAS No. 123, "Accounting for Stock-Based Compensation", the Company's net income and earnings per share would have been reduced to the following pro forma amounts:

NET INCOME:	2000

As reported	$ 19,868
Pro forma	19,782

EARNINGS PER SHARE:

As reported	$ 1.01
Pro forma	1.01

Due to the fact that no options were granted prior to August 28, 1999, there was no impact on the net income and earnings per share for the years ending August 29, 1998 and August 28, 1999. A summary of the status for all outstanding options at August 26, 2000 and changes during the years then ended is presented in the table below:

Balance August 28, 1999	0
Granted	58,000
Exercised	0
Forfeited	2,200
Balance August 26, 2000	55,800
Exercisable at August 26, 2000	0

The 55,800 options outstanding at August 26, 2000 have a remaining weighted average contractual life of approximately seven years.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for grants in 2000: weighted average risk-free interest rate of 6.34 percent; weighted average expected lives of seven years; and expected volatility of 10%.

10. SHAREHOLDERS' EQUITY

The significant attributes of each type of stock are as follows:

Common stock -- Each share is entitled to one vote and is freely transferable. Each share of common stock is entitled to a cash dividend equal to 125% of any cash dividend paid on each share of Class B common stock.

Class B common stock -- Each share is entitled to ten votes and can be converted to common stock on a share-for-share basis. Until converted to common stock, however, Class B shares are not freely transferable.

11. COMPREHENSIVE INCOME

In the first quarter of fiscal 1999, The Company adopted Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income". SFAS 130 established new rules for the reporting and display of comprehensive income and its components. The adoption of this SFAS 130 had no impact on the Company's net income or shareholders' equity, but it requires the Company's foreign currency translation adjustment, which prior to adoption was reported separately in shareholders' equity, to be included in accumulated other comprehensive income. The components of comprehensive income for the years ended August 26, 2000 and August 28, 1999 were as follows:

	August 26, 2000	August 28, 1999
Net income	$ 19,868	$ 24,106
Other comprehensive income:		
Foreign currency translation adjustments	(21)	759
Comprehensive income	$ 19,847	$ 24,865

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(continued)

12. SEGMENT REPORTING

In fiscal 1999, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 131, "Disclosures about Segments of an Enterprise and Related Information". SFAS 131 established new rules for public companies relating to the reporting of financial and descriptive information about their operating segments in financial statements. Since the Company operates as a single business segment, that being the design, rental, cleaning and delivery of occupational garments, industrial wiper towels, floor mats and other non-garment items, which represent more than 90% of consolidated net sales, the disclosure of segment information is reflected in the financial statements contained herein. UniFirst also has activities in Canada, which do not meet the thresholds outlined in SFAS 131.

13. NEW ACCOUNTING STANDARDS

In June of 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities". This statement established accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts and for hedging activities) be recorded in the balance sheet as either as asset or liability measured at its fair value. SFAS No. 133 requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedging accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. SFAS 133 is effective for fiscal years beginning after June 15, 2000.

In June 2000, the FASB issued SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities-Deferral of the Effective Date of FASB No. 133", which defers for one year the effective date of SFAS No. 133. The Company has not determined the timing of adoption, but does not anticipate the adoption of this new standard to have a material impact on the Company's financial position or results of operations.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements," ("SAB 101"), which is required to be adopted in the fourth quarter of fiscal years beginning after December 15, 1999. SAB 101 sets forth certain criteria, including the existence of persuasive evidence of an arrangement, which must be met in order that revenue be recognized. The Company anticipates that the adoption of SAB 101 will not have a significant effect on the financial condition or results of operations of the Company.

