

ADVANTAGE

- *in* QUALITY
- *in* TRAINING
- *in* PRODUCTIVITY
- *in* GROWTH
- *in* CUSTOMER SATISFACTION

Who is UniFirst?

From modest beginnings in 1936, UniFirst Corporation has grown to become one of North America's largest workwear and textile services companies. We design, manufacture, rent, clean, deliver, and sell a wide range of uniforms, work garments and protective clothing, as well as industrial wiping products, floor mats, facility services products, and other non-garment items. Additionally, our Specialty Garments segment (UniTech and UniClean) provides services to nuclear and "ultra-clean" businesses, and our First Aid segment (Green Guard and Medique) provides first aid cabinet services and other safety supplies to a variety of manufacturers, retailers and service companies. UniFirst Corporation serves companies of all sizes in a wide range of industrial categories, delivering enhanced image and identity solutions that aid business branding.

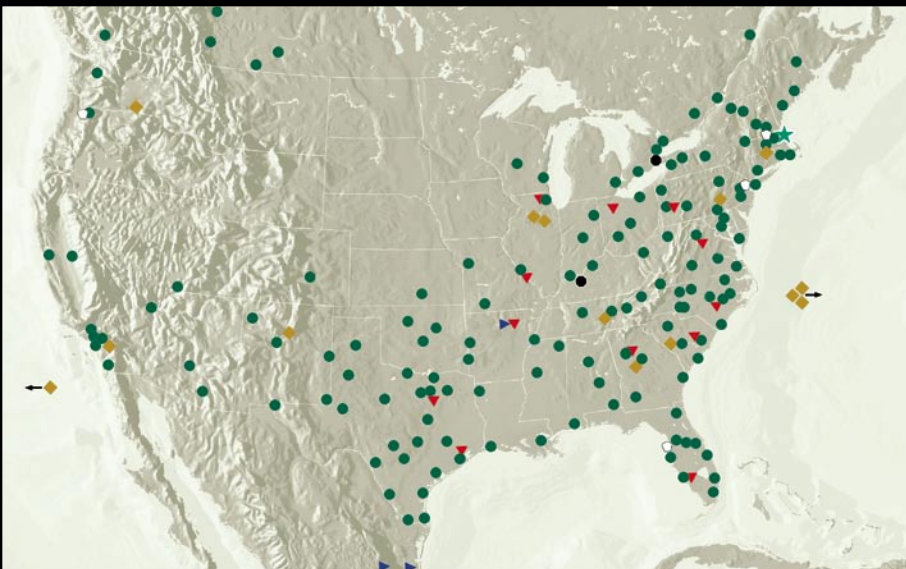
UniFirst's corporate mission is to be recognized as the quality leader in our industry. Our careful focus on serving each customer's unique needs and providing total satisfaction enables us to grow, to provide an equitable return on investment, and to create opportunities for our team partners.

In fiscal year 2005: UniFirst employed 9,200 team partners who served over 190,000 customer locations from sites in the United States, Canada and Europe; operated 144 customer service centers, 14 nuclear decontamination facilities, 4 cleanroom operations, 12 first aid locations, 2 distribution centers and 3 manufacturing plants; manufactured millions of garments and floor care products; designed custom garments for corporate image programs and special workwear applications; and stood as a world leader in cleaning and decontaminating nuclear protective clothing.

Locations

UniFirst Corporation and Subsidiaries

- ★ *Corporate Headquarters*
- *Service Locations*
- *Distribution Centers*
- ▶ *Manufacturing Plants*
- ◆ *Nuclear Service Locations*
- ◻ *Cleanroom Service Locations*
- ▼ *First Aid Locations*



Dear Shareholders,

In fiscal 2005, UniFirst produced revenues of \$763.8 million, an increase of 6.2% over the \$719.4 million generated in fiscal year 2004. Net income was \$43.3 million, an increase of 29.1% from the previous year's \$33.6 million. Diluted net income per Common Share was \$2.24 versus \$1.74 for the prior year.

As in recent years, our largest revenue gains came from our core uniform business, which continued to demonstrate solid growth, both from the existing base and through the acquisition of new accounts. Our specialty businesses also helped through increased sales in their core service areas, as well as through the diversification of their product lines and services.

