



UniFirst Announces Record Financial Results for Fiscal 2004 Fourth Quarter and Full Year

October 26, 2004

WILMINGTON, Mass.--(BUSINESS WIRE)--Oct. 26, 2004--UniFirst Corporation (NYSE:UNF) today announced record revenues and earnings for its fiscal 2004 fourth quarter and full year, which ended August 28, 2004.

For fiscal 2004, revenues were a record \$719.4 million, the highest in the Company's 68 year history and a 20.5 percent increase from \$596.9 million in fiscal 2003. Acquisitions, primarily Textilease, accounted for 14.7 percent of this revenue growth. Income before cumulative effect of accounting change was \$33.6 million, a 14.7 percent increase from last year's \$29.3 million. In the first quarter of fiscal 2003 the Company recorded an expense of \$2.2 million, net of tax, as a result of implementing SFAS 143 regarding long lived assets. Net income for fiscal 2004 was \$33.6 million, a 24.3 percent increase from last year's \$27.0 million.

Revenues for the fourth quarter of fiscal 2004 were \$178.1 million, a 20.6 percent increase from \$147.6 million in the same period a year ago. Acquisitions, again primarily Textilease, accounted for 14.5 percent of the revenue growth for the quarter. Fourth quarter net income was \$7.5 million, a 4.2 percent increase from last year's \$7.2 million.

Since the Company has two classes of common stock with a dividend differential, GAAP (in accordance with EITF 03-06) now requires the Company to report net income per share separately for each class of stock. Management believes that the historical method of reporting net income per share on the "if converted method", which is now a non GAAP financial measure, is more meaningful since the Class B Common Stock is freely convertible at any time into an equal number of shares of Common Stock. Under the "if converted method", the net income per basic share for fiscal 2004 would have been \$1.75 which is consistent with the high end of the Company's guidance in our last conference call.

Under the new dual class reporting method the basic income per Common share before cumulative effect of accounting change was \$1.95 for fiscal 2004 or 14.0% greater than the \$1.71 computed on the same basis in the prior year. The basic income per share for the Class B Common stock was \$1.56 as compared to \$1.37 in the prior year.

Under the new dual class reporting method the basic net income per Common share was \$0.44 for the fourth quarter of fiscal 2004 or 9.5% greater than the \$0.42 computed on the same basis in the prior year. For the same period the basic net income per share for the Class B common stock was \$0.35 as compared to \$0.34 in the prior period.

"Fiscal 2004 was our 36th consecutive year of record revenues," said Ronald D. Croatti, UniFirst's President and Chief Executive Officer. "The Textilease integration is proceeding on schedule and the Company did an excellent job controlling operating expenses. Overall I was very pleased with our results in a difficult economy."

The Company will hold a conference call today at 4:00 PM (EST) to discuss its quarterly and annual financial results, business highlights and outlook. A simultaneous live webcast of the call will be available over the Internet, and replays of the webcast will be available until November 27, 2004. The webcast can be accessed at www.unifirst.com.

UniFirst is one of the largest providers of workplace uniforms, protective clothing and facility services products in North America. The Company employs 9,000 team partners who serve more than 175,000 customer locations in 46 states, Canada and Europe from 175 manufacturing, distribution and customer service facilities.

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for certain forward-looking statements. This public announcement may contain forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These forward-looking statements are subject to certain risks and uncertainties. The words "anticipate" and "should," and other expressions that indicate future events and trends identify forward-looking statements. Actual future results may differ materially from those anticipated depending on a variety of factors, including, but not limited to, performance of acquisitions; economic and business changes; fluctuations in the cost of materials, fuel and labor; economic and other developments associated with the on-going war on terrorism; strikes and unemployment levels; demand and price for the Company's products and services; improvement in under performing rental operations; and the outcome of pending and future litigation and environmental matters.