In March 2000, the FASB issued FASB Interpretation No. 44, "Accounting for Certain Transactions involving Stock Compensation, and Interpretation of APB Opinion No. 25" ("FIN 44"). FIN 44 clarifies the application of Accounting Principles Board ("APB") Opinion No. 25 and among other issues clarifies the following: the definition of an employee for purposes of applying APB Opinion No. 25; the criteria for determining whether a plan qualifies as a noncompensatory plan; the accounting consequences of various modifications to the terms of previously fixed stock options or awards; and the accounting for an exchange of stock compensation awards in a business combination. FIN 44 was effective July 1, 2000, but certain conclusions in FIN 44 cover specific events that occurred after either December 15, 1998 or January 12, 2000. Since adoption, the application of FIN 44 has not had a significant effect on the financial condition or results of operations of the Company.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To UniFirst Corporation:

We have audited the accompanying consolidated balance sheets of UniFirst Corporation (a Massachusetts corporation) and subsidiaries as of August 26, 2000 and August 28, 1999 and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended August 26, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UniFirst Corporation and subsidiaries as of August 26, 2000 and August 28, 1999 and the results of its operations and its cash flows for each of the three years in the period ended August 26, 2000, in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP
Boston, Massachusetts
October 31, 2000

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
UniFirst Corporation and Subsidiaries

FISCAL YEAR ENDED AUGUST 26, 2000
COMPARED WITH FISCAL YEAR ENDED AUGUST 28, 1999

Revenues. In 2000, revenues increased 8.5% to $528.7 million as compared with $487.1 million for 1999. This increase can be attributed to growth from existing operations (4.2%), acquisitions (3.3%) and price increases (1.0%). Growth from existing operations was primarily from the conventional uniform rental business (3.9%) and from the nuclear garment services business (0.3%). The increase in revenues from acquisitions resulted from seven acquisitions made in fiscal 1999 and two acquisitions made fiscal 2000.

Operating Costs. Operating costs increased to $336.3 million for 2000 as compared with $294.5 million for 1999 as a result of costs associated with increased revenues. As a percentage of revenues, operating costs increased to 63.6% from 60.5% for these periods. The primary reason for the increase in operating costs as a percentage of revenues was the negative impact from a comparative year-to-year increase in merchandise expense. Last year the Company realized a benefit compared to this year due to a change made effective July, 1998 in the estimated lives and related amortization periods for rental merchandise in service, from primarily 12 months to primarily 15 months, which is more consistent with their respective useful lives (although the Company believes its principal publicly-held competitors amortize their garments over an average of 15 to 18 months). Other operating cost increases were attributable to integrating last year's acquisitions, primarily Standard Management and higher labor, fuel and energy costs. There was also lower contribution from the nuclear garment services business.

Selling and Administrative Expenses. The Company's selling and administrative expenses increased to $118.4 million for 2000 as compared with $109.1 million for 1999, primarily due to increased costs to support the Company's current and future revenue growth.

Selling and administrative expenses as a percentage of revenue was 22.4% in both periods.

Depreciation and Amortization. The Company's depreciation and amortization expense increased to $34.7 million, or 6.6% of revenues, for 2000 as compared with $31.7 million, or 6.5% of revenues, for 1999. This increase was due primarily to increased amortization costs due to acquisitions.

Net Interest Expense. Net interest expense was $7.2 million, or 1.4% of revenues, for 2000 as compared to $4.8 million, or 1.0% of revenues, for 1999. The increase is primarily attributable to higher debt levels in 2000.

Income Taxes. The Company's effective income tax rate was 38.0% in 2000 and 48.6% in 1999. The decrease is due primarily to the special $5.5 million tax reserve provided in the fourth quarter of 1999, as explained in the 1999 compared to 1998 discussion below.

FISCAL YEAR ENDED AUGUST 28, 1999
COMPARED WITH FISCAL YEAR ENDED AUGUST 29, 1998

Revenues. In 1999 revenues increased 8.7% to $487.1 million as compared with $448.1 million for 1998. This increase can be attributed to growth from existing operations (3.7%), acquisitions (4.0%) and price increases (1.0%). Growth from existing operations was primarily from the conventional uniform rental business (3.4%) and from the nuclear garment services business (0.3%). The increase in revenues from acquisitions resulted from one acquisition made in fiscal 1998 (in Alabama in June 1998) and seven acquisitions made in fiscal 1999 (one in Wisconsin and one in Mississippi, both in October 1998, one in New England and North Carolina in December 1998, one in Nevada in January 1999, another in Wisconsin in April 1999 and one in Massachusetts and one in Missouri, both in July 1999).

