SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended August 25, 2001

Commission File Number 1-8504

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

Massachusetts	04-2103460
(State of Incorporation)	(IRS Employer Identification Number)

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

Registrant's telephone number: (978) 658-8888

Securities registered pursuant to Section 12(b) of the Act:

Title of Class	Name of each exchange on which shares are traded
Common Stock, $.10 par value per share	New York Stock Exchange

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The number of outstanding shares of UniFirst Corporation Common Stock and Class B Common Stock at November 16, 2001 were 8,988,034 and 10,232,344, respectively, and the aggregate market value of these shares held by non-affiliates of the Company on said date was $198,313,946 (based upon the closing price of the Company's Common Stock on the New York Stock Exchange on said date and assuming the market value of a share of Class B Common Stock (which is generally non-transferable, but is convertible at any time into one share of Common Stock) is identical to the market value of the Common Stock).

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's 2001 Annual Report to Shareholders and the Company's Proxy Statement for its 2002 Annual Meeting of Shareholders (which will be filed with the Securities and Exchange Commission within 120 days after the close of the 2001 fiscal year) are incorporated by reference into Parts II, III and IV hereof.

This Form 10-K 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. The Company's actual results could differ materially from those set forth in the forward-looking statements. Certain factors that might cause such a difference are discussed in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" incorporated by reference in this Form 10-K.

ITEM 1. BUSINESS

GENERAL

UniFirst Corporation (the "Company") is one of the largest providers of workplace uniforms and protective clothing in the United States. The Company rents, manufactures and sells a wide range of uniforms and protective clothing, including shirts, pants, jackets, coveralls, jumpsuits, lab coats, smocks and aprons, and also rents industrial wiping products, floormats and other non-garment items, including first aid cabinet services and other safety supplies, to a variety of manufacturers, retailers and service companies. The Company serves businesses of all sizes in numerous industry categories. Typical customers include automobile service centers and dealers, delivery services, food and general merchandise retailers, food processors and service operations, light manufacturers, maintenance facilities, restaurants, service companies, soft and durable goods wholesalers, transportation companies, and others who require employee clothing for image, identification, protection or utility purposes. At certain specialized facilities, the Company also decontaminates and cleans work clothes that may have been exposed to radioactive materials and services special cleanroom protective wear. Typical customers for these specialized services include government agencies, research and development laboratories, high technology companies and utilities operating nuclear reactors. In fiscal 2001, the Company generated $556.4 million in revenue, of which approximately 65% was from the rental of uniforms and protective clothing, 26% was from the rental of non-garment items, 7% was from garment decontamination services, and 2% was from the direct sale of garments.

PRODUCTS AND SERVICES

The Company provides its customers with personalized workplace uniforms and protective work clothing in a broad range of styles, colors, sizes and fabrics. The Company's uniform products include shirts, pants, jackets, coveralls, jumpsuits, smocks, aprons and specialized protective wear, such as garments for use in radioactive and clean room environments and fire retardant garments. The Company also offers non-garment items and services, such as industrial wiping products, floormats and mop dust-control service and first aid cabinet services. At certain specialized facilities, the Company also decontaminates and cleans clothes which may have been exposed to radioactive materials and services special cleanroom protective wear.

The Company offers its customers a range of garment service options, including full-service rental programs in which garments are cleaned and serviced by the Company and lease programs in which garments are cleaned and maintained by individual employees, as well as purchase programs where customers may buy garments and related items directly. As part of its rental business, the Company picks up a customer's soiled uniforms or other items on a periodic basis (usually weekly) and delivers at the same time cleaned and processed replacement items. The Company's centralized services, specialized equipment and economies of scale generally allow it to be more cost effective in providing garment services than customers could be by themselves, particularly those customers with high employee turnover rates. The Company's uniform programs are intended not only to help its customers foster greater company identity, but to enhance their corporate image and improve employee safety, productivity and morale. The Company typically serves its customers pursuant to written service contracts that range in duration from three to five years.

CUSTOMERS

The Company serves businesses of all sizes in numerous industry categories. Typical customers include automobile service centers and dealers, delivery services, food and general merchandise retailers, food processors and service operations, light manufacturers, maintenance facilities, restaurants, service companies, soft and durable goods wholesalers, transportation companies, and others who require employee clothing for image, identification, protection or utility purposes. The Company currently services over 150,000 customer locations in 45 states, Canada and Europe from approximately 150 service locations and distribution centers. For each of fiscal 1999, 2000 and 2001, the Company's garment rental operations produced approximately 65% of its revenues, while non-garment rentals accounted for 26%, direct sales of garments accounted for 2%, and the specialized garment services business accounted for approximately 7% of the Company's revenues during each such period. During the past five years, no single customer accounted for more than 1% of total revenues in any year.

MARKETING AND CUSTOMER SERVICE

The Company employs more than 330 trained sales representatives whose sole function is to market the Company's services to potential customers and develop new accounts. The Company also utilizes its route salespeople to maximize sales to existing customers, such as by offering garment rental customers the opportunity to purchase non-garment items. Potential customers are contacted by mail, by telephone and in-person. Sales representatives develop their appointments through the use of an extensive, proprietary database of pre-screened and qualified business prospects. This database is built through responses to the Company's promotional initiatives, through contacts via its World Wide Web site and trade shows, and through the selective use of purchased lists. The Company also endeavors to elevate its brand identity through certain advertising and promotional initiatives.

The Company believes that customer service is the most important element in developing and maintaining its market position and that its emphasis on customer service is reflected throughout its business. The Company serves its customers through approximately 1,100 route salespersons, who generally interact on a weekly basis with their accounts, and more than 750 service support people, who are charged with expeditiously handling customer requirements regarding the outfitting of new customer employees, garment repair and replacement, billing inquiries and other matters. The Company's policy is to respond to all customer inquiries and problems within 24 hours.

The Company's customer service function is supported by its fully-networked management information systems, which provide Company personnel with access to information on the status of customers' orders, inventory availability and shipping information, as well as information regarding customers' individual employees, including names, sizes, uniform styles and colors. The Company has a national account sales group that targets larger customers with nationwide operations for which the Company can serve as the primary supplier of garment services. The Company currently employs twenty persons in its national account sales organization.

