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
June 1, 2002

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 preceding 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 8, 2002 were 9,013,054 and 10,212,144, respectively.

PART 1 - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

(In thousands, except per share data)	June 1, 2002	August 25, 2001*	May 26, 2001
Assets			
Current assets:			
Cash	$ 3,538	$ 5,699	$ 8,302
Receivables	58,811	55,427	58,210
Inventories	27,442	22,320	22,880
Rental merchandise in service	52,905	56,677	59,054
Prepaid expenses	241	275	296
Total current assets	142,937	140,398	148,742
Property and equipment:			
Land, buildings and leasehold improvements	203,268	199,084	199,567
Machinery and equipment	225,868	224,143	220,186
Motor vehicles	60,869	57,620	57,630

	490,005	480,847	477,383
Less - accumulated depreciation	221,723	215,154	208,949
	268,282	265,693	268,434
Goodwill, net	54,610	54,579	54,950
Other intangible assets	23,128	26,110	25,373
Other assets	5,196	5,033	4,565
	$494,153	$491,813	$502,064
Liabilities and Shareholders' Equity			
Current liabilities:			
Current maturities of long-term obligations	$ 1,392	$ 1,664	$ 1,900
Notes payable	1,283	1,344	1,315
Accounts payable	14,555	19,334	13,070
Accrued liabilities	59,102	55,242	57,913
Accrued and deferred income taxes	2,944	11,928	12,966
Total current liabilities	79,276	89,512	87,164
Long-term obligations, net of current maturities	85,794	93,131	111,000
Deferred income taxes	24,503	23,625	22,760
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 10,548,109 shares	1,055	1,052	1,051
Class B Common stock, $.10 par value; 20,000,000 shares authorized; issued and outstanding 10,212,144 shares	1,021	1,024	1,025
Treasury stock, 1,535,055 shares, at cost	(24,756)	(24,755)	(24,755)
Capital surplus	12,503	12,438	12,438
Retained earnings	317,706	299,313	294,205
Accumulated other comprehensive loss	(2,949)	(3,527)	(2,824)
Total shareholders' equity	304,580	285,545	281,140
	$494,153	$491,813	$502,064

* Condensed from audited financial statements

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

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

(In thousands, except per share data)	Forty weeks ended June 1, 2002	Thirty-nine weeks ended May 26, 2001	Thirteen weeks ended June 1, 2002	Thirteen weeks ended May 26, 2001
Revenues	$438,407	$418,196	$144,259	$140,625
Costs and expenses:				
Operating costs	263,939	258,953	86,035	87,108
Selling and administrative expenses	106,649	94,638	34,836	31,749
Depreciation and amortization	28,175	28,156	9,667	9,437
	398,763	381,747	130,538	128,294
Income from operations	39,644	36,449	13,721	12,331
Other expense (income):				
Interest expense	7,547	7,440	1,704	2,336

Interest income	(1,133)	(871)	(308)	(289)
Interest rate swap expense	447	1,678	176	33
	6,861	8,247	1,572	2,080
Income before income taxes	32,783	28,202	12,149	10,251
Provision for income taxes	12,458	10,717	4,617	3,895
Net income	$ 20,325	$ 17,485	$ 7,532	$ 6,356
Weighted average number of shares outstanding -- basic	19,221	19,413	19,223	19,256
Weighted average number of shares outstanding -- diluted	19,275	19,421	19,293	19,274
Net income per share -- basic	$ 1.06	$ 0.90	$ 0.39	$ 0.33
Net income per share -- diluted	$ 1.05	$ 0.90	$ 0.39	$ 0.33

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

UNIFIRST CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(In thousands)	Forty weeks ended June 1, 2002	Thirty-Nine weeks ended May 26, 2001
Cash flows from operating activities:		
Net Income	$ 20,325	$ 17,485
Adjustments:		
Depreciation	24,184	22,875
Amortization of other assets	3,991	5,281
Interest rate swap expense	447	1,678
Changes in assets and liabilities, net of acquisitions:		
Receivables	(3,354)	(4,340)
Inventories	(5,044)	4,497
Rental merchandise in service	3,801	(3,205)
Prepaid expenses	34	2
Accounts payable	(5,034)	(6,486)
Accrued liabilities	3,406	9,093
Accrued and deferred income taxes	(8,998)	717
Deferred income taxes	872	750
Net cash provided by operating activities	34,630	48,347
Cash flows from investing activities:		
Capital expenditures	(26,719)	(26,140)
Increase in other assets	(2,026)	(855)
Net cash used in investing activities	(28,745)	(26,995)
Cash flows from financing activities:		
Increase in debt	99	831
Reduction of debt	(6,277)	(14,356)
Repurchase of common stock	--	(4,706)
Proceeds from exercise of stock options	64	--
Cash dividends	(1,932)	(1,956)
Net cash used in financing activities	(8,046)	(20,187)
Net increase (decrease) in cash	(2,161)	1,165
Cash at beginning of period	5,699	7,137
Cash at end of period	$ 3,538	$ 8,302