The main reason for the significant increase in net income for fiscal 2005, compared to fiscal 2004, was a decrease in operating costs as a percent of revenues. Operating costs for fiscal 2005 decreased 1.2 percentage points, from 64.1% in fiscal 2004 to 62.9% in fiscal 2005. This was due to lower merchandise amortization at acquired Textilease locations, production savings realized from the Company's manufacturing operations in Mexico and lower industrial laundry production payroll costs. These reductions were somewhat offset by higher energy costs associated with both laundry and fleet operations and by an increase in sales payroll expense due to an expansion of our professional sales force.

The Company also benefited from lower depreciation and intangible asset amortization expense due to certain fixed and intangible assets

becoming fully depreciated during the prior fiscal year. This was aided by a \$600,000 pre-tax charge to depreciation taken in fiscal 2004 and related to the Company's decision to close its Richmond facility. In addition, we benefited from a decrease in interest expense, due primarily to a reduction in the average level of debt outstanding.

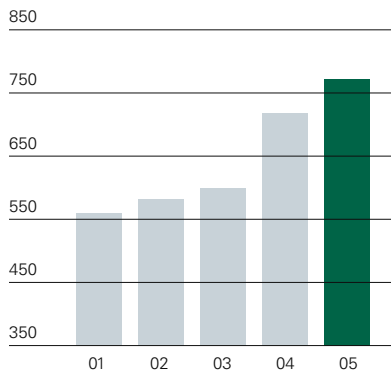
The Company has a well-established tradition of careful cost control and a record of investment aimed at achieving efficiency improvements in all areas of our operations. We have long recognized the importance that automation and new technologies play in our ability to remain competitive and profitable. Staying ahead of the game requires both foresight and an inherent understanding of where the market will be driving our business in the future.

Taking the last 10 years as a snapshot, we've invested approximately \$400 million in improvements and advances in our infrastructure and systems. The focused objective of all of those investments was to reinforce UniFirst's long-term leadership position in the uniform services industry and to provide our customers with the highest value solutions for their workwear and facility services needs. We did it knowing that it takes time for investments in infrastructure to produce paybacks. Sometimes the return will be realized in a few short months, but more often, it takes years. So with that incremental timetable in mind, I'd like to review some of UniFirst's investments over the past decade and share how they have helped make us more competitive and profitable...setting a success track for years to come.

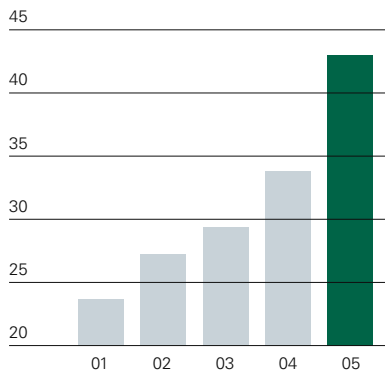
Fiscal Year Ended August (in millions of dollars)

	2005	2004	% change
Revenues	\$763.8	\$719.4	6.2
Net Income	\$43.3	\$33.6	29.1
Shareholders' Equity	\$412.3	\$367.7	12.0

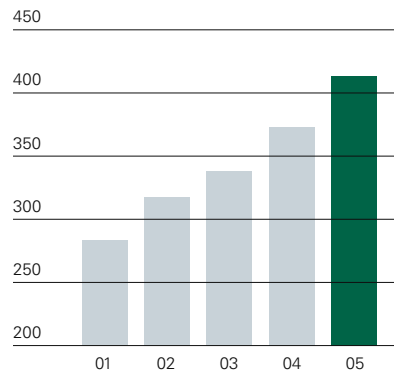
Revenues (in millions of dollars)



Net Income (in millions of dollars)



Shareholders' Equity (in millions of dollars)



Laundry Automation

Our industrial laundry operations are truly at the hub of our day-to-day customer service activities and remain the core of UniFirst's business. For that reason, many infrastructure investments over the past decade have been made with those operations and their efficiencies in mind.

Every customer who has an opportunity to tour our laundry plants is impressed – often unexpectedly – by the state-of-the-art, automated processes we've put in place. In particular, we've distinguished ourselves with our proprietary automated sortation and garment control systems. Conveyors, diverters and movable staging racks combine with software drivers, microprocessors and flashing control panels to literally sweep clothes through the laundering process. As a result, customer apparel moves smoothly through our production facilities and any item can be found by our Team Partners at any stage of the process. Plus, the custom control features that interpret input data from bar codes and radio frequency chips allow us to monitor systems on a real-time basis and help head off slowdowns or bottlenecks before they occur.