COMPETITION

The uniform rental and sales industry is highly competitive. The Company believes that the top five companies in the uniform rental segment of the industry currently generate over half of the industry's volume. The remainder of the market, however, is divided among more than 600 smaller businesses, many of which serve one or a limited number of markets or geographic service areas and generate annual revenues of less than $1.0 million, and a small group of which have revenues of up to approximately $200 million. Although the Company is one of the larger companies engaged in the uniform rental and sales business, there are other firms in the industry which are larger and have greater financial resources than the Company. The Company's leading competitors include ARAMARK Corporation, Cintas Corporation and G&K Services, Inc. In addition to its traditional rental competitors, the Company may increasingly compete in the future with businesses that focus on selling uniforms and other related items. The principal methods of competition in the industry are quality of service and price. The Company also competes with industry competitors for acquisitions, which has the effect of increasing the price for acquisitions and reducing the number of available acquisition candidates. The Company believes that its ability to compete effectively is enhanced by the superior customer service and support that it provides its customers.

MANUFACTURING AND SOURCING

The Company manufactured approximately 55% of all garments which it placed in service during fiscal 2001. These were primarily work pants manufactured at its plant in Ebano, San Luis Potosi, Mexico and shirts manufactured at its plant in Cave City, Arkansas. During fiscal 2001 the Company closed its manufacturing plants in Luquillo, Puerto Rico and Wilburton, Oklahoma, and began construction of a manufacturing plant in Valles, San Luis Potosi, Mexico. The balance of the garments used in its programs are purchased from a variety of industry suppliers. While the Company currently acquires the raw materials with which it produces its garments from a limited number of suppliers, the Company believes that such materials are readily available from other sources. To date, the Company has experienced no significant difficulty in obtaining any of its raw materials or supplies.

EMPLOYEES

At August 25, 2001, the Company employed approximately 7,500 persons, about 6% of whom are represented by unions pursuant to six separate collective bargaining agreements. The Company considers its employee relations to be good.

EXECUTIVE OFFICERS

The executive officers of the Company as of August 25th, 2001 were as follows:

NAME	AGE	POSITION
Aldo Croatti	Deceased	Chairman of the Board
Ronald D. Croatti	58	President and Chief Executive Officer
Robert L. Croatti	65	Executive Vice President
Cynthia Croatti	46	Executive Vice President and Treasurer
John B. Bartlett	60	Senior Vice President and Chief Financial Officer
Bruce P. Boynton	53	Senior Vice President
Dennis G. Assad	56	Vice President, Sales and Marketing

The principal occupation and positions for the past five years of the executive officers named above are as follows:

Aldo Croatti had been Chairman of the Board since the Company's incorporation in 1950 and of certain of its predecessors since 1940. Mr. Croatti passed away on October 4, 2001.

Ronald D. Croatti joined the Company in 1965. Mr. Croatti became Vice Chairman of the Board in 1986 and has served as Chief Executive Officer since 1991 and President since August 31, 1995. Mr. Croatti has overall responsibility for the management of the Company.

Robert L. Croatti joined the Company in 1959. Mr. Croatti has served as Executive Vice President since 1986 and had primary responsibility for overseeing the rental operations of the Company. Mr. Croatti retired effective August 31, 2001.

Cynthia Croatti joined the Company in 1980. Ms. Croatti has served as Executive Vice President since January, 2001, and as Treasurer since 1982 and has primary responsibility for overseeing the human resources and purchasing functions of the Company.

John B. Bartlett joined the Company in 1977. Mr. Bartlett has served as Senior Vice President and Chief Financial Officer since 1986 and has primary responsibility for overseeing the financial functions of the Company, as well as its information systems department.

Bruce P. Boynton joined the Company in 1976. Mr. Boynton has served as Senior Vice President since January, 2001, is the chief operating officer for the Company's Canadian operations and has primary responsibility for overseeing the operations of certain regions in the United States.

Dennis G. Assad joined the Company in 1975. Mr. Assad has served as Vice President, Sales and Marketing since 1995 and has primary responsibility for overseeing the sales and marketing functions of the Company.

Ronald D. Croatti, Robert L. Croatti and Cynthia Croatti are a son, nephew and daughter, respectively, of Aldo Croatti, who is now deceased.

ENVIRONMENTAL MATTERS

The Company and its operations are subject to various federal, state and local laws and regulations governing, among other things, the generation, handling, storage, transportation, treatment and disposal of hazardous wastes and other substances. In particular, industrial laundries use and must dispose of detergent waste water and other residues. The Company is attentive to the environmental concerns surrounding the disposal of these materials and has through the years taken measures to avoid their improper disposal. In the past, the Company has settled, or contributed to the settlement of, actions or claims brought against the Company relating to the disposal of hazardous materials and there can be no assurance that the Company will not have to expend material amounts to remediate the consequences of any such disposal in the future. Further, under environmental laws, an owner or lessee of real estate may be liable for the costs of removal or remediation of certain hazardous or toxic substances located on or in or emanating from such property, as well as related costs of investigation and property damage. Such laws often impose liability without regard to whether the owner or lessee knew of or was responsible for the presence of such hazardous or toxic substances. There can be no assurances that acquired or leased locations have been operated in compliance with environmental laws and regulations or that future uses or conditions will not result in the imposition of liability upon the Company under such laws or expose the Company to third-party actions such as tort suits.

The Company's nuclear garment decontamination facilities are licensed by the Nuclear Regulatory Commission, or in certain cases by the applicable state agency, and are subject to regulation by federal, state and local authorities. In recent years, there has been increased scrutiny and, in certain cases, regulation of nuclear facilities or related services that have resulted in the suspension of operations at certain nuclear facilities served by the Company or disruptions of the Company's ability to service such facilities. There can be no assurance that such increased scrutiny will not lead to the shut-down of such facilities or otherwise cause material disruptions in the Company's garment decontamination business.

ITEM 2. PROPERTIES

At August 25, 2001, the Company owned or occupied 150 facilities containing an aggregate of approximately 4.3 million square feet located in the United States, Canada, Mexico, Germany and the Netherlands. These facilities include the Company's 320,000 square foot Owensboro, Kentucky distribution center (which the Company believes is one of the largest and most advanced garment distribution facilities in the industry), and its many customer service locations. The Company owns 92 of these facilities containing approximately 3.7 million square feet. The Company believes its industrial laundry facilities are among the most modern in the industry.

