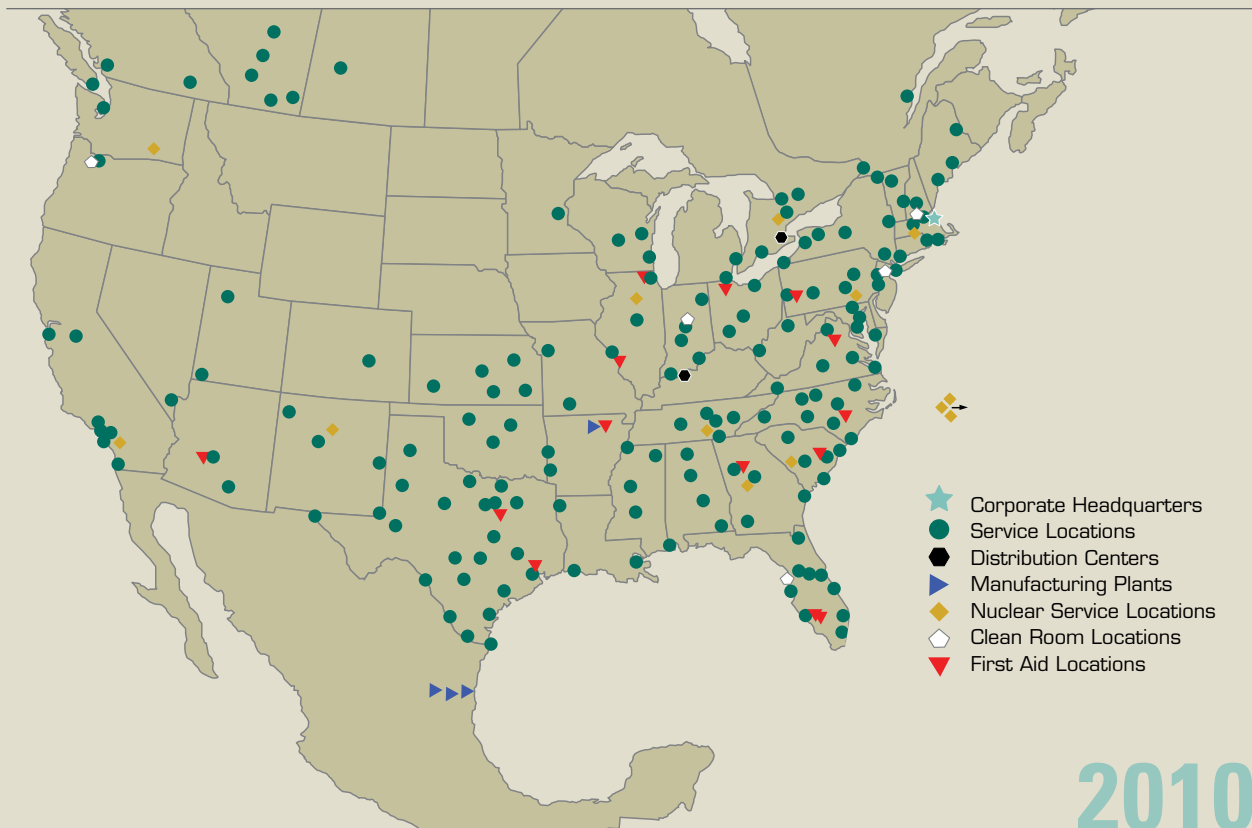


# Annual Report | 2010



**WHO:** UniFirst is one of the largest workwear and textile services companies in the world, serving over 225,000 customer locations from sites throughout the United States, Canada, and Europe.



**WHAT:** UniFirst's business is divided into three operational areas: Core Laundry Operations, Specialty Garments, and First Aid. Our Core Laundry Operations design, manufacture, rent, sell, launder, and deliver a wide range of uniforms, career apparel, and protective work garments, as well as a broad selection of facility service items, including floor mats and mops, industrial towels and wipers, and restroom products. Our Specialty Garments business, comprised of UniTech and UniClean, provides specialized uniforms, laundering services, and safety products to the nuclear and cleanroom industries. Our First Aid unit, made up of Green Guard and Medique, supplies first aid cabinet services, safety products, and over-the-counter medications to diverse manufacturers, retailers, wholesalers, and service organizations.

**HOW:** In fiscal year 2010, UniFirst employed approximately 10,000 Team Partners; operated 166 customer service centers, 13 nuclear decontamination facilities, 5 cleanroom operations, 14 first aid locations, 2 distribution centers, and 4 manufacturing plants—the latter producing the majority of the garments and floorcare products used in our rental service programs.

**WHY:** UniFirst's mission is to consistently deliver enhanced image, identity, and safety solutions that represent the best customer value, produce the greatest user benefits, and earn us recognition as the quality leader in our industry.