Supplemental disclosure of cash flow information:

Interest paid	$ 7,555	$ 5,888
Income taxes paid	20,564	9,325

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

FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FORTY WEEKS ENDED JUNE 1, 2002

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 (consisting only of normal recurring 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 consolidated financial statements should be read in conjunction with the financial statements and the notes, thereto, included in the Company's latest annual report on Form 10-K. Results for an interim period are not indicative of any future interim periods or for an entire fiscal year.

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.

3. Certain prior period amounts have been reclassified to conform with the current period presentation.

4. The components of comprehensive income for the forty and thirteen week periods ended June 1, 2002 and the thirty-nine and thirteen week periods ended May 26, 2001 were as follows:

(in thousands)	Forty weeks ended June 1, 2002	Thirty-nine weeks ended May 26, 2001	Thirteen weeks ended June 1, 2002	Thirteen weeks ended May 26, 2001
Net income	$20,325	$17,485	$7,532	$6,356
Other comprehensive income (loss):				
Foreign currency translation adjustments	252	(855)	423	74
Change in fair value of derivative instruments, net of tax	326	--	414	--
Comprehensive income	$20,903	$16,630	$8,369	$6,430

5. Net income per share is calculated using the weighted average number of common and dilutive potential common shares outstanding during the year.

6. The Company adopted Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," as

amended, in 2001. SFAS No. 133 establishes standards for accounting and reporting derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities.

The Company has entered into interest rate swap agreements to manage its exposure to movements in interest rates on its variable rate debt. The swap agreements are cash flow hedges and are used to manage exposure to interest rate movement by effectively changing the variable rate to a fixed rate. Such instruments are matched with the underlying borrowings. SFAS No. 133 eliminates special hedge accounting if a swap agreement does not meet certain criteria, thus requiring the Company to reflect all changes in the fair value of the swap agreement in earnings in the period of change.

In October 1999, the Company entered into an interest rate swap agreement with a bank, notional amount $40,000, maturing October 13, 2004. The Company pays a fixed rate of 6.38% and receives a variable rate tied to the three month LIBOR rate. As of June 1, 2002, the applicable variable rate was 1.98%. On October 15, 2002 the bank has the option to terminate the swap agreement without further obligation to make payments to the Company. Since this swap agreement does not meet the required criteria necessary to use special hedge accounting, the Company has recorded charges of $447 and $1,678 for the forty weeks ended June 1, 2002 and thirty-nine weeks ended May 26, 2001, respectively, and charges of $176 and $33 for the thirteen weeks ended June 1, 2002 and May 26, 2001, respectively, through other expense, as a result of the change in the fair value of the swap agreement.

In June 2001, the Company entered into a second interest rate swap agreement with a bank, notional amount $20,000, maturing June 5, 2003. The Company pays a fixed rate of 4.69% and receives a variable rate tied to the three month LIBOR rate. As of June 1, 2002, the applicable variable rate was 1.90%. This swap agreement meets the required criteria as defined in SFAS No. 133 to use special hedge accounting, and the Company has recorded charges of $189, net of tax of $126, and $56, net of tax of $37 for the forty and thirteen weeks ended June 1, 2002, respectively, through other comprehensive income, for the change in the fair value of the swap agreement.

During 2001, the Company entered into natural gas swap agreements to mitigate the commodity price risk associated with the natural gas used at certain laundry facilities. During the third quarter of fiscal 2002 the Company liquidated these natural gas swap agreements. The impact of this liquidation was not material to the Company's financial condition or results of operations.

7. In June 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 141, "Business Combinations." SFAS No. 141 requires that all business combinations be accounted for using one method, the purchase method. The provisions of this Statement apply to all business combinations initiated after June 30, 2001.