UNIFIRST CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Fifty- two weeks ended	Fifty- two weeks ended	Thirteen weeks ended	Thirteen weeks ended
(In thousands, except per share data)	August 28, 2004	August 30, 2003	August 28, 2004	August 30, 2003

Revenues	\$719,356	\$596,936	\$178,066	\$147,642

Costs and expenses:				
Operating costs	462,612	381,582	115,588	95,124
Selling and administrative expenses	147,851	127,343	37,240	31,981
Depreciation and amortization	44,889	39,173	10,500	9,267
	655,352	548,098	163,328	136,372

Income from operations	64,004	48,838	14,738	11,270

Other expense (income):				
Interest expense	12,522	4,179	3,387	683
Interest income	(1,135)	(1,621)	(350)	(509)
Interest rate swap expense (income)	(1,981)	(1,292)	(527)	(626)
	9,406	1,266	2,510	(452)

Income before income taxes	54,598	47,572	12,228	11,722
Provision for income taxes	21,020	18,310	4,708	4,508

Income before cumulative effect of accounting change	33,578	29,262	7,520	7,214

Cumulative effect of accounting change (net of tax benefit of \$1,404 in 2003)	-	(2,242)	-	-

Net income	\$33,578	\$27,020	\$7,520	\$7,214
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Weighted average number of shares outstanding:				

Shares outstanding				
Common	9,103	8,992	9,253	8,997
Class B Common	10,091	10,190	9,950	10,175

Total outstanding	19,194	19,182	19,203	19,172
Common stock equivalents	64	40	74	61

Total with common stock equivalents	19,258	19,222	19,277	19,233

Income per Common share -- basic:				

Before cumulative effect of an accounting change, net	\$1.95	\$1.71	\$0.44	\$0.42
Cumulative effect of an accounting change, net	-	(0.13)	-	-

Net income per Common share				

-- basic	\$1.95	\$1.58	\$0.44	\$0.42
Income per Class B Common share				
-- basic:				

Before cumulative effect of an accounting change, net	\$1.56	\$1.37	\$0.35	\$0.34
Cumulative effect of an accounting change, net	-	(0.10)	-	-

Net income per Class B Common share -- basic	\$1.56	\$1.27	\$0.35	\$0.34
Income per Common share				
-- diluted:				

Before cumulative effect of an accounting change, net	\$1.74	\$1.52	\$0.39	\$0.37
Cumulative effect of an accounting change, net	-	(0.12)	-	-

Net income per Common share -- diluted	\$1.74	\$1.40	\$0.39	\$0.37
Income per Class B Common share				
-- diluted:				

Before cumulative effect of an accounting change, net	\$1.56	\$1.36	\$0.35	\$0.34
Cumulative effect of an accounting change, net	-	(0.10)	-	-

Net income per Class B Common share -- diluted	\$1.56	\$1.26	\$0.35	\$0.34

UNIFIRST CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)	August 28, 2004	August 30, 2003

Assets		
Current assets:		
Cash	\$4,436	\$6,053
Receivables	69,471	57,941
Inventories	31,060	25,355
Rental merchandise in service	60,544	60,490
Deferred tax assets	-	5,591
Prepaid expenses	1,857	407

Total current assets	167,368	155,837

Property and equipment:		
Land, buildings and leasehold improvements	240,018	221,487
Machinery and equipment	258,736	238,820
Motor vehicles	70,048	66,081

	568,802	526,388
Less - accumulated depreciation	280,012	251,806

	288,790	274,582

Other assets	241,911	84,168

\$698,069 \$514,587
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Liabilities and Shareholders' Equity

Current liabilities:

Current maturities of long-term obligations	\$986	\$2,493
Notes payable	-	104
Accounts payable	33,754	30,678
Accrued liabilities	72,824	53,670
Accrued income taxes	9,020	-

Total current liabilities 116,584 86,945

Long-term obligations, net of current

maturities	177,855	67,319
Deferred income taxes	35,881	24,943

Shareholders' equity:

Common stock	927	1,060
Class B common stock	993	1,018
Treasury stock	-	(26,005)
Capital surplus	13,138	12,693
Retained earnings	353,197	348,043
Accumulated other comprehensive loss	(506)	(1,429)

Total shareholders' equity 367,749 335,380

\$698,069 \$514,587
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