Operating Costs. Operating costs increased to $294.5 million for 1999 as compared with $269.7 million for 1998 as a result of costs associated with increased revenues. As a percentage of revenues, operating costs increased to 60.5% from 60.2% for these periods. The increase in operating costs as a percentage of revenues was primarily due to increased labor costs and other operating margin pressures, due primarily to acquisitions. These increases were offset somewhat by the benefit resulting from the change in estimated service lives and related amortization periods for rental merchandise in service, as explained in note one and in the 2000 compared to 1999 section above.

Selling and Administrative Expenses. The Company's selling and administrative expenses increased to $109.1 million, or 22.4% of revenues, for 1999 as compared with $97.6 million, or 21.8% of revenues for 1998. This increase was due primarily to increased costs for professional sales training, national, catalog and internet sales to support the Company's current and future revenue growth. The Company also incurred increased costs to upgrade its Information Systems.

Depreciation and Amortization. The Company's depreciation and amortization expense increased to $31.7 million, or 6.5% of revenues, for 1999 as compared with $26.6 million, or 5.9% of revenues, for 1998. This increase was due primarily to increased capital expenditures for the Company's new distribution center in Owensboro, KY, information systems hardware and software to upgrade certain Company-wide systems and increased amortization costs due to acquisitions.

Net Interest Expense. Net interest expense was $4.8 million, or 1.0% of revenues, for 1999 as compared to $2.3 million, or 0.5% of revenues, for 1998. The increase is primarily attributable to higher debt levels in 1999.

Income Taxes. The Company's effective income tax rate was 48.6% in 1999 and 36% in 1998. The increase is due primarily to a $5.5 million tax reserve provided in the fourth quarter of 1999 due to a decision by a tax court in the case of a national business regarding the deductibility of interest on its leveraged corporate owned life insurance (COLI) program. Although this ruling will be appealed, the Company has a similar program and provided a reserve for this potential liability. Without this $5.5 million reserve, the Company's effective income tax rate would have been 36.9% in 1999.

LIQUIDITY AND CAPITAL RESOURCES

Shareholders' equity at August 26, 2000 was $271.2 million, or 68.2% of total capitalization.

Net cash provided by operating activities was $57.6 million in fiscal 2000 and totaled $166.3 million for the three years ended August 26, 2000. These cash flows, along with net additional borrowings of $80.6 million, were used primarily to fund $134.8 million in capital expenditures to expand and update Company facilities, including construction of new facilities in 2000 in Ebano, San Luis Potosi, Mexico; Detroit, Michigan and Seattle, Washington and significant building additions in Nashua, NH; Pittsburgh, PA and Dallas, TX. Additionally, $68.0 million was used for acquisitions during this three year period and $20.0 million was used to repurchase 1.1 million shares of the Company's common stock.

The Company had $7.1 million in cash and $34.8 million available on its $170 million unsecured line of credit with a syndicate of banks as of August 26, 2000. The Company believes its generated cash from operations and its borrowing capacity will adequately cover its foreseeable capital requirements.

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

Inflation has had the effect of increasing the reported amounts of the Company's revenues and costs. The Company uses the last-in, first-out (LIFO) method to value a significant portion of inventories. This method tends to reduce the amount of income due to inflation included in the Company's results of operations. The Company believes that, through increases in its prices and productivity improvements, it has been able to recover increases in costs and expenses attributable to inflation.

SAFE HARBOR FOR FORWARD LOOKING STATEMENTS

Forward looking statements contained in this annual 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 relating to the centralization of certain of the Company's operations at its Owensboro, KY distribution facility, uncertainties regarding the transfer of the Company's manufacturing facilities to new facilities in Mexico, 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, control of the Company by the Croatti family and general economic conditions. When used in this annual 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.