# Letter to Shareholders

## 2010



**Ronald D. Croatti**

*Chairman of the Board, President, and Chief Executive Officer*

Dear Shareholders,

In fiscal year 2010, UniFirst achieved record revenues of \$1.026 billion, an increase of 1.2% over fiscal 2009's \$1.013 billion. Net income for the year was also a new record at \$76.4 million, a 0.7% increase over 2009's \$75.9 million. These results exceeded our expectations and were achieved in the face of a global economic crisis, which continues to have a broad impact across our entire customer base and the markets we serve. I am very proud of our thousands of hard working Team Partners across North America and Europe who continued to weather the storm, allowing UniFirst to grow its revenues and profits throughout such challenging recessionary times.

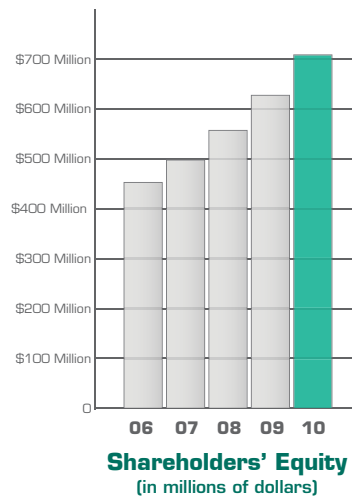
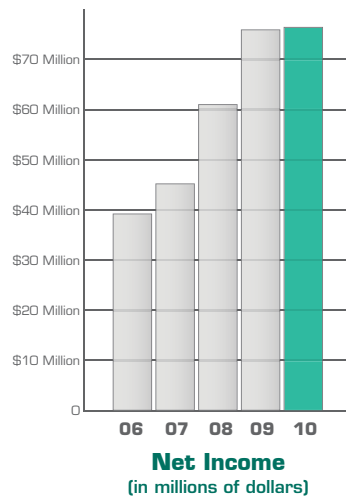
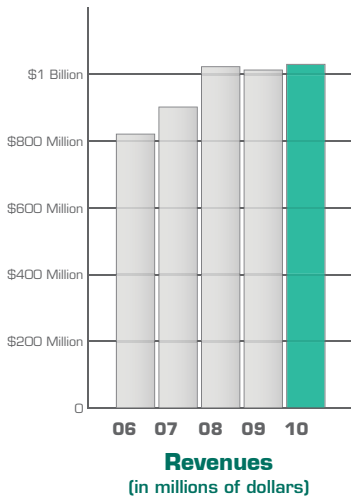


Core Laundry Operations, which represent approximately 90% of our total business, reported revenue and operating income decreases in fiscal 2010 when compared to 2009, dipping 0.5% and 8.8%, respectively. It should be noted, however, that despite the tough economy, the comparative revenue shortfall was among the lowest in the industry. Our Specialty Garments business, made up of nuclear and cleanroom operations, set new revenue and operating income records in 2010, bettering last year's revenues by 21.6% and operating income by 88.7%. Much of this growth was attributed to the nuclear group's ongoing expansion in the European market, its servicing of ramped up decommissioning efforts in Canada, and its support of U.S. customers engaged in larger-sized refurbishment projects. Our First Aid operations also saw positive growth in fiscal 2010 over 2009, with revenues increasing 5.8% and operating income up 58.7%. Although the route-based first aid service business was particularly affected by customers cutting safety supplies to control expenses, both the private-label wholesale distribution and pharmaceutical packaging areas capitalized on their niche market opportunities to achieve year-over-year growth.

In our business, employment levels and the general economic landscape directly affect our core rental markets and demand for UniFirst products and services. Throughout fiscal 2010, we witnessed national unemployment hovering near 10% in both the U.S. and Canada, causing widespread customer

reductions in uniform wearers. We lost many accounts due to business closings and decisions not to renew service agreements for financial reasons. We also observed a general lack of confidence, both in consumer spending and in future market conditions, causing numerous companies to delay longer term purchase commitments and postpone the rehiring of laid off workers. But as the year progressed, we saw continuous week-to-week improvements in recession related reductions and losses (although still not returning to pre-recession levels), signaling some long awaited stabilization within our markets. And through it all, our company-wide commitment to service excellence, along with intensified strategic sales efforts, led to another successful year at UniFirst.

As a result of our proactive steps, our uniform rental business showed a solid performance in 2010 with new business sales and customer retention levels improving over 2009. Our professional sales group continued to benefit from our investments in productivity and prospecting technologies, as well as our intensified training programs that focused on strategic and targeted selling during tough economic times. The national account sales organization, in particular, contributed throughout the year with a significant year-over-year sales improvement, bringing several new large-scale customers on board and securing many important contract renewals. The Company's new sales for the year advanced despite a particularly resistant prospect pool and overly aggressive



## Financial Highlights

competitor tactics focused on gaining short term results. Our route service organization also stepped up efforts in 2010, adding more products and services into existing accounts, improving customer retention levels, and maintaining high customer satisfaction scores.