We've also made a big investment in automated, computer controlled washers that ensure optimum cleaning, while reducing chemical and water consumption for production cost savings. Based on washer loading, type of soil and color and type of product being laundered, the computer determines the precise amounts of detergents, bleach, and water to be used. Software determines the exact timing of the wash and rinse cycles, as well as water temperature levels, and monitors process accuracy. Adjustments can be made instantaneously, if needed, to ensure process consistency. These improvements, coupled with the introduction of automated systems for moving clothes through wash and dry cycles, have resulted in improved efficiency and lower cost.

Overall, the automated production processes we've introduced over the last 10 years have dramatically enhanced laundry operations... and that's meant improved customer service quality and more available capacity to handle the growth we're experiencing. *Advantage, UniFirst.*

Gaining a Competitive Edge

The construction of two new garment manufacturing plants in Mexico and a highly efficient multi-function Distribution Center in Kentucky were among the more visible investments we made in infrastructure expansion over the past decade.

Our manufacturing plants in Eban and Valles, Mexico have produced a substantial return on investment, based on the superior cost structures we've been able to establish there. But lower cost is only part of the story. The quality of garments being made at these two plants is among the highest in the industry and that means they are also allowing us to deliver superior value to our customers. In fact, both facilities are well on their way to becoming ISO 9000 certified ... a solid validation of both our output and the processes we use to produce it. We believe that having this internationally recognized quality certification will also serve as a competitive leverage point, and in today's marketplace any edge is important.


The investments we've made in physical plant, combined with our adoption of a modular manufacturing process which allows us to turn out garments considerably faster than the industry average, has given us both capacity and efficiency advantages. We currently manufacture the majority of the garments we provide to our rental service customers and we anticipate we'll do even more in the future. The reason all comes down to quality and profitability. The plain fact is that our core

business is uniform supply and service, and we want to provide our customers with products that will last longer and perform better over time. That's just good business – for our customers and for us.

Making our own goods produces another obvious benefit... it allows us to create unique, proprietary styles that result in product differentiation that aids sales. For example, we produce various clothing styles under trademarked names that include Armorex FR™ protective clothing, UniWear® industrial clothing, Park Street® executive wear, Softwill® work pants, and UniWeave® Soft Comfort work shirts. And now, as a result of opening our new mat and mop manufacturing facility in Arkansas, we've added our own Great Impressions™ mats and UniMops® with DuraClean Construction.

This extensive line of trademarked items is offered in hundreds of style and color combinations and with features not found in competitor's products. That's a meaningful difference for both customers and prospects, and translates to a selling advantage. Self-manufacturing also allows us to maintain strict control over product quality, consistency, and durability, while providing added cost benefits for us and our customers. It lets us design goods for specific needs, supply quicker replacements for worn items and reduce delivery lead times for new customer installations.

Advantage, UniFirst



an ADVANTAGE in

QUALITY

“The reason all comes down to quality and profitability. The plain fact is that our core business is uniform supply and service, and we want to provide our customers with products that will last longer and perform better over time. That’s just good business – for our customers and for us.”



A 320,000 Square-Foot Symbol

If we had to single out a symbol for how well our company is positioned for continued success in our industry, we'd likely point in the direction of our 320,000-square-foot Distribution Center in Owensboro, Kentucky. Opened in 1998 and ISO 9002 certified in 2000, every system at the Center – from receiving, to storage, to picking, to shipping – is fully automated and built to our strict specifications for streamlined efficiency in delivering products quickly to our customers. Owensboro was designed for speed, and it delivers. Standard pick-and-ship orders received by 1 PM are on their way to customers that very same day, while even garments requiring custom personalization are ready for shipment within 24 hours.

The Center is divided into eight different zones, interconnected with a highway of automated overhead conveyors that smoothly move goods past electronically monitored checkpoints. This allows us to accurately direct every customer order to its appropriate work station for custom personalization, packaging or shipping. The automation system also

allows us to identify precisely where any order is at any time and enables us to carry and efficiently control a larger assortment of garment styles and colors (SKUs). This means we're better positioned to handle a wider range of customer needs and to do it with unmatched speed.

An outstanding feature of the Center is its comprehensive personalization capability, which includes emblems, direct embroidery and multi-color screen printing. Of these, it's our embroidery capabilities that really set us apart from the competition. We run 600 computerized embroidery heads for emblem-making and direct embroidery. They are supported by a fully staffed Graphics Department which scans and digitizes logos and other personalized designs submitted by customers, as well as creates new designs from scratch. Software allows us to quickly produce an electronic rendition of any emblem or embroidery design, in up to 56 different colors, which can be e-mailed for customer review and approval. This rapid response process allows us to quickly get customer feedback,

make changes if necessary, and still deliver a sewn sample for final approval within a 24-hour period.

