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 May 30, 1998

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 [X]   No [ ]

The number of outstanding shares of the registrant's Common Stock and Class B Common Stock as of July 6, 1998 were 10,206,864 and 10,303,744 respectively.

PART 1 - FINANCIAL INFORMATION

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

	May 30, 1998	August 30, 1997*	May 31, 1997
Assets			
Current assets:			
Cash	$ 6,122,000	$ 4,054,000	$ 5,936,000
Receivables	46,282,000	39,431,000	39,855,000
Inventories	22,379,000	19,497,000	20,192,000
Rental merchandise in service	41,045,000	40,013,000	39,362,000
Prepaid expenses	143,000	149,000	140,000
Total current assets	115,971,000	103,144,000	105,485,000
Property and equipment:			

Land, buildings and leasehold improvements	148,272,000	137,281,000	133,489,000
Machinery and equipment	161,914,000	142,242,000	136,060,000
Motor vehicles	42,191,000	37,276,000	36,690,000
	352,377,000	316,799,000	306,239,000
Less - accumulated depreciation	142,985,000	128,532,000	124,252,000
	209,392,000	188,267,000	181,987,000
Other assets	50,058,000	48,215,000	48,767,000
	$375,421,000	$339,626,000	$336,239,000
Liabilities and Shareholders' Equity			
Current liabilities:			
Current maturities of long-term obligations	$ 1,067,000	$ 1,040,000	$ 1,037,000
Notes payable	2,457,000	3,213,000	3,340,000
Accounts payable	13,864,000	13,085,000	13,075,000
Accrued liabilities	45,910,000	45,637,000	46,167,000
Accrued and deferred income taxes	2,131,000	2,555,000	2,679,000
Total current liabilities	65,429,000	65,530,000	66,298,000
Long-term obligations, net of current maturities	53,355,000	39,797,000	42,745,000
Deferred income taxes	18,017,000	17,107,000	17,213,000
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 10,206,864 shares	1,021,000	790,000	789,000
Class B Common stock, $.10 par value; 20,000,000 shares authorized; issued and outstanding 10,303,744 shares	1,030,000	1,261,000	1,262,000
Capital surplus	7,078,000	7,078,000	7,078,000
Retained earnings	231,117,000	208,949,000	201,531,000
Cumulative translation adjustment	(1,626,000)	(886,000)	(677,000)
Total shareholders' equity	238,620,000	217,192,000	209,983,000
	$375,421,000	$339,626,000	$336,239,000

* 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 CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

	Thirty-nine weeks ended May 30, 1998	Thirty-nine weeks ended May 31, 1997	Thirteen weeks ended May 30, 1998	Thirteen weeks ended May 31, 1997
Revenues	$335,812,000	$313,164,000	$114,066,000	$107,124,000
Costs and expenses:				
Operating costs	204,581,000	192,243,000	69,319,000	65,905,000
Selling and administrative expenses	73,194,000	69,676,000	24,047,000	23,123,000
Depreciation and amortization	19,189,000	17,161,000	6,588,000	5,969,000
	296,964,000	279,080,000	99,954,000	94,997,000
Income from operations	38,848,000	34,084,000	14,112,000	12,127,000
Interest expense (income):				
Interest expense	1,895,000	1,792,000	596,000	641,000
Interest income	(214,000)	(155,000)	(81,000)	(49,000)

	1,681,000	1,637,000	515,000	592,000
Income before income taxes	37,167,000	32,447,000	13,597,000	11,535,000
Provision for income taxes	13,380,000	11,681,000	4,895,000	4,153,000
Net income	$ 23,787,000	$ 20,766,000	$ 8,702,000	$ 7,382,000
Weighted average number of shares outstanding	20,510,608	20,510,608	20,510,608	20,510,608
Net income per share - basic & diluted	$1.16	$1.01	$0.42	$0.36

