

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 quarter ended
November 26, 1994

Commission File
Number 1-8504

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

Massachusetts
(State of Incorporation)

04-2103460
(IRS Employer Identification Number)

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

Registrant's telephone number, including area code: (508) 658-8888

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 preceeding 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

The number of outstanding shares of the registrant's Common Stock and Class B Common Stock as of January 4, 1995 were 7,886,644 and 12,623,964 respectively.

PART 1 - FINANCIAL INFORMATION

FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES
CONDENSED BALANCE SHEETS
(unaudited)

November 26, August 27, November 27
1994 1994* 1993

Assets			
Current assets:			
Cash	\$ 4,854,000	\$ 4,120,000	\$ 1,780,000
Receivables	34,337,000	30,044,000	28,674,000
Inventories	16,636,000	15,409,000	11,277,000
Rental merchandise in service	33,176,000	30,577,000	28,773,000
Prepaid expenses	168,000	109,000	109,000

Total current assets	89,171,000	80,259,000	70,613,000

Property and equipment:			
Land, buildings and leasehold improvements	104,134,000	101,374,000	96,659,000
Machinery and equipment	103,872,000	99,955,000	89,262,000
Motor vehicles	26,709,000	26,237,000	22,332,000

	234,715,000	227,566,000	208,253,000
Less - accumulated depreciation	94,462,000	89,554,000	78,289,000

	140,253,000	138,012,000	129,964,000

Other assets	36,126,000	31,889,000	29,175,000

	\$265,550,000	\$250,160,000	\$229,752,000
=====			
Liabilities and Shareholders' Equity			
Current liabilities:			
Current maturities of long-term obligations	\$ 6,933,000	\$ 6,874,000	\$ 6,570,000
Notes payable	--	448,000	138,000

Accounts payable	11,912,000	12,246,000	12,270,000
Accrued liabilities	29,184,000	27,265,000	26,646,000
Accrued and deferred income taxes	8,280,000	5,469,000	6,120,000

Total current liabilities	56,309,000	52,302,000	51,744,000

Long-term obligations, net of current maturities	40,509,000	34,728,000	26,814,000
Deferred income taxes	14,203,000	13,658,000	13,256,000

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 and outstanding 7,886,644 shares	788,000	788,000	787,000
Class B Common stock, \$.10 par value; 20,000,000 shares authorized; issued and outstanding 12,623,964 shares	1,263,000	1,263,000	1,263,000
Capital surplus	7,042,000	7,042,000	7,008,000
Retained earnings	145,970,000	140,866,000	129,086,000
Cumulative translation adjustment	(534,000)	(487,000)	(206,000)

Total shareholders' equity	154,529,000	149,472,000	137,938,000

	\$265,550,000	\$250,160,000	\$229,752,000
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* Condensed from audited financial statements

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

FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES
CONDENSED STATEMENTS OF INCOME
(unaudited)

	Thirteen	Thirteen
	weeks ended	weeks ended
	November 26,	November 27,
	1994	1993

Revenues	\$86,212,000	\$78,107,000
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Costs and expenses:		
Operating costs	52,270,000	46,072,000
Selling and administrative expenses	19,876,000	18,096,000
Depreciation and amortization	4,777,000	4,259,000
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	76,923,000	68,427,000
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Income from operations	9,289,000	9,680,000
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Interest expense (income):		
Interest expense	790,000	634,000
Interest income	(45,000)	(68,000)
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	745,000	566,000
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Income before income taxes	8,544,000	9,114,000
Provision for income taxes	2,990,000	3,372,000
	-----	-----
Net income	\$ 5,554,000	\$ 5,742,000
	=====	=====
Weighted average number of shares outstanding	20,510,608	20,508,642
	=====	=====
Net income per share	\$0.27	\$0.28
	=====	=====

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

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FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES
CONDENSED STATEMENTS OF CASH FLOWS
(unaudited)

	Thirteen weeks ended November 26, 1994	Thirteen weeks ended November 27, 1993
	-----	-----
Cash flows from operating activities:		
Net Income	\$ 5,554,000	\$ 5,742,000
Adjustments:		
Depreciation	4,043,000	3,592,000
Amortization of other assets	734,000	667,000
Receivables	(4,300,000)	(3,836,000)
Inventories	(1,203,000)	308,000
Rental merchandise in service	(2,605,000)	(2,219,000)
Prepaid expenses	(58,000)	6,000
Accounts payable	(294,000)	1,337,000
Accrued liabilities	1,922,000	1,428,000
Accrued and deferred income taxes	2,813,000	724,000
Deferred income taxes	546,000	573,000
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Net cash provided by operating activities	7,152,000	8,322,000