The skill and flexibility of our Team Partners are crucial to Owensboro's efficient operations. Everyone has been cross-trained to operate multiple work stations. That means we can quickly and easily reassign personnel to areas where a large wave of incoming work could otherwise overwhelm resources and slow production. We use process modeling and mathematical formulas to predict the impact of incoming waves and we're able to adjust on virtually a moment's notice. We know, for example, how long it takes to process a shirt without personalization and how long it takes to process that same shirt with direct embroidery or an emblem. We can then match any batch of customer orders with these time standards and assign Team Partners to the appropriate work stations. The result is a smooth and efficient workflow, best labor utilization and reduced cost. Maybe most importantly, the faster order throughput also means better, more timely service to our customers. *Advantage, UniFirst.*

Working Smarter

The investments we've made in hardware and software systems over the past 10 years have influenced every aspect of our business. From route scanners to computerized location stockrooms to advanced engineering design systems, these tools have made a tremendous difference in the way we work. The common thread is that they have allowed us to produce and distribute products more cost-effectively, while raising customer satisfaction levels at the same time.

Our Data Warehouse Project, which we launched five years ago, is a prime example of how we're using technology to work smarter and keep customer satisfaction levels high. This advanced software tool provides our corporate staff with the ability to quickly analyze variables like inventory levels, personalization workflows, sales trends for individual garment styles, apparel backorders, and the real-time status of customer account information. Such detailed tracking helps us to detect any potential problems that could affect the quality of our products or the level of customer service. By drilling down into this multi-level

data, we're able to take action to avoid problems before they occur. And, with more information more accessible than ever before, we're better able to remain on top of all the latest government regulations and reporting requirements.

A number of our Information System investments have been specifically aimed at keeping our customer satisfaction levels high. This includes our Account Management System – a proprietary Customer Relationship Management tool – which tracks usage, billings, receivables and allows our Location Managers to quickly review data (including visitation history, service evaluation, action requests, etc.) relating to customer needs or issues that they're accountable for resolving. With the inter-connective technology we've installed in all our facilities, Team Partners can be anywhere in North America, log onto our systems and get the answer to any customer question... whether it be the amount of an invoice or the ship date of an order. Entire account histories are available with a few simple keystrokes. It's a tool that's truly making a difference in our ability to deliver greater value. *Advantage, UniFirst.*

Investing in Team Partners

In addition to the infrastructure investments we've made to help Team Partners work more productively, training...in the form of systems, materials, equipment and media... is another continuing investment for our Company. On-line courses for service training, product training, safety training and a host of other skills-related activities are available to all Partners. We also regularly look at operational metrics to determine which individual areas of performance need extra attention and support.

Our sales team serves as a good example. This year we asked an independent consulting group to undertake a comprehensive evaluation of our sales training programs with the aim of highlighting areas for improvement. We were gratified to learn that, of some 125 companies in a wide range of

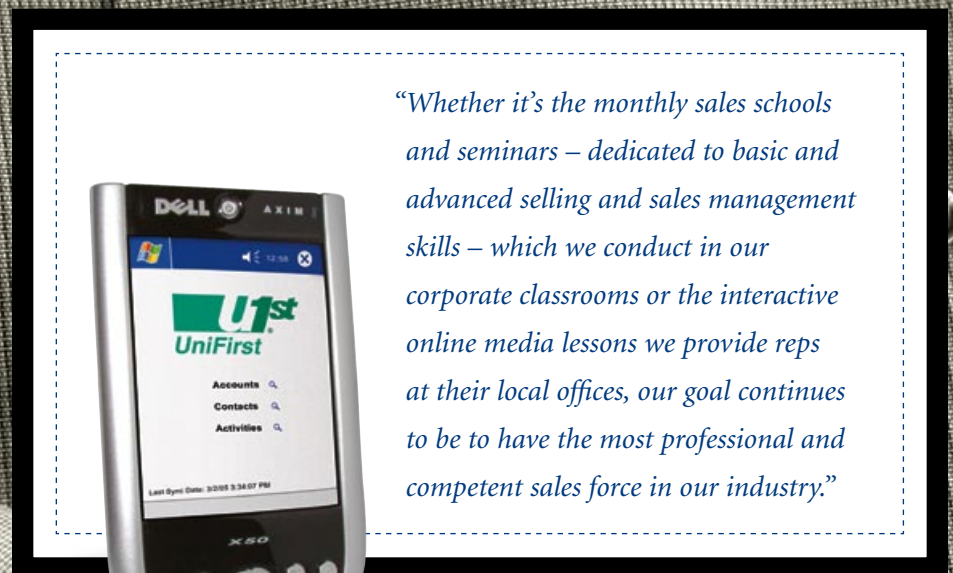
industries the consultants have evaluated, our programs were among the best they have seen. But we were also rewarded when a few areas for improvement were uncovered.