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

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

	Thirty-nine weeks ended May 30, 1998	Thirty-nine weeks ended May 31, 1997
Cash flows from operating activities:		
Net Income	$ 23,787,000	$ 20,766,000
Adjustments:		
Depreciation	15,923,000	14,303,000
Amortization of other assets	3,266,000	2,858,000
Receivables	(6,812,000)	(2,865,000)
Inventories	(2,858,000)	(3,172,000)
Rental merchandise in service	(831,000)	(804,000)
Prepaid expenses	5,000	(13,000)
Accounts payable	730,000	1,303,000
Accrued liabilities	318,000	8,806,000
Accrued and deferred income taxes	(382,000)	(986,000)
Deferred income taxes	936,000	818,000
Net cash provided by operating activities	34,082,000	41,014,000
Cash flows from investing activities:		
Acquisition of businesses, net of cash acquired	(5,041,000)	(4,971,000)
Capital expenditures	(35,049,000)	(35,954,000)
Other assets, net	(3,172,000)	(959,000)
Net cash used in investing activities	(43,262,000)	(41,884,000)
Cash flows from financing activities:		
Increase in debt	14,563,000	6,329,000
Reduction of debt	(1,696,000)	(1,329,000)
Cash dividends paid or payable	(1,619,000)	(1,619,000)
Net cash provided by financing activities	11,248,000	3,381,000
Net increase in cash	2,068,000	2,511,000
Cash at beginning of period	4,054,000	3,425,000
Cash at end of period	$ 6,122,000	$ 5,936,000

Supplemental disclosure of cash flow information:

Interest paid	$ 1,918,000	$ 1,773,000
Income taxes paid	$ 12,894,000	$ 11,868,000

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

FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THIRTY-NINE WEEKS ENDED MAY 30, 1998

1. These condensed consolidated 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 consolidated 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 its business operations, including legal proceedings and claims relating to personal injury, customer contract, employment 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.

FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS
OF OPERATIONS AND FINANCIAL CONDITION

FOR THE THIRTY-NINE WEEKS ENDED MAY 30, 1998

RESULTS OF OPERATIONS

THIRTY-NINE WEEKS OF FISCAL 1998 COMPARED TO THIRTY-NINE WEEKS OF FISCAL 1997

REVENUES. Revenues for the first thirty-nine weeks of fiscal 1998 increased $22.6 million or 7.2% over the first thirty-nine weeks of fiscal 1997. This increase can be attributed to growth from existing operations (5.3%), acquisitions (0.9%) and price increases (1.0%). Growth from existing operations was primarily from the conventional uniform rental business. The increase in revenues from acquisitions resulted from three acquisitions made in fiscal 1997 (two in Massachusetts in February and August 1997 and one in Vancouver, British Columbia in April 1997) and one acquisition made in California in March, 1998.

OPERATING COSTS. Operating costs increased to $204.6 million for the first thirty-nine weeks of fiscal 1998 as compared with $192.2 million for the same period of fiscal 1997 as a result of costs associated with increased revenues, but declined to 60.9% from 61.4% as a percentage of revenues for these periods. The improvement in operating costs as a percentage of revenues was due primarily to the Company's continued focus on controlling costs.

SELLING AND ADMINISTRATIVE EXPENSES. The Company's selling and administrative expenses increased to $73.2 million for the first thirty-nine weeks of fiscal 1998 as compared with $69.7 million for the same period in fiscal 1997, but declined to 21.8% from 22.2% of revenues, respectively. The increase in the amount of selling and administrative expenses was primarily attributable to increased sales personnel and other costs to support the Company's increased revenues. The decrease in selling and administrative expense as a percentage of revenues was primarily due to the Company's ongoing focus on controlling costs.

DEPRECIATION AND AMORTIZATION. The Company's depreciation and amortization expense increased to $19.2 million, or 5.7% of revenues, for the first thirty-nine weeks of fiscal 1998 as compared with $17.2 million, or 5.5% of revenues, for the same period in fiscal 1997. This increase was due primarily to increased capital expenditures for information systems hardware and software to upgrade certain Company-wide systems.

NET INTEREST EXPENSE. Net interest expense was $1.7 million for the first thirty-nine weeks of fiscal 1998 as compared to $1.6 million in the same period of fiscal 1997. The increase was attributable primarily to higher debt levels, offset by lower interest rates, during fiscal 1998. Net interest expense was 0.5% of revenues for each period.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS
OF OPERATIONS AND FINANCIAL CONDITION
(continued)

FOR THE THIRTY-NINE WEEKS ENDED MAY 30, 1998

RESULTS OF OPERATIONS (continued)

THIRTEEN WEEKS ENDED MAY 30, 1998 COMPARED TO THIRTEEN WEEKS ENDED MAY 31, 1997

REVENUES. Fiscal 1998 third quarter revenues increased $6.9 million or 6.5% over the fiscal 1997 third quarter. This increase can be attributed to growth from existing operations (4.6%), acquisitions (0.9%) and price increases (1.0%). Growth from existing operations was primarily from the conventional uniform rental business. The increase in revenues from acquisitions resulted from two acquisitions made in fiscal 1997 (one in Vancouver, British Columbia in April 1997 and one in Massachusetts in August 1997) and one acquisition made in California in March, 1998.