QUANTITATIVE AND QUALITATIVE DISCLOSURE 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, while income and expense accounts are translated at average exchange rates during the year. As such, the Company's operating results are affected by fluctuations in the value of the U.S. dollar as compared to currencies in foreign countries, as a result of the Company's transactions in these foreign markets. The Company does not operate a hedging program to mitigate the effect of a significant rapid change in the value of the Dutch Guilder or the Canadian Dollar as compared to the U.S. dollar. If such a change did occur, the Company would have to take into account a currency exchange gain or loss in the amount of the change in the U.S. dollar denominated balance of the amounts outstanding at the time of such change. While the Company does not believe such a gain or loss is likely and would not likely be material, there can be no assurance that such a loss would not have an adverse material effect on the Company's results of operations or financial condition.

INTEREST RATE RISK

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 does not use financial instruments for trading or other speculative purposes and is not party to any leveraged financial instruments.

The Company is exposed to interest rate risk primarily through its borrowings under its $170 million unsecured line of credit with a syndicate of banks. Under the line of credit, the Company may borrow funds at variable interest rates based on the Eurodollar rate or the bank's money market rate, as selected by the Company.

QUARTERLY FINANCIAL DATA (UNAUDITED)

The following is a summary of the results of operations for each of the quarters within the years ended August 26, 2000 and August 28, 1999.

(In thousands, except per share data)

2000	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$131,790	$130,283	$134,497	$132,156
Income before income taxes	8,807	6,363	8,869	8,005
Net income	5,460	3,945	5,499	4,964
Weighted average shares outstanding	19,690	19,664	19,664	19,664
Net income per share	$ 0.28	$ 0.20	$ 0.28	$ 0.25

1999	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$116,335	$120,066	$125,661	$125,038
Income before income taxes	14,946	10,887	12,264	8,809
Net income	9,416	6,859	7,726	105
Weighted average shares outstanding	20,511	20,691	20,320	20,098
Net income per share	$0.46	$0.33	$0.38	$0.01

Common Stock Prices and Dividends Per Share for the Years Ended August 26, 2000 and August 28, 1999:

	Price Per Share		Dividends Per Share	
2000	High	Low	Class B Common Stock	Common Stock
First Quarter	$15.875	$10.188	$ 0.030	$0.0375
Second Quarter	15.313	10.250	0.030	0.0375
Third Quarter	11.750	8.000	0.030	0.0375
Fourth Quarter	11.125	7.438	0.030	0.0375
1999				
First Quarter	$28.750	$20.000	$ 0.024	$0.0300
Second Quarter	26.625	21.188	0.030	0.0375
Third Quarter	22.625	16.563	0.030	0.0375
Fourth Quarter	18.500	15.500	0.030	0.0375

The Company's common shares are traded on the New York Stock Exchange (NYSE Symbol: UNF).

The approximate number of shareholders of record of the Company's common stock and Class B common stock as of October 31, 2000 were 148 and 21 respectively.

Exhibit 21

List of subsidiaries of the Company:

UniTech Services Group, Inc.
Interstate Uniform Manufacturing of Puerto Rico, Inc.
Superior Products & Equipment Co., Inc.
UniFirst Canada Ltd.
UniFirst Holdings, L.P.
UTWO Corporation
UR Corporation
UONE Corporation
Euro Nuclear Services B.V.
ENS Nuklear Services, GmbH
Durawear Manufacturing Corp.
Staple Manufacturing Corp.
UniFirst S.A. de C.V.
Uniformes de San Luis S.A. de C.V.
RC Air, LLC

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports dated October 31, 2000 incorporated by reference or included in this Form 10-K, into the Company's previously filed Registration Statements, File Numbers 33-60781 and 333-96097.

ARTHUR ANDERSEN LLP

Boston, Massachusetts
November 22, 2000

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF UNIFIRST CORPORATION FOR THE FISCAL YEAR ENDED AUGUST 26, 2000, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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