The Company owns substantially all of the machinery and equipment used in its operations. In the opinion of the Company, all of its facilities and its equipment have been well maintained, is in good condition and are adequate for the Company's present needs. The Company also owns a fleet of approximately 2,000 delivery vans, trucks and other vehicles. The Company believes that these vehicles are in good repair and are adequate for the Company's present needs.

ITEM 3. LEGAL PROCEEDINGS

From time to time the Company is subject to legal proceedings and claims arising from the conduct of its business operations, including personal injury, customer contract, employment claims and environmental matters as described in Item 1 above. The Company maintains insurance coverage providing indemnification against many of such claims and management does not expect that any material loss to the Company will be sustained as a result thereof.

ITEM 4. SUBMISSION OF MATTERS TO VOTE OF SECURITY HOLDERS

None

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Incorporated by reference to the information provided as part of the Company's 2001 Annual Report to Shareholders.

ITEM 6. SELECTED FINANCIAL DATA

Incorporated by reference to the information provided under the caption "Eleven Year Financial Summary" in the Company's 2001 Annual Report to Shareholders.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Incorporated by reference to the information provided under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's 2001 Annual Report to Shareholders.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Incorporated by reference to the information provided under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's 2001 Annual Report to Shareholders.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and the accompanying notes, which are incorporated herein by reference to the Company's 2001 Annual Report to Shareholders, are indexed herein under Items 14(a)(1) and (2) of Part IV.

ITEM 9. DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

Not applicable

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

Incorporated by reference to the information provided under the caption "Election of Directors" in the Company's Proxy Statement for its 2002 Annual Meeting of Shareholders. See also the information provided in Part I herein under the caption "Executive Officers".

ITEM 11. EXECUTIVE COMPENSATION

Incorporated by reference to the information provided under the captions "Summary Compensation Table", "Option Grants with respect to Fiscal Year 2001", "Option Exercises and Year-End Holdings" and "Supplemental Executive Retirement Plan" in the Company's Proxy Statement for its 2002 Annual Meeting of Shareholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Incorporated by reference to the information provided under the captions "Election of Directors" and "Security Ownership of Management and Principal Shareholders" in the Company's Proxy Statement for its 2002 Annual Meeting of Shareholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Incorporated by reference to the information provided under the caption "Certain Relationships and Related Transactions" in the Company's Proxy Statement for its 2002 Annual Meeting of Shareholders.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) The financial statements listed below are filed as part of this report:

1. and 2. FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES.

The financial statements and financial statement schedules listed below are incorporated herein by reference to the Company's 2001 Annual Report to Shareholders.

Consolidated balance sheets as of August 25, 2001 and August 26, 2000

Consolidated statements of income for each of the three years in the period ended August 25, 2001

Consolidated statements of shareholders' equity for each of the three years in the period ended August 25, 2001

Consolidated statements of cash flows for each of the three years in the period ended August 25, 2001

Notes to consolidated financial statements

Report of independent public accountants

The following additional schedules are filed herewith:

Report of independent public accountants on supplemental schedule to the consolidated financial statements.

Schedule II - Valuation and qualifying accounts and reserves for each of the three years in the period ended August 25, 2001.

Separate financial statements of the Company have been omitted because the Company is primarily an operating company and all subsidiaries included in the consolidated financial statements are totally held.

All other schedules have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the financial statements or the notes thereto.

3. EXHIBITS. The exhibits listed in the accompanying Exhibit Index are filed as part of this report.

b) During the three months ended August 25, 2001 the Company did not file any reports on Form 8-K with the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UniFirst Corporation

By: /s/ Ronald D. Croatti

Ronald D. Croatti
President and Chief Executive Officer

Date: November 21, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

NAME	TITLE	DATE
/s/ Ronald D. Croatti Ronald D. Croatti	Principal Executive Officer and Director	November 21, 2001
/s/ John B. Bartlett John B. Bartlett	Principal Financial Officer and Principal Accounting Officer	November 21, 2001
/s/ Cynthia Croatti Cynthia Croatti	Director	November 21, 2001
/s/ Donald J. Evans Donald J. Evans	Director	November 21, 2001
/s/ Albert Cohen Albert Cohen	Director	November 21, 2001
/s/ Phillip L. Cohen Phillip L. Cohen	Director	November 21, 2001

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON SUPPLEMENTAL SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS

To UniFirst Corporation:

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated financial statements included in this Form 10-K, and have issued our report thereon dated October 31, 2001. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedule to the consolidated financial statements listed as Item 14(a)(2) in the Form 10-K is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic consolidated financial statements. This supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly states, in all material respects, the financial data required to be set forth therein, in relation to the basic consolidated financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Boston, Massachusetts
October 31, 2001

UNIFIRST CORPORATION AND SUBSIDIARIES
SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS AND RESERVES FOR EACH OF THE THREE YEARS IN THE PERIOD ENDED AUGUST 25, 2001

Description	Balance, Beginning of Period	Charged to Costs and Expenses	Charges for Which Reserves Were Created	Balance, End of Period
FOR THE YEAR ENDED AUGUST 25, 2001				
Allowance for doubtful accounts	$3,110,000	$3,357,000	$(3,230,000)	$3,237,000
FOR THE YEAR ENDED AUGUST 26, 2000				
Allowance for doubtful accounts	$2,979,000	$2,739,000	$(2,608,000)	$3,110,000
FOR THE YEAR ENDED AUGUST 28, 1999				
Allowance for doubtful accounts	$1,529,000	$3,231,000	$(1,781,000)	$2,979,000

EXHIBIT INDEX

DESCRIPTION

3-A Restated Articles of Organization -- incorporated by reference to Exhibit 3-A to the Company's Registration Statement on Form S-1 (No. 2-83051) -- and the Articles of Amendment dated January 12, 1988, a copy of which was filed on an exhibit to the Company's Annual Report on Form 10-K for fiscal year ended August 27, 1988 -- and the Articles of Amendment dated January 21, 1993, a copy of which was filed on an exhibit to the Company's Quarterly Report on Form 10-Q for fiscal quarter ended February 27, 1993.