OPERATING COSTS. Operating costs increased to $69.3 million for the third quarter of fiscal 1998 as compared with $65.9 million for the same period of fiscal 1997 as a result of costs associated with increased revenues, but declined to 60.8% from 61.5% as a percentage of revenues for these periods. The improvement in operating costs as a percentage of revenues was due primarily to the Company's continued focus on controlling costs.

SELLING AND ADMINISTRATIVE EXPENSES. The Company's selling and administrative expenses increased to $24.0 million for the third quarter of fiscal 1998 as compared with $23.1 million for the third quarter of fiscal 1997. As a percentage of revenues, fiscal 1998 third quarter selling and administrative expenses were 21.1% as compared to 21.6% in the third quarter of fiscal 1997. The decrease in selling and administrative expense as a percentage of revenues was primarily attributable to the Company's ongoing focus on controlling costs.

DEPRECIATION AND AMORTIZATION. The Company's depreciation and amortization expense increased to $6.6 million, or 5.8% of revenues, for the third quarter of fiscal 1998 as compared with $6.0 million, or 5.5% of revenues, for the same period in fiscal 1997. This increase was due primarily to increased capital expenditures for new facility openings and renovations and information systems hardware and software to upgrade certain Company-wide systems.

NET INTEREST EXPENSE. Net interest expense was $515,000, or 0.5% of revenues, for the third quarter of fiscal 1998 as compared with $592,000, or 0.6% of revenues, for the same period in fiscal 1997. The decrease was attributable primarily to lower interest rates, offset by higher debt, in the fiscal 1998 quarter.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS
OF OPERATIONS AND FINANCIAL CONDITION
(continued)

FOR THE THIRTY-NINE WEEKS ENDED MAY 30, 1998

LIQUIDITY AND CAPITAL RESOURCES

Shareholders' equity at May 30, 1998 was $238.6 million, or 81.4% of total capitalization.

During the thirty-nine weeks ended May 30, 1998 net cash provided by operating activities of $34.1 million and additional borrowings of $14.6 million were primarily used for capital expenditures ($35.0 million), acquisition of a business ($5.0 million), debt repayment ($1.7 million) and dividends ($1.7 million).

The Company had $6.1 million in cash and $12.4 million available on its $60 million unsecured line of credit with two banks as of May 30, 1998. The Company believes its generated cash from operations and the Company's borrowing capacity will adequately cover its foreseeable capital requirements.

SEASONALITY

Historically, the Company's revenues and operating results have varied from quarter to quarter and are expected to continue to fluctuate in the future. These fluctuations have been due to a number of factors, including: general economic conditions in the Company's markets; the timing of acquisitions and of commencing start-up operations and related costs; the effectiveness of integrating acquired businesses and start-up operations; the timing of nuclear plant outages; capital expenditures; seasonal rental and purchasing patterns of the Company's customers; and price changes in response to competitive factors. In addition, the Company's operating results historically have been lower during the second and fourth fiscal quarters than during the other quarters of the fiscal year. The operating results for any historical quarter are not necessarily indicative of the results to be expected for an entire fiscal year or any other interim periods.

INFORMATION SYSTEMS; YEAR 2000

The Company has made a substantial investment in its information systems and intends to spend significant amounts on its information systems in the future. In particular, the Company is currently evaluating Year 2000 issues concerning the ability of systems to properly recognize date sensitive information when the year changes to 2000. Systems that do not properly recognize such information could generate erroneous data or cause complete system failures. The Company believes that its account management software system, which it recently developed, and the software systems being installed at its Owensboro, Kentucky facility are Year 2000 compliant. However, the Company is evaluating its other systems and expects that it may need to upgrade or replace certain of them, including its general ledger, accounts payable and payroll interface software systems, to handle the rollover into the Year 2000. The Company has not yet quantified the anticipated costs of addressing Year 2000 issues. There can be no assurance that the Year 2000 problem will not have a material adverse effect on the results of operations of the Company.

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.

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: July 14, 1998

/s/ JOHN B. BARTLETT

John B. Bartlett
Senior Vice President
and Chief Financial Officer

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF UNIFIRST CORPORATION FOR THE THIRTY-NINE WEEKS ENDED MAY 30, 1998, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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