SFAS No. 141 supersedes Accounting Principles Board (APB) Opinion No. 16, "Business Combinations," and SFAS No. 38, "Accounting for Preacquisition Contingencies of Purchased Enterprises."

In June 2001, the FASB also issued SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 addresses financial accounting and reporting for goodwill and other intangible assets. SFAS No. 142 supersedes APB Opinion No. 17, "Intangible Assets." The Company adopted SFAS No. 142 effective August 26, 2001. The provisions of SFAS No. 142 were applied to all goodwill and other intangible assets recognized in the Company's consolidated financial statements as of August 26, 2001. There were no impairment losses related to goodwill and indefinite-lived intangible assets due to the application of SFAS No. 142.

Upon adoption of SFAS No. 142, the Company discontinued the amortization of goodwill. The following table presents a reconciliation of net income and earnings per share, adjusted for the exclusion of goodwill, net of tax:

(in thousands)	Forty weeks ended June 1, 2002	Thirty-nine weeks ended May 26, 2001	Thirteen weeks ended June 1, 2002	Thirteen weeks ended May 26, 2001
Reported net income	$20,325	$17,485	$7,532	$6,356
Add: Goodwill amortization, net of tax	--	1,178	--	584
Adjusted net income	20,325	18,663	7,532	6,940
Reported basic earnings per share	$1.06	$0.90	$0.39	$0.33
Add: Goodwill amortization, net of tax	--	0.06	--	0.03
Adjusted basic earnings per share	$1.06	$0.96	$0.39	$0.36
Reported diluted earnings per share	$1.05	$0.90	$0.39	$0.33
Add: Goodwill amortization, net of tax	--	0.06	--	0.03
Adjusted diluted earnings per share	$1.05	$0.96	$0.39	$0.36

Information regarding the Company's other intangible assets are as follows:

AS OF JUNE 1, 2002

	Carrying Amount	Accumulated Amortization	Net
Customer contracts, restrictive covenants and other assets arising from acquisitions	$ 64,945	$41,817	$23,128
Goodwill	63,801	9,191	54,610
Total	$128,746	$51,008	$77,738

AS OF AUGUST 25, 2001

	Carrying Amount	Accumulated Amortization	Net
Customer contracts, restrictive covenants and other assets arising from acquisitions	$ 63,926	$37,816	$26,110
Goodwill	63,770	9,191	54,579
Total	$127,696	$47,007	$80,689

AS OF MAY 26, 2001

	Carrying Amount	Accumulated Amortization	Net
Customer contracts, restrictive covenants and other assets arising from acquisitions	$ 61,938	$36,565	$25,373
Goodwill	63,634	8,684	54,950
Total	$125,572	$45,249	$80,323

Amortization expense for the forty and thirteen weeks ended June 1, 2002 was $3,991 and $1,401, respectively. Amortization expense for the thirty-nine and thirteen weeks ended May 26, 2001 was $5,281 and $1,785, respectively. Estimated amortization expense for each of the following fiscal years based on the intangible assets as of June 1, 2002 is as follows:

2002	$5,151
2003	3,997
2004	3,249
2005	3,212
2006	3,163

8. In June 2001, the FASB approved the issuance of SFAS No. 143, "Accounting for Asset Retirement Obligations." SFAS No. 143 establishes accounting standards for the recognition and measurement of legal obligations associated with the retirement of tangible long-lived assets and requires recognition of a liability for an asset retirement obligation in the period in which it is incurred. SFAS No. 143 is effective for fiscal years beginning after June 15, 2002. The Company will adopt SFAS No. 143 on September 1, 2002, but has not yet determined the impact of adopting this statement.

In October 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment of Disposal of Long-Lived Assets." SFAS No. 144 addresses financial accounting and reporting for the impairment or disposal of long-lived assets. The provisions of this statement are effective for financial statements issued for fiscal years beginning after December 15, 2001. The Company will adopt SFAS No. 144 on September 1, 2002, but has not yet determined the impact of adopting this statement.

FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

FOR THE FORTY WEEKS ENDED JUNE 1, 2002

RESULTS OF OPERATIONS

FORTY WEEKS OF FISCAL 2002 COMPARED WITH THIRTY-NINE WEEKS OF FISCAL 2001

Revenues. Revenues for the first forty weeks of fiscal 2002 increased $20.2 million or 4.8% to $438.4 million as compared with $418.2 million for the first thirty-nine weeks of fiscal 2001. This increase can be attributed to an extra week of revenue in fiscal 2002 (2.6%), increased revenue from the UniTech nuclear garment services business (1.7%), and growth from existing operations and price increases in the core uniform rental and first aid business (0.5%).