3-B By-laws -- incorporated by reference to Exhibit 3-B to the Company's Annual Report on Form 10-K for fiscal year ended August 31, 1991.

10-A UniFirst Corporation Profit Sharing Plan -- incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-8 (number 33-60781) -- and the Amendment dated June 27, 1995, a copy of which was filed on an exhibit to the Company's Annual Report on Form 10-K for fiscal year ended August 31, 1996.

10-D UniFirst Corporation 1996 Stock Incentive Plan, a copy of which was filed on an exhibit to the Company's Annual Report on Form 10-K for fiscal year ended August 31, 1996.

13 The Company's 2001 Annual Report to Shareholders (filed herewith to the extent expressly incorporated by reference herein).

21 List of Subsidiaries

23 Consent of Arthur Andersen LLP

Exhibit 13

ELEVEN YEAR FINANCIAL SUMMARY
UniFirst Corporation and Subsidiaries

FISCAL YEAR ENDED AUGUST (In thousands, except ratios and per share data)

	2001	2000	1999	1998	1997	1996	1995
SUMMARY OF OPERATIONS							
Revenues	$556,371	$528,726	$487,100	$448,052	$419,093	$391,794	$355,041
Earnings before interest, taxes, depreciation and amortization (EBITDA)	85,133	73,954	83,471	80,804	70,387	61,729	53,725
Depreciation and amortization	37,568	34,710	31,724	26,629	23,386	20,814	19,194
Income from operations	47,565	39,244	51,747	54,175	47,001	40,915	34,531
Other expense (income), net	10,108	7,200	4,841	2,316	2,118	2,398	2,787
Provision for income taxes	14,233	12,176	22,800	18,669	16,160	13,855	11,110
Net income	23,224	19,868	24,106	33,190	28,723	24,662	20,634
FINANCIAL POSITION AT YEAR END							
Total assets	$491,813	$500,150	$465,627	$376,130	$339,626	$302,378	$272,691
Long-term obligations	94,795	126,638	113,105	47,149	40,837	39,365	36,376
Shareholders' equity	285,545	271,172	257,433	246,374	217,192	191,109	168,596
FINANCIAL RATIOS							
Net income as a % of revenues	4.2%	3.8%	4.9%	7.4%	6.9%	6.3%	5.8%
Return on average shareholders' equity	8.3%	7.5%	9.6%	14.3%	14.1%	13.7%	13.0%
Weighted average number of shares outstanding - basic	19,364	19,670	20,438	20,511	20,511	20,511	20,511
PER SHARE DATA							
Revenues	$ 28.73	$ 26.88	$ 23.83	$ 21.84	$ 20.43	$ 19.10	$ 17.31
Earnings before interest, taxes, depreciation and amortization (EBITDA)	4.40	3.76	4.08	3.94	3.43	3.01	2.62
Net income - basic & diluted	1.20	1.01	1.18	1.62	1.40	1.20	1.01
Shareholders' equity	14.75	13.79	12.60	12.01	10.59	9.32	8.22
Dividends							
Common stock	.15	.15	.14	.12	.12	.11	.10
Class B common stock	.12	.12	.11	.10	.10	.09	.08

	1994	1993	1992	1991
SUMMARY OF OPERATIONS				
Revenues	$318,039	$287,728	$268,190	$250,432
Earnings before interest, taxes, depreciation and				

amortization (EBITDA)	50,369	47,199	42,010	38,562
Depreciation and amortization	17,912	16,454	15,999	14,229
Income from operations	32,457	30,745	26,011	24,333
Other expense (income), net	2,513	2,669	4,098	4,320
Provision for income taxes	11,073	10,387	7,570	6,803
Net income	18,871	17,689	14,343*	13,210
FINANCIAL POSITION AT YEAR END				
Total assets	$250,160	$219,064	$212,097	$204,398
Long-term obligations	41,602	32,231	47,641	52,032
Shareholders' equity	149,472	132,723	117,329	105,888
FINANCIAL RATIOS				
Net income as a % of revenues	5.9%	6.1%	5.3%	5.3%
Return on average shareholders' equity	13.4%	14.1%	12.9%	13.2%
Weighted average number of shares outstanding - basic	20,506	20,453	20,451	20,426
PER SHARE DATA				
Revenues	$ 15.51	$ 14.07	$ 13.11	$ 12.26
Earnings before interest, taxes, depreciation and amortization (EBITDA)	2.46	2.31	2.05	1.89
Net income - basic & diluted	0.92	0.86	0.67	0.63
Shareholders' equity	7.29	6.49	5.74	5.18
Dividends				
Common stock	.10	.10	.06	.06
Class B common stock	.08	.04	--	--

Per share amounts for all years have been restated to reflect a two-for-one stock split declared by the Board of Directors on November 18, 1993.

* Amount reflects income before extraordinary item and accounting change. Net income was $12,923.

CONSOLIDATED STATEMENTS OF INCOME

UniFirst Corporation and Subsidiaries

Year Ended (In thousands, except per share data)	August 25, 2001	August 26, 2000	August 28, 1999
Revenues	$ 556,371	$ 528,726	$ 487,100
Cost and expenses:			
Operating costs	349,449	336,324	294,517
Selling and administrative expenses	121,789	118,448	109,112
Depreciation and amortization	37,568	34,710	31,724
	508,806	489,482	435,353
Income from operations	47,565	39,244	51,747
Other expense (income):			
Interest expense	9,107	7,459	4,990
Interest income	(1,239)	(259)	(149)
Interest rate swap expense	2,240	--	--
	10,108	7,200	4,841
Income before income taxes	37,457	32,044	46,906
Provision for income taxes	14,233	12,176	22,800
Net income	$ 23,224	$ 19,868	$ 24,106
Weighted average number of shares outstanding - basic	19,364	19,670	20,438
Weighted average number of shares outstanding - diluted	19,378	19,670	20,438
Net income per share - basic & diluted	$ 1.20	$ 1.01	$ 1.18
Dividends per share:			
Common stock	$ 0.15	$ 0.15	$ 0.14
Class B common stock	0.12	0.12	0.11