As we head into fiscal year 2011, we continue to see favorable growth indicators from all our business units. But, with unemployment high, the stock market fluctuating, and consumer sentiment low...economic uncertainty prevails. Most experts agree that a full market recovery, along with pre-recessionary job levels, is ultimately years away. For our part, we will continue to maintain fiscal discipline and tight cost controls in everything we do, limiting all expenditures that do not directly benefit our customers or bottom line. At the same time, we'll ensure all our Team Partners are effectively trained and remain committed to providing unexcelled services to our client base. We'll also continue to invest in our professional and national account sales teams, our key drivers of organic growth, while maintaining a consistently strong cash flow to allow for any competitive acquisitions that make sound business sense.

Our Specialty Garments business will continue building upon its solid base of energy, high-tech, and healthcare customers, as it seeks to capture increased market share in both nuclear power and cleanroom-related businesses. The nuclear group will continue focusing on its European and Canadian expansion, while benefiting from its solid U.S. customer base. Likewise, our cleanroom group will expand operations in East Coast and Midwest U.S. markets, while remaining well positioned to capitalize on increased pharmaceutical and biotech business as the economy begins to gain strength.

Through these basic fundamentals, we will continue to grow our Company and produce positive long term returns for our shareholders.

Our First Aid segment will also continue taking advantage of new business opportunities emerging in the marketplace. Route-based B-to-B service operations will provide a more comprehensive product and service package and begin offering new value-added services, such as onsite safety training at customer locations. The wholesale distribution group will continue its successful sales efforts in markets less dependent on employee headcounts, while the pharmaceutical packaging unit will add to its retail-focused customer base by leveraging the growing demand for over-the-counter private label products as alternatives to "name brand" drugs.

Going forward, I have great confidence that all our Team Partners will effectively

execute UniFirst's strategic plans and our Company will emerge an even stronger, more dynamic industry leader when an invigorated market reappears. History has shown UniFirst's resilience and ability to succeed despite unfavorable market conditions, and these characteristics will once again hold true as we maneuver toward a healthier economy. It all comes down to following our founding principles which demand we always do business following "the golden rule" – consistently serving our customers as *we* would wish to be served, and treating our people as *we* would wish to be treated. Through these basic fundamentals, we will continue to grow our Company and produce positive long term returns for our shareholders.

Thank you for your continued support and I look forward to reporting to you throughout the year on our progress.

—RONALD D. CROATTI

Chairman of the Board, President, and Chief Executive Officer

## Executive Officers

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

**Cynthia Croatti**  
*Executive Vice President and Treasurer*

**Bruce P. Boynton**  
*Senior Vice President, Operations*

**David A. DiFillippo**  
*Senior Vice President, Operations*

**David M. Katz**  
*Vice President, Sales and Marketing*

**Steven S. Sintros**  
*Vice President, Finance and Chief Financial  
Officer*

**Raymond C. Zemlin**  
*Secretary*

## Operating & Corporate Officers

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**John R. Badey**  
*Vice President, Distribution and Engineering*

**John B. Bartlett**  
*Assistant Secretary and Assistant Treasurer*

**George J. Bakevich**  
*Vice President, UniTech Services Group*

**Benjamin F. Childers**  
*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*

**Shane F. O'Connor**  
*Corporate Controller*

**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

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

**Cynthia Croatti**  
*Executive Vice President and Treasurer*

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

**Robert F. Collings**  
*President's Council of Massachusetts  
General Hospital and Board of Advisors  
of Calare Real Estate Fund*

**Anthony F. DiFillippo**  
*Former UniFirst Corporation President*

**Donald J. Evans**  
*Retired Senior Partner of Goodwin Procter  
LLP; Former General Counsel and First  
Deputy Commissioner, Massachusetts  
Department of Revenue; and Trustee,  
Massachusetts Eye and Ear Infirmary*

**Michael Iandoli**  
*President/CEO of The Larz Anderson Auto  
Museum and former Senior Executive and  
President of TAC Worldwide Companies*

**Thomas S. Postek**  
*Financial Analyst for Geneva Investment  
Management of Chicago*

## Form 10-K

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Shareholders may obtain without charge a copy of the Company's 2010 Form 10-K. Written requests should be addressed to Steven S. Sintros, Chief Financial Officer.

## Transfer Agent

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Computershare Trust Company, N.A.  
Attn: Computershare Investor  
Services  
P.O. Box 43078  
Providence, RI 02940-3078

## Independent Registered Public Accounting Firm

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Ernst & Young LLP

## Legal Counsel

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Goodwin Procter LLP



