

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 29, 1997

Commission File
 Number 1-8504

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

Massachusetts
 (State of Incorporation)

04-2103460
 (IRS Employer ID Number)

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

Registrant's telephone number: (978) 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 7, 1998 were 7,903,864 and 12,606,744 respectively.

PART 1 - FINANCIAL INFORMATION

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

	November 29, 1997	August 30, 1997*	November 30, 1996

Assets			
Current assets:			
Cash	\$ 4,189,000	\$ 4,054,000	\$ 3,636,000
Receivables	45,146,000	39,431,000	39,792,000
Inventories	19,464,000	19,497,000	17,925,000
Rental merchandise in service	40,673,000	40,013,000	39,746,000
Prepaid expenses	146,000	149,000	121,000

Total current assets	109,618,000	103,144,000	101,220,000

Property and equipment:			
Land, buildings and leasehold improvements	141,715,000	137,281,000	123,730,000
Machinery and equipment	148,947,000	142,242,000	125,081,000
Motor vehicles	38,149,000	37,276,000	33,406,000
	328,811,000	316,799,000	282,217,000
Less - accumulated depreciation	133,287,000	128,532,000	117,543,000
	195,524,000	188,267,000	164,674,000
Other assets			
	48,639,000	48,215,000	45,575,000
	\$353,781,000	\$339,626,000	\$311,469,000
Liabilities and Shareholders' Equity			
Current liabilities:			
Current maturities of long-term obligations	\$ 1,045,000	\$ 1,040,000	\$ 1,063,000
Notes payable	2,820,000	3,213,000	2,705,000
	11,995,000	13,085,000	13,130,000
Accounts payable	47,231,000	45,637,000	38,942,000
Accrued liabilities	6,441,000	2,555,000	6,494,000
Accrued and deferred income taxes	69,532,000	65,530,000	62,334,000
Total current liabilities	41,659,000	39,797,000	33,928,000
Long-term obligations, net of current maturities	17,440,000	17,107,000	16,713,000
Deferred income taxes			
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 7,903,864 shares	790,000	790,000	789,000
Class B Common stock, \$.10 par value; 20,000,000 shares authorized; issued and outstanding 12,606,744 shares	1,261,000	1,261,000	1,262,000
Capital surplus	7,078,000	7,078,000	7,078,000
Retained earnings	217,235,000	208,949,000	189,700,000
Cumulative translation adjustment	(1,214,000)	(886,000)	(335,000)
Total shareholders' equity	225,150,000	217,192,000	198,494,000
	\$353,781,000	\$339,626,000	\$311,469,000

* Condensed from audited financial statements

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 INCOME
(unaudited)

	Thirteen weeks ended November 29, 1997	Thirteen weeks ended November 30, 1996
Revenues	\$112,402,000	\$103,976,000
Costs and expenses:		
Operating costs	66,325,000	62,120,000
Selling and administrative expenses	25,397,000	23,520,000
Depreciation and amortization	6,308,000	5,547,000
	98,030,000	91,187,000
Income from operations	14,372,000	12,789,000
Interest expense (income):		
Interest expense	651,000	585,000
Interest income	(70,000)	(70,000)

	581,000	515,000
Income before income taxes	13,791,000	12,274,000
Provision for income taxes	4,965,000	4,419,000
Net income	\$ 8,826,000	\$ 7,855,000
Weighted average number of shares outstanding	20,510,608	20,510,608
Net income per share	\$ 0.43	\$ 0.38

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 29, 1997	Thirteen weeks ended November 30, 1996
Cash flows from operating activities:		
Net Income	\$ 8,826,000	\$ 7,855,000
Adjustments:		
Depreciation	5,246,000	4,627,000
Amortization of other assets	1,062,000	920,000
Receivables	(5,785,000)	(3,138,000)
Inventories	26,000	(945,000)
Rental merchandise in service	(720,000)	(1,756,000)
Prepaid expenses	2,000	6,000
Accounts payable	(1,096,000)	1,438,000
Accrued liabilities	1,624,000	1,561,000
Accrued and deferred income taxes	3,909,000	2,803,000
Deferred income taxes	348,000	309,000
Net cash provided by operating activities	13,442,000	13,680,000
Cash flows from investing activities:		
Capital expenditures	(12,765,000)	(9,121,000)
Other assets, net	(1,497,000)	618,000
Net cash used in investing activities	(14,262,000)	(8,503,000)
Cash flows from financing activities:		
Increase in debt	2,124,000	--
Reduction of debt	(629,000)	(4,427,000)
Cash dividends paid or payable	(540,000)	(539,000)
Net cash provided by (used in) financing activities	955,000	(4,966,000)
Net increase in cash	135,000	211,000
Cash at beginning of period	4,054,000	3,425,000
Cash at end of period	\$ 4,189,000	\$ 3,636,000

Supplemental disclosure of cash flow information:

Interest paid	\$ 643,000	\$ 551,000
Income taxes paid	\$ 746,000	\$ 1,291,000
=====		

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 29, 1997

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 financial position or results of operations of the Company.

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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 29, 1997

RESULTS OF OPERATIONS

Thirteen Weeks of Fiscal 1998 compared to Thirteen Weeks of Fiscal 1997

Fiscal 1998 first quarter revenues increased \$8,426,000 or 8.1% over the fiscal 1997 first quarter. This increase can be attributed to acquisitions (1.0%), price increases (1.0%) and growth from existing operations (6.1%).

Income from operations as a percentage of revenue increased to 12.8% in fiscal 1998 from 12.3% for the fiscal 1997 period. The main reason for this increase is

the Company's continued focus on controlling costs.

Net interest expense (interest expense less interest income) was \$581,000 in fiscal 1998 as compared to \$515,000 in fiscal 1997. The increase is attributable to higher debt levels in fiscal 1998.

The Company's effective income tax rate was 36.0% in both periods.

LIQUIDITY AND CAPITAL RESOURCES

During the thirteen weeks ended November 29, 1997 net cash provided by operating activities, \$13,442,000, was primarily used for capital expenditures, \$12,765,000 and dividends, \$540,000.

The Company had \$4,189,000 in cash and \$24,675,000 available on its \$60,000,000 line of credit as of November 29, 1997. The Company believes its ability to generate cash from operations will adequately cover its foreseeable capital requirements.

Shareholders' equity at November 29, 1997 was \$225.2 million, 84.1% of total capitalization, indicating the overall strength of the Company's balance sheet.

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.

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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 29, 1997

(continued)

RECENT DEVELOPMENTS

The Company is currently considering for implementation in the fourth quarter an increase in its amortization period for most garments placed in service from 12 months to 15 months, which is more consistent with their respective useful life. Most of the Company's principal publicly-held competitors amortize their garments over an average of 15 to 18 months.

Beginning in January 1998, the Company began testing its new 330,000 square foot Owensboro, Kentucky distribution facility. The Company expects this facility to be completed in late fiscal 1998 and to be fully operational by the end of fiscal 1999. During this period, the Company expects to incur further start-up costs and to begin expensing the costs of constructing this facility and its operating overhead.

FORWARD LOOKING STATEMENTS

This Report 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 that are subject to certain risks and uncertainties that could cause actual results of differ materially from those projected in such statements. Such risks and uncertainties include those relating to the timing of the implementation, if any, of the above-described change in the Company's amortization of its garments and the timing and operations of its new Owensboro, Kentucky facility.

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PART II - OTHER INFORMATION

FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES

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, President and
Chief Executive Officer

Date: January 13, 1998

/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 29, 1997, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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