Operating Costs. Operating costs increased to $263.9 million for the first nine months of fiscal 2002 as compared with $259.0 million for the first nine months of fiscal 2001. As a percentage of revenues, operating costs decreased to 60.2% from 61.9% for these periods, primarily due to lower merchandise costs as the Company continued to see benefits from its in-plant stockrooms and higher contribution from its manufacturing operations. The Company also benefited from the strong performance of its UniTech nuclear garment services business and had slightly lower energy related costs.

Selling and Administrative Expenses. The Company's selling and administrative expenses increased to $106.6 million, or 24.3% of revenues, for the first nine months of fiscal 2002 as compared with $94.6 million, or 22.6% of revenues, for the first nine months of fiscal 2001. In the first quarter of fiscal 2001 these costs were favorably impacted by a $1.1 million settlement from a lawsuit related to the Company's UniTech nuclear garment services business. Excluding this settlement, these expenses would have been $95.7 million, or 22.9% of revenues, in the first nine months of fiscal 2001. The increase in selling and administrative expenses is primarily attributable to higher selling costs as the Company has expanded its sales force, and increased employee health care costs.

Depreciation and Amortization. The Company's depreciation and amortization expense was $28.2 million for both the first nine months of fiscal 2002 and the first nine months of fiscal 2001. As a percentage of revenues, depreciation and amortization expense decreased to 6.4% from 6.7% for these periods, primarily as a result of the adoption of SFAS No. 142 in the first quarter of fiscal 2002, whereby the Company ceased the amortization of goodwill. See Note 7 for a further discussion of the impact of adopting this statement.

Other Expense (Income). Net other expense (interest and interest rate swap expense less interest income) was $6.9 million, or 1.6% of revenues, for the first nine months of fiscal 2002 as compared with $8.2 million, or 2.0% of revenues, for the first nine months of fiscal 2001. During the second quarter of fiscal 2002 the Company recorded a $2.3 million interest charge which is an estimate of the interest due from settling a revenue agent review with the IRS. Excluding this charge, net other expense would have been $4.6 million, or 1.0% of revenues, in the first nine months of fiscal 2002. The decrease in net other expense is attributable to lower interest rates and reduced debt in the first nine months of fiscal 2002 as well as lower interest rate swap expense resulting from the change in the fair value of the Company's $40 million notional amount interest rate swap agreement.

Income Taxes. The Company's effective income tax rate was 38.0% for both the first nine months of fiscal 2002 and the first nine months of fiscal 2001.

THIRTEEN WEEKS ENDED JUNE 1, 2002 COMPARED TO THIRTEEN WEEKS ENDED MAY 26, 2001

Revenues. Fiscal 2002 third quarter revenues increased $3.6 million or 2.6% to $144.3 million as compared with $140.6 million for the third quarter of fiscal 2001. This increase is entirely attributable to increased revenue from the UniTech nuclear garment services business.

Operating Costs. Operating costs decreased to $86.0 million, or 59.6% of revenues, for the third quarter of fiscal 2002 as compared with $87.1 million, or 61.9% of revenues, for the third quarter of fiscal 2001, primarily due to lower merchandise costs as the Company continued to see benefits from its in-plant stockrooms and higher contribution from its manufacturing operations. The Company also benefited from the strong performance of its UniTech nuclear garment services business.

Selling and Administrative Expenses. The Company's selling and administrative expenses increased to $34.8 million, or 24.1% of revenues, for the third quarter of fiscal 2002 as compared with $31.7 million, or 22.6% of revenues, for the third quarter of fiscal 2001. The increase in selling and administrative expenses is primarily attributable to higher selling costs and increased employee health care costs.

Depreciation and Amortization. The Company's depreciation and amortization expense was $9.7 million, or 6.7% of revenues, for the third quarter of fiscal 2002 as compared with $9.4 million, or 6.7% of revenues for the third quarter of fiscal 2001. The increase in depreciation and amortization expense is primarily the result of higher depreciation costs. This increase was offset by lower amortization expense, primarily due to the adoption of SFAS No. 142 in the first quarter of fiscal 2002, whereby the Company ceased the amortization of goodwill. See Note 7 for a further discussion of the impact of adopting this statement.