Cash flows from investing activities:		
Acquisition of businesses, net of working capital acquired	(4,029,000)	(4,000,000)
Capital expenditures	(5,960,000)	(6,822,000)
Other assets, net	(1,374,000)	(43,000)

Net cash used in investing activities	(11,363,000)	(10,865,000)

Cash flows from financing activities:		
Increase in debt	5,395,000	1,116,000
Cash dividends paid or payable	(450,000)	(449,000)

Net cash provided by financing activities	4,945,000	667,000

Net increase (decrease) in cash	734,000	(1,876,000)
Cash at beginning of period	4,120,000	3,656,000

Cash at end of period	\$ 4,854,000	\$ 1,780,000
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Supplemental disclosure of cash flow information:		
Interest paid	\$ 451,000	\$ 160,000
Income taxes paid	\$ 15,000	\$ 2,080,000
=====		

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

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FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED FINANCIAL STATEMENTS
FOR THE THIRTEEN WEEKS ENDED NOVEMBER 26, 1994

1. These condensed 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 which are, in the opinion of management, necessary to a fair statement of results for the interim period. It is suggested that these condensed financial statements be read in conjunction with the financial statements and the notes, thereto, included in the Company's latest annual report.
2. From time to time, the Company is 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 Company.
3. During 1993 the Company's shareholders voted to amend its Articles of Organization to increase the number of authorized shares of Common Stock from 20,000,000 to 30,000,000, and to authorize a new Class B Common Stock with 20,000,000 authorized shares. The Company offered to exchange, on a share-for-share basis, shares of Class B Common Stock for shares of Common Stock.

4. On November 18, 1993 the Company's Board of Directors declared a two-for-one stock split, to be effected in the form of a stock dividend, on the Company's Common Stock and Class B Common Stock. The stock dividend was paid on January 19, 1994 to shareholders of record on January 5, 1994. All references to average number of shares outstanding and per share data in these financial statements reflect the effect of the two-for-one split.
5. On November 1, 1994 the Company acquired all of the outstanding stock of Tennessee Uniform & Towel Service, Inc., a garment rental business located in Nashville, TN.

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FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS
OF OPERATIONS AND FINANCIAL CONDITION
FOR THE THIRTEEN WEEKS ENDED NOVEMBER 26, 1994

RESULTS OF OPERATIONS

Thirteen Weeks of Fiscal 1995 compared to Thirteen Weeks of Fiscal 1994

Fiscal 1995 first quarter revenues increased \$8,105,000 or 10.4% over the fiscal 1994 first quarter. This increase can be attributed to internal growth and modest price increases (8.1%) and acquisitions (2.3%). Income from operations as a percentage of revenue decreased to 10.8% in fiscal 1995 from 12.4% for the fiscal 1994 period. The primary reasons for the decrease are softness in our specialized nuclear business and the continued impact of higher garment costs.

Net interest expense (interest expense less interest income) was \$745,000 in fiscal 1995 as compared to \$566,000 in fiscal 1994. The increase is attributable to increased debt levels and higher interest rates in fiscal 1995.

The provision for income taxes for the current period was 35.0% as compared to 37.0% for the corresponding 1994 period. The decrease in 1995 is due primarily to the favorable impact of a corporate-owned life insurance program and proportionally more tax-exempt income from Puerto Rico.

CAPITAL RESOURCES AND LIQUIDITY

The Company believes that its ability to generate cash from operations will adequately cover its foreseeable capital requirements.

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, it has been able to recover increases in costs and expenses attributable to inflation.

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FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES

Item 1. Legal Proceedings

Reference is made to Note 2 of notes to condensed financial statements and to the discussion under the heading Environmental Matters in the Company's Annual Report on Form 10-K for the fiscal year ended August 27, 1994.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

(27) Financial Data Schedule

(b) Reports on Form 8-K: None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf of the undersigned thereunto duly authorized.

UNIFIRST CORPORATION

/s/ Ronald D. Croatti

Ronald D. Croatti
Vice Chairman and
Chief Executive Officer

Date: January 10, 1995

/s/ John B. Bartlett

John B. Bartlett
Senior Vice President
and Chief Financial Officer

<ARTICLE> 5

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF UNIFIRST CORPORATION FOR THE THIRTEEN WEEKS ENDED NOVEMBER 26, 1994, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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