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

CONSOLIDATED BALANCE SHEETS
UniFirst Corporation and Subsidiaries

(In thousands, except per share data)	August 25, 2001	August 26, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,699	$ 7,137
Receivables, less reserves of $3,237 in 2001 and $3,110 in 2000	55,427	54,015
Inventories	22,320	27,598
Rental merchandise in service	56,677	59,256
Prepaid expenses	275	299
Total current assets	140,398	148,305
Property and equipment:		
Land, buildings and leasehold improvements	199,084	194,619
Machinery and equipment	224,143	205,883
Motor vehicles	57,620	53,535
	480,847	454,037
Less - accumulated depreciation	215,154	191,704
	265,693	262,333
Other assets, net	85,722	89,512
	$ 491,813	$ 500,150
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term obligations	$ 1,664	$ 1,903
Notes payable	1,344	1,118
Accounts payable	19,334	19,718
Accrued liabilities	55,242	47,170
Accrued and deferred income taxes	11,928	12,294
Total current liabilities	89,512	82,203
Long-term obligations, net of current maturities	93,131	124,735
Deferred income taxes	23,625	22,040
Commitments and Contingencies (Note 9)		
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 10,516,634 shares in 2001 and 10,499,634 shares in 2000	1,052	1,050

Class B common stock, $.10 par value; 20,000,000 shares authorized; issued and outstanding 10,238,744 shares in 2001 and 10,255,744 shares in 2000	1,024	1,026
Treasury stock, 1,535,000 shares in 2001 and 1,091,500 shares in 2000, at cost	(24,755)	(20,049)
Capital surplus	12,438	12,438
Retained earnings	299,313	278,676
Accumulated other comprehensive loss	(3,527)	(1,969)
Total shareholders' equity	285,545	271,172
	$ 491,813	$ 500,150

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

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
UniFirst Corporation and Subsidiaries

(In thousands)	Common Shares	Class B Common Shares	Treasury Shares	Common Stock	Class B Common Stock
Balance, August 29, 1998	10,217	10,294	--	$ 1,022	$ 1,029
Net income	--	--	--	--	--
Dividends	--	--	--	--	--
Shares issued in connection with an acquisition	245	--	--	25	--
Shares converted	38	(38)	--	3	(3)
Shares repurchased	--	--	(858)	--	--
Foreign currency translation adjustments	--	--	--	--	--
Comprehensive income					
Balance, August 28, 1999	10,500	10,256	(858)	1,050	1,026
Net income	--	--	--	--	--
Dividends	--	--	--	--	--
Shares repurchased	--	--	(234)	--	--
Foreign currency translation adjustments	--	--	--	--	--
Comprehensive income					
Balance, August 26, 2000	10,500	10,256	(1,092)	1,050	1,026
Net income	--	--	--	--	--
Dividends	--	--	--	--	--
Shares converted	17	(17)	--	2	(2)
Shares repurchased	--	--	(443)	--	--
Foreign currency translation adjustments	--	--	--	--	--

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Change in fair value of derivative instruments, net	--	--	--	--	--
Comprehensive income					
Balance, August 25, 2001	10,517	10,239	(1,535)	$ 1,052	$ 1,024

(In thousands)	Treasury Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Comprehensive Income (Loss)
Balance, August 29, 1998	--	$ 7,078	$ 239,952	$ (2,707)	--
Net income	--	--	24,106	--	$ 24,106
Dividends	--	--	(2,608)	--	--
Shares issued in connection with an acquisition	--	5,360	--	--	--
Shares converted	--	--	--	--	--
Shares repurchased	(16,583)	--	--	--	--
Foreign currency translation adjustments	--	--	--	759	759
Comprehensive income					$ 24,865
Balance, August 28, 1999	(16,583)	12,438	261,450	(1,948)	--
Net income	--	--	19,868	--	19,868
Dividends	--	--	(2,642)	--	--
Shares repurchased	(3,466)	--	--	--	--
Foreign currency translation adjustments	--	--	--	(21)	(21)
Comprehensive income					$ 19,847
Balance, August 26, 2000	(20,049)	12,438	278,676	(1,969)	--
Net income	--	--	23,224	--	23,224
Dividends	--	--	(2,587)	--	--
Shares converted	--	--	--	--	--
Shares repurchased	(4,706)	--	--	--	--
Foreign currency translation adjustments	--	--	--	(893)	(893)
Change in fair value of derivative instruments, net	--	--	--	(665)	(665)
Comprehensive income					$ 21,666
Balance, August 25, 2001	$ (24,755)	$ 12,438	$ 299,313	$ (3,527)	

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
UniFirst Corporation and Subsidiaries

Year Ended (In thousands)	August 25, 2001	August 26, 2000	August 28, 1999
Cash flows from operating activities:			
Net income	$ 23,224	$ 19,868	$ 24,106
Adjustments:			
Depreciation	30,553	28,042	25,923
Amortization of other assets	7,015	6,668	5,801
Interest rate swap expense	2,240	--	--
Changes in assets and liabilities, net of acquisitions:			
Receivables	(1,446)	(2,220)	(5,639)
Inventories	5,161	491	3,717
Rental merchandise in service	2,439	(3,492)	(7,957)
Prepaid expenses	23	(100)	41
Accounts payable	(143)	1,981	2,290
Accrued liabilities	5,856	509	1,235
Accrued and deferred income taxes	(324)	4,537	5,134
Deferred income taxes	1,613	1,352	2,257
Net cash provided by operating activities	76,211	57,636	56,908
Cash flows from investing activities:			
Acquisition of businesses, net of cash acquired	(1,300)	(6,783)	(53,782)
Capital expenditures	(34,196)	(46,714)	(45,083)
Increase in other assets	(3,261)	(5,032)	(4,928)
Net cash used in investing activities	(38,757)	(58,529)	(103,793)
Cash flows from financing activities:			
Increase in debt	981	15,509	67,284
Reduction of debt	(32,580)	(4,283)	(3,626)
Repurchase of common stock	(4,706)	(3,466)	(16,583)
Cash dividends	(2,587)	(2,642)	(2,608)
Net cash provided by (used in) financing activities	(38,892)	5,118	44,467
Net increase (decrease) in cash and cash equivalents	(1,438)	4,225	(2,418)
Cash and cash equivalents at beginning of year	7,137	2,912	5,330
Cash and cash equivalents at end of year	$ 5,699	$ 7,137	$ 2,912
Supplemental disclosure of cash flow information:			
Interest paid	$ 8,588	$ 7,745	$ 4,355
Income taxes paid	13,014	6,282	15,246

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
UniFirst Corporation and Subsidiaries

(Amounts in thousands, except share and per share data)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BUSINESS DESCRIPTION

UniFirst Corporation is a leading company in the garment service business. The Company designs, manufactures, personalizes, rents, cleans, delivers and sells a variety of superior quality occupational garments, career apparel and imagewear programs to businesses of all kinds. It also services industrial wiper towels, floor mats and other non-garment items and provides first aid cabinet services and other safety supplies. The Company also decontaminates and cleans, in separate facilities, garments which may have been exposed to radioactive materials.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned. Intercompany balances and transactions are eliminated in consolidation. 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.