Other Expense (Income). Net other expense (interest and interest rate swap expense less interest income) was $1.6 million, or 1.1% of revenues, for the third quarter of fiscal 2002 as compared with $2.1 million, or 1.5% of revenues, for the third quarter of fiscal 2001. The decrease in net other expense is attributable to lower interest rates and reduced debt in the third quarter of fiscal 2002.

Income Taxes. The Company's effective income tax rate was 38.0% for both the third quarter of fiscal 2002 and the third quarter of fiscal 2001.

LIQUIDITY AND CAPITAL RESOURCES

Shareholders' equity at June 1, 2002 was $304.6 million, or 77.7% of total capitalization.

During the forty weeks ended June 1, 2002 net cash provided by operating activities ($34.6 million) was primarily used for capital expenditures ($26.7 million) and debt repayment ($6.3 million).

The Company had $3.5 million in cash and $75.0 million available on its $170 million unsecured line of credit with a syndicate of banks as of June 1, 2002. The Company believes that its cash generated from operations and its 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.

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.

SAFE HARBOR FOR FORWARD LOOKING STATEMENTS

Forward looking statements contained in this quarterly report are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995 and are highly dependent upon a variety of important factors that could cause actual results to differ materially from those reflected in such forward looking statements. 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 including the instability created by the escalating conflict in the middle east; 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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Foreign Currency Exchange Risk

Management has determined that all of the Company's foreign subsidiaries operate primarily in local currencies that represent the functional currencies of the subsidiaries. All assets and liabilities of foreign subsidiaries are translated into U.S. dollars using the exchange rate prevailing at the balance sheet date, while income and expense accounts are translated at average exchange rates during the year. As such, the Company's operating results are affected by fluctuations in the value of the U.S. dollar as compared to currencies in foreign countries, as a result of the Company's transactions in these foreign markets. The Company does not operate a hedging program to mitigate the effect of a significant rapid change in the value of the Canadian Dollar, Euro or Mexican Peso as compared to the U.S. dollar. If such a change did occur, the Company would have to take into account a currency exchange gain or loss in the amount of the change in the U.S. dollar denominated balance of the amounts outstanding at the time of such change. While the Company does not believe such a gain or loss is likely, and would not likely be material, there can be no assurance that such a loss would not have an adverse material effect on the Company's results of operations or financial condition.

Interest Rate Risk

The Company is exposed to market risk from changes in interest rates which may adversely affect its financial position, results of operations and cash flows. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposures through its regular operating and financing activities. In fiscal 2000, the Company entered into an interest rate swap agreement with a bank, notional amount $40 million, maturing October 13, 2004. The Company pays a fixed rate of 6.38% and receives a variable rate tied to the three month LIBOR rate. As of June 1, 2002, the applicable variable rate was 1.98%. On October 15, 2002 the bank has the option to terminate the swap agreement without further obligation to make payments to the Company. In fiscal 2001, the Company entered into a second interest rate swap agreement with a bank, notional amount $20 million, maturing June 5, 2003. The Company pays a fixed rate of 4.69% and receives a variable rate tied to the three month LIBOR rate. As of June 1, 2002, the applicable variable rate was 1.90%. See Note 6 for details on the Company's derivative instruments and hedging activities.

The Company is exposed to interest rate risk primarily through its borrowings under its $170 million unsecured line of credit with a syndicate of banks. Under the line of credit, the Company may borrow funds at variable interest rates based on the Eurodollar rate or the bank's money market rate, as selected by the Company. As of June 1, 2002 and May 26, 2001, the fair market value of the Company's outstanding debt approximates its carrying value.

Other

During 2001, the Company entered into natural gas swap agreements to mitigate the commodity price risk associated with the natural gas used at certain laundry facilities. During the third quarter of fiscal 2002 the Company liquidated these natural gas swap agreements. The impact of this liquidation was not material to the Company's financial condition or results of operations.

PART II - OTHER INFORMATION

FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits: None

(b) Reports on Form 8-K:

On June 27, 2002, the Company filed a Form 8-K to report the change in the Registrant's Certifying Accountant. On June 24, 2002, the Company's Board of Director's decided to no longer engage Arthur Andersen LLP as its independent auditors and instead engage Ernst & Young LLP to serve as the Company's independent auditors for the year ending August 31, 2002.

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

President and Chief Executive Officer

Date: July 16, 2002

/s/ JOHN B. BARTLETT

John B. Bartlett

Senior Vice President

and Chief Financial Officer