We're already acting on the recommendations we received, because the enhanced development of our sales team remains a top priority. Whether it's the monthly sales schools and seminars – dedicated to basic and advanced selling and sales management skills – which we conduct in our corporate classrooms or the interactive online media lessons we provide reps at their local offices, our goal continues to be to have the most professional and competent sales force in our industry. That takes both effort and money, and we continue to invest both.

We've also equipped all members of our Sales Team with the electronic hardware and sales productivity software to make them the best in their profession. Each has a company issued PDA (Personal Digital Assistant) to use as a customer relationship management tool. These PDAs, and their accompanying software, allow reps to keep all their prospect information at their fingertips, including applications, types of products needed, names of key contacts and tickler files to highlight next actions and when follow-up visits should be made. As a result, our sales force is better positioned to stay on top of their prospect database and can manage their time and territory in a more controlled, strategic manner, increasing opportunities for appointments and sales. *Advantage, UniFirst.*

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TRAINING



“Whether it’s the monthly sales schools and seminars – dedicated to basic and advanced selling and sales management skills – which we conduct in our corporate classrooms or the interactive online media lessons we provide reps at their local offices, our goal continues to be to have the most professional and competent sales force in our industry.”



“It wasn’t just our core uniform operations that grew during the past year. Our Specialty Garments and First Aid segments also saw significant successes. What’s more, each experienced an increase in cross-selling opportunities due to customer preference for fewer outside suppliers.”



Specialty Businesses

It wasn't just our core uniform operations that grew during the past year. Our Specialty Garments and First Aid segments also saw significant successes. What's more, each experienced an increase in cross-selling opportunities due to customer preference for fewer outside suppliers.

Our Specialty Garments segment includes both our UniTech nuclear services and UniClean cleanroom operations. UniTech has been active in investing in new facilities to expand its geographic reach in both U.S. and European markets. Over the past three years, UniTech has opened specialized cleaning facilities in South Carolina, Tennessee and the United Kingdom. Its South Carolina facility was established primarily to serve U.S. Department of Energy customers, while the Tennessee facility is seeking both governmental and non-governmental opportunities. British operations are targeting an expanding European prospect base as the EU begins to privatize many utility operations formerly run by individual governments. UniTech is also seeking to expand its services in its current markets by focusing on additional customer needs, such as the sale of safety supplies and the decontamination of tools and equipment.

Our other Specialty Garment operation, UniClean, has grown to four major operations in the past ten years – Nashua, New Hampshire; Maplewood, New Jersey; Portland, Oregon; and Clearwater, Florida – from which it services a variety of clean-

environment customers, including high-tech, optical and pharmaceutical manufacturers. UniClean has also made additions to its servicing capabilities, substantially increasing its market share and becoming one of the top cleanroom service and product providers in the nation.

Besides cleaning garments worn by cleanroom technicians, UniClean also sells cleanroom consumable products and offers sterile and bio-safety level garment services. Every UniClean operation runs under ISO 9001 controls, which assures customers of quality and reliability.

Virtually every UniFirst customer that has cleanroom operations can also use industrial garments for maintenance and security personnel. And those same customers also need floor mats and other facility service products. To meet those needs, UniClean has joined with its UniFirst Team Partners on dozens of cross-selling opportunities, most of which have resulted in additional servicing agreements for both business units. In addition, UniClean has been leveraging UniFirst's much broader geographic coverage by sending processed customer garments to UniFirst locations for final delivery. This synergistic relationship has produced a mutual benefit: It has expanded UniClean's customer reach, while providing an entrée for UniFirst to market its industrial services to customers we might not normally call on.

Our First Aid segment, encompassing Green

Guard and Medique, is looking for expansion opportunities, but is focusing on its current base as well. For example, Green Guard has invested in handheld computers for all its Team Partners who deliver first aid and safety supplies to their customers. The result has been better control of the overall service process, better inventory utilization, higher customer satisfaction and – not unimportantly – an improvement in cash flow.