REVENUE RECOGNITION

The Company recognizes revenues when services are provided or products are shipped to customers.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

FISCAL YEAR

The Company's fiscal year ends on the last Saturday in August. For financial reporting purposes, fiscal 2001, 2000 and 1999 all had a 52-week year.

INVENTORIES

Inventories are stated at the lower of cost or market value. The Company uses the last-in, first-out (LIFO) method to value a significant portion of its inventories. Had the Company used the first-in, first-out (FIFO) accounting method, inventories would have been approximately $1,493 and $1,489 higher at August 25, 2001 and August 26, 2000, respectively.

RENTAL MERCHANDISE IN SERVICE

Rental merchandise in service, stated at cost less amortization, is being amortized on a straight-line basis over the estimated service lives (primarily 15 months) of the merchandise.

PROPERTY AND EQUIPMENT

The Company provides for depreciation on the straight-line method based on the following estimated useful lives:

Buildings	30-40 years
Leasehold improvements	Term of lease
Machinery and equipment	3-10 years
Motor vehicles	3-5 years

AMORTIZATION OF INTANGIBLE ASSETS

Customer contracts are amortized over periods of eight to seventeen years. Restrictive covenants are amortized over the terms of the respective non-competition agreements, which range from two to fifteen years. Goodwill is amortized over periods of fifteen to forty years.

INCOME TAXES

Deferred income taxes are provided for temporary differences between amounts recognized for income tax and financial reporting purposes at currently enacted tax rates.

NET INCOME PER SHARE

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in banks and bank short-term investments with maturities of less than ninety days.

FINANCIAL INSTRUMENTS

The estimated fair values of the Company's financial instruments, which include cash and cash equivalents, receivables, accounts payable and accrued liabilities, approximate the carrying values of those instruments.

RECLASSIFICATION

Certain prior year amounts have been reclassified to conform with current year presentation.

2. ACQUISITIONS

Information relating to the acquisition of businesses which were accounted for as purchases is as follows:

Year ended	August 25, 2001	August 26, 2000	August 28, 1999

Fair value of tangible assets acquired	$ 300	$ 2,310	$ 26,927
Fair value of intangible assets acquired	1,000	5,568	35,990
Liabilities assumed or created	--	(1,095)	(3,750)
Common stock issued (244,770 shares in 1999)	--	--	(5,385)
Acquisition of businesses, net of cash acquired	$1,300	$ 6,783	$ 53,782

The results of operations of these acquisitions have been included on the Company's consolidated financial statements since their respective acquisition dates. None of these acquisitions were significant, individually or in the aggregate, in relation to the Company's consolidated financial statements and therefore pro forma financial information has not been presented.

3. INCOME TAXES

The provision for income taxes consists of the following:

Year ended	August 25, 2001	August 26, 2000	August 28, 1999
Current:			
Federal and Foreign	$ 14,466	$ 8,020	$ 12,463
State	1,873	1,151	(102)
	16,339	9,171	12,361
Deferred:			
Federal and Foreign	(1,208)	2,584	8,777
State	(898)	421	1,662
	(2,106)	3,005	10,439
	$ 14,233	$ 12,176	$ 22,800

The following table reconciles the provision for income taxes using the statutory federal income tax rate to the actual provision for income taxes:

Year ended	August 25, 2001	August 26, 2000	August 28, 1999

Income taxes at the statutory federal income tax rate	$ 13,110	$ 11,215	$ 16,417
Puerto Rico exempt income	(183)	(680)	(652)
Corporate-Owned Life Insurance	--	--	5,500
State income taxes	385	986	798
Foreign income taxes	481	289	176
Other	440	366	561
	$ 14,233	$ 12,176	$ 22,800

The Company's Puerto Rico subsidiary's income is 90% exempt from Puerto Rico income taxes through 2001. The Company provides for anticipated tollgate taxes on the repatriation of the subsidiary's accumulated earnings.

The tax effect of items giving rise to the Company's net deferred tax liabilities are as follows:

	August 25, 2001	August 26, 2000	August 28, 1999
Rental merchandise in service	$ 20,061	$ 21,599	$ 20,234
Tax in excess of book depreciation	20,151	19,244	16,662
Accruals and other	(13,991)	(12,516)	(8,027)
	$ 26,221	$ 28,327	$ 28,869

4. LONG-TERM OBLIGATIONS

Long-term obligations outstanding on the accompanying consolidated balance sheets are as follows:

	August 25, 2001	August 26, 2000
Unsecured revolving credit agreement with a syndicate of banks, interest rates of 5.03% and 8.15%, respectively	$ 88,275	$119,000
Notes payable, interest rates from 4.9% - 7.5%, payable in various installments through 2007	4,924	5,815
Amounts due for restrictive covenants and other, payable in various		

installments through 2005	1,596	1,823
	94,795	126,638
Less - current maturities	1,664	1,903
	$ 93,131	$124,735

Aggregate current maturities of long-term obligations for all years subsequent to August 25, 2001 are $1,664 in 2002, $89,565 in 2003, $2,258 in 2004, $441 in 2005, $349 in 2006 and $518 thereafter.

The Company's unsecured revolving credit agreement runs through August 15, 2003. As of August 25, 2001, the maximum available line of credit was $170,000. Under this 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. This agreement contains, among other things, provisions regarding net worth and debt coverage. Under the most restrictive of these provisions, the Company was required to maintain minimum consolidated tangible net worth of $168,947 as of August 25, 2001. As of August 25, 2001, the Company was in compliance with these provisions.

5. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

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 August 25, 2001, the variable rate was 3.76%. 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 a $2,240 charge in 2001, 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 August 25, 2001, the variable rate was 3.94%. This swap agreement meets the required criteria as defined in SFAS No. 133 to use special hedge accounting, and the Company has recorded a $150 charge, net of tax of $100, in 2001, 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. These agreements were based on forecasted monthly usage for certain laundry facilities through December 2002. As of August 25, 2001, the Company had hedged approximately 882 MMBtus, paying fixed prices between $3.79 and $4.78 and receiving variable prices based on the New York Mercantile Exchange closing prices for each month during the lives of the contracts. The swap agreements meet the required criteria as defined in SFAS No. 133 to use special hedge accounting as cash flow hedges. As a result, the Company has recorded a $515 charge, net of tax of $343, in 2001, through other comprehensive income, for the change in the fair value of the swap agreements. These amounts will be recognized in operating costs in the accompanying consolidated statements of income as the natural gas is used in the laundry facilities.

6. EMPLOYEE BENEFIT PLANS

The Company has a profit sharing plan with a 401(k) feature for all eligible employees not under collective bargaining agreements. The Company matches a portion of the employee's contribution and can make an additional contribution at its discretion. Contributions charged to expense under the plan were $5,744 in 2001, $4,404 in 2000 and $4,100 in 1999.

Some employees under collective bargaining agreements are covered by union-sponsored multi-employer pension plans. Company contributions, generally based upon hours worked, are in accordance with negotiated labor contracts. Payments to the plans amounted to $282 in 2001, $419 in 2000 and $404 in 1999. Information is not readily available for the Company to determine its share of unfunded vested benefits, if any, under these plans.

7. OTHER ASSETS

Other assets on the accompanying consolidated balance sheets are as follows:

	August 25, 2001	August 26, 2000
Customer contracts, restrictive covenants and other assets arising from acquisitions, less accumulated amortization of $37,816 and $32,728, respectively	$26,110	$28,075
Goodwill, less accumulated amortization of $9,191 and $7,238, respectively	54,579	56,007
Other	5,033	5,430
	$85,722	$89,512

8. ACCRUED LIABILITIES

Accrued liabilities on the accompanying consolidated balance sheets are as follows:

	August 25, 2001	August 26, 2000
Insurance	$20,212	$19,815

Payroll related	13,216	12,025
Other	21,814	15,330
	$55,242	$47,170

9. COMMITMENTS AND CONTINGENCIES

LEASE COMMITMENTS

The Company leases certain buildings from independent parties. Total rent expense on all leases was $3,564 in 2001, $3,542 in 2000 and $3,027 in 1999. Annual minimum lease commitments for all years subsequent to August 25, 2001 are $2,643 in 2002, $1,961 in 2003, $1,213 in 2004, $603 in 2005, $246 in 2006 and $48 thereafter.

CONTINGENCIES

The Company and its subsidiaries are 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.

As security for certain agreements, the Company had standby irrevocable bank commercial letters of credit and mortgages of $13,327 and $17,203 outstanding as of August 25, 2001 and August 26, 2000, respectively.

10. COMMON STOCK OPTIONS

The Company adopted an incentive stock option plan in November 1996 and reserved 150,000 shares of common stock for issue under the plan. Options granted under the plan are at a price equal to the fair market value of the Company's common stock on the date of grant and expire eight years after the grant date. Each option is subject to a proportional four-year vesting schedule with no options generally being vested or exercisable until one year from date of grant. Options for 57,000 shares at $15.125 per share and 1,000 shares at $11.875 per share were granted in 2000. Options for 57,700 shares at $10.063 were granted in 2001.

The Company accounts for the stock option plan under Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," under which no compensation cost has been recognized related to stock option grants. Had compensation cost for this plan been determined consistent with

10. COMMON STOCK OPTIONS (CONTINUED)

Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation," the Company's net income and earnings per share would have been reduced to the following pro forma amounts:

	2001	2000
NET INCOME:		

As reported	$ 23,224	$ 19,868
Pro forma	23,078	19,782
EARNINGS PER SHARE:		
As reported	$ 1.20	$ 1.01
Pro forma	1.19	1.01

Due to the fact that no options were granted prior to August 28, 1999, there was no impact on the net income and earnings per share for the year ending August 28, 1999. A summary of the status for all outstanding options and changes during 2000 and 2001 is presented in the table below:

	2001	2000
Balance, beginning of year	55,800	0
Granted	57,700	58,000
Exercised	0	0
Forfeited	(5,700)	(2,200)
Balance, end of year	107,800	55,800
Exercisable, end of year	13,075	0

The fair value of each option grant is calculated using the Black-Scholes option pricing model, as prescribed by SFAS No. 123, based upon the date of grant, with the following assumptions used for grants each year:

	2001	2000
Risk-free interest rate	5.78%	6.34%
Expected dividend yield	1.00%	1.00%
Expected life in years	8	8
Expected volatility	30%	30%
Weighted average remaining contractual life of options outstanding in years	7	7

The weighted average fair value of options granted during 2001 and 2000 were $4.28 and $6.63, respectively.

11. SHAREHOLDERS' EQUITY

The significant attributes of each type of stock are as follows:

Common stock -- Each share is entitled to one vote and is freely transferable.

Each share of common stock is entitled to a cash dividend equal to 125% of any cash dividend paid on each share of Class B common stock.

Class B common stock -- Each share is entitled to ten votes and can be converted to common stock on a share-for-share basis. Until converted to common stock, however, Class B shares are not freely transferable.

12. OTHER COMPREHENSIVE INCOME (LOSS)

In 1999, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income." SFAS No. 130 established new rules for the reporting and display of comprehensive income and its components. The adoption of SFAS No. 130 had no impact on the Company's net income. The components of accumulated other comprehensive income (loss) were as follows:

	August 25, 2001	August 26, 2000	August 28, 1999
Foreign currency translation adjustments	$(2,862)	$(1,969)	$(1,948)
Fair value of derivative instruments, net	(665)	--	--
Accumulated other comprehensive income (loss)	$(3,527)	$(1,969)	$(1,948)

13. SEGMENT REPORTING

In 1999, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 131, "Disclosures about Segments of an Enterprise and Related Information." SFAS No. 131 established new rules for public companies relating to the reporting of financial and descriptive information about their operating segments in consolidated financial statements. Since the Company operates as a single business segment, that being the design, rental, cleaning and delivery of occupational garments, industrial wiper towels, floor mats and other non-garment items, which represent more than 90% of consolidated net sales, the disclosure of segment information is reflected in the consolidated financial statements contained herein. UniFirst also has activities in Canada and Europe, which do not meet the thresholds outlined in SFAS No. 131.