The handheld devices carry every detail about customer usage and orders. Prior to having this tool, a customer would place an order using a generic description of the product. Often the order couldn't be filled immediately because the rep was uncertain which of two or three alternative products the customer really wanted. The handhelds, with full customer records, have eliminated that problem. Orders can be accurately filled on the spot, an invoice printed immediately and given to the customer. Plus, sales information is easily downloaded from the handheld computers at the end of each business day, permitting better stock replenishment and inventory control.

Overall, our specialty businesses – Specialty Garments and First Aid – are affording us new business expansion opportunities in more diverse markets and are lending greater balance to future growth by enabling us to offer both customers and prospects a more diverse service menu. *Advantage, UniFirst.*

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OPPORTUNITY

A Common Purpose

Ten years ago, we decided to put more financial resources than ever behind our people, our technology needs, our physical plant, our quality and control systems... literally everything that could have an impact on our ability to deliver greater value and satisfaction to our customers. Our research told us that customers were becoming more focused on image, identity, comfort, protection and convenience and that more than ever they expected speed, accuracy, reliability and consistent, provable value.

All the investments we've made in our infrastructure and in our Team Partners over the past decade have been designed to help secure our leadership position within the industries we serve. We've added new laundry facilities, installed more advanced auto-sort systems, expanded inventory computerization to all new and used garments, put on-route scanning into every customer service location, elevated our personalization design capability, built on-line customer "storefronts" for secure ordering and account management... and a lot more.

Many of the changes we've made have involved complex technologies that challenged our organization's ability to adapt to new methods and new thinking. But in every instance the goal was simple: *to give us the advantage we need for continued growth and success, and to enable us to always provide superior products and the best total service value available anywhere.* We believe we've made great progress in achieving exactly that and you can be sure we'll not slow our pace in pursuit of even greater advances to benefit our customers and shareholders for the future.

As always, I thank you for your continued support and I look forward to sharing additional news about your Company's progress in the months to come.



Ronald D. Croatti
Chairman of the Board,
President and Chief Executive Officer

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GROWTH

"The goal is simple: To give us the advantage we need for continued growth and success, and to enable us to always provide superior products and the best total service value available anywhere."



Executive Officers

Ronald D. Croatti
*Chairman of the Board, President
and Chief Executive Officer*

Cynthia Croatti
Executive Vice President and Treasurer

Dennis G. Assad
Senior Vice President, Sales and Marketing

John B. Bartlett
Senior Vice President and Chief Financial Officer

Bruce P. Boynton
Senior Vice President, Operations

David A. DiFillippo
Senior Vice President, Operations

Raymond C. Zemlin
Secretary

Operating And Corporate Officers

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Vice President, Distribution and Engineering

George J. Bakevich
Vice President, UniTech Services Group

Joseph A. Boucher
Vice President, Western Rental Group

Michael A. Croatti
Vice President, Central Rental Group

Stephen A. Gaykan
Vice President, Manufacturing

Robert A. Kuhn
Vice President, Southern Rental Group

Reis V. LaMontagne
Vice President, Mid-Atlantic Rental Group

Todd T. Lewis
Vice President, First Aid Group

Robert E. Middleton
Vice President, Southwest Rental Group

Gary L. Rogers
Vice President, Texas Rental Group

William M. Ross
Vice President, Northeast Rental Group

Michael E. Ruttner
Vice President, National Accounts

Michael J. Szymanski
Vice President, Canadian Rental Group

Directors

Ronald D. Croatti
*Chairman of the Board, President
and Chief Executive Officer*

Cynthia Croatti
Executive Vice President and Treasurer

Albert Cohen
President, ALC Corporation, a consultancy

Phillip L. Cohen
*Retired Partner of an international accounting
firm; Certified Public Accountant*

Robert F. Collings
*President's Council of Massachusetts General
Hospital, Board of Advisors of New Boston
Real Estate Fund and Vice-Chairman of the
Board of Trustees of Daniel Webster College*

Anthony F. DiFillippo
Former President, UniFirst Corporation

Donald J. Evans
*Retired Senior Partner of Goodwin
Procter LLP; Formerly General Counsel and
First Deputy Commissioner, Massachusetts
Department of Revenue*

Lawrence R. Pugh
Former Chairman, V.F. Corporation

Corporate Information

Form 10-K
Shareholders may obtain without charge
a copy of the Company's 2005 Form 10-K.
Written requests should be addressed to
John B. Bartlett, Senior Vice President.

Transfer Agent
EquiServe Trust Company, N.A.

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