14. NEW ACCOUNTING STANDARDS

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 has adopted SFAS No. 142 effective August 26, 2001. The Company is currently assessing the impact of adopting SFAS No. 142. The provision of SFAS No. 142 will be applied to all goodwill and other intangible assets recognized in the Company's consolidated financial statements as of August 26, 2001. Impairment losses related to goodwill and indefinite-lived intangible assets that arise due to the initial application of SFAS No. 142 will be reported as a change in accounting principle.

In addition, 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 has not yet determined the adoption date or the impact of adopting SFAS No. 143.

In October 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or 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 has not yet determined the adoption date or the impact of adopting SFAS No. 144.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
UniFirst Corporation and Subsidiaries

To UniFirst Corporation:

We have audited the accompanying consolidated balance sheets of UniFirst Corporation (a Massachusetts corporation) and subsidiaries as of August 25, 2001 and August 26, 2000, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended August 25, 2001. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of UniFirst Corporation and subsidiaries as of August 25, 2001 and August 26, 2000, and the results of their operations and their cash flows for each of the three years in the period ended August 25, 2001, in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Boston, Massachusetts

October 31, 2001

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

OPERATIONS
UniFirst Corporation and Subsidiaries

FISCAL YEAR ENDED AUGUST 25, 2001 COMPARED WITH FISCAL YEAR ENDED AUGUST 26, 2000

Revenues. In 2001, revenues increased 5.2% to $556.4 million as compared with $528.7 million for 2000. This increase can be attributed to growth from existing operations (4.0%), price increases (1.0%) and acquisitions (0.2%). Growth from existing operations was primarily from the conventional uniform rental business (3.1%) and from the nuclear garment services business (0.9%).

Operating Costs. Operating costs increased to $349.4 million for 2001 as compared with $336.3 million for 2000 as a result of costs associated with increased revenues. As a percentage of revenues, operating costs decreased to 62.8% from 63.6% for these periods, primarily due to lower merchandise costs resulting from improved product utilization, offset somewhat by significant increases in energy related costs such as natural gas, electricity and fuel.

Selling and Administrative Expenses. The Company's selling and administrative expenses increased to $121.8 million, or 21.9% of revenues, for 2001 as compared with $118.4 million, or 22.4% of revenues, for 2000. These costs were favorably impacted by a $1.1 million settlement received in the first quarter of 2001 from a lawsuit related to the Company's nuclear garment services business. Excluding this settlement, these expenses would have been $122.9 million, or 22.1% of revenues, for 2001.

Depreciation and Amortization. The Company's depreciation and amortization expense increased to $37.6 million, or 6.8% of revenues, for 2001, as compared with $34.7 million, or 6.6% of revenues, for 2000. This increase was due primarily to higher depreciation expense in 2001.

Other Expense (Income). Net interest expense (interest expense less interest income) was $7.9 million, or 1.4% of revenues, for 2001 as compared with $7.2 million, or 1.4% of revenues, for 2000. The increase is primarily attributable to higher interest rates during 2001, offset somewhat by higher interest income resulting from charges to customers for overdue receivable balances. Interest rate swap expense was $2.2 million, or 0.4% of revenues, for 2001 due to the implementation of Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. See Note 5 for a further discussion of the impact of this change.

Income Taxes. The Company's effective income tax rate was 38.0% in both 2001 and 2000.

FISCAL YEAR ENDED AUGUST 26, 2000 COMPARED WITH FISCAL YEAR ENDED AUGUST 28, 1999

Revenues. In 2000, revenues increased 8.5% to $528.7 million as compared with $487.1 million for 1999. This increase can be attributed to growth from existing operations (4.2%), acquisitions (3.3%) and price increases (1.0%). Growth from existing operations was primarily from the conventional uniform rental business (3.9%) and from the nuclear garment services business (0.3%). The increase in revenues from acquisitions resulted from seven acquisitions made in fiscal 1999 and two acquisitions made in fiscal 2000.

Operating Costs. Operating costs increased to $336.3 million for 2000 as compared with $294.5 million for 1999 as a result of costs associated with increased revenues. As a percentage of revenues, operating costs increased to 63.6% from 60.5% for these periods. The primary reason for the increase in operating costs as a percentage of revenues was the negative impact from a comparative year-to-year increase in merchandise expense. Last year the Company realized a benefit compared to this year due to a change made effective July, 1998 in the estimated lives and related amortization periods for rental merchandise in service, from primarily 12 months to primarily 15 months, which is more consistent with their respective useful lives (although the Company believes its principal publicly-held competitors amortize their garments over an average of 15 to 18 months). Other operating cost increases were attributable to integrating last year's acquisitions, primarily Standard Management, and higher labor, fuel and energy costs. There was also lower contribution from the nuclear garment services business.

Selling and Administrative Expenses. The Company's selling and administrative expenses increased to $118.4 million for 2000 as compared with $109.1 million for 1999, primarily due to increased costs to support the Company's current and future revenue growth. Selling and administrative expenses as a percentage of revenue was 22.4% in both periods.

Depreciation and Amortization. The Company's depreciation and amortization expense increased to $34.7 million, or 6.6% of revenues, for 2000 as compared with $31.7 million, or 6.5% of revenues, for 1999. This increase was due primarily to increased amortization costs due to acquisitions.

Net Interest Expense. Net interest expense was $7.2 million, or 1.4% of revenues, for 2000 as compared to $4.8 million, or 1.0% of revenues, for 1999. The increase is primarily attributable to higher debt levels in 2000.

Income Taxes. The Company's effective income tax rate was 38.0% in 2000 and 48.6% in 1999. The decrease is due primarily to a $5.5 million tax reserve provided in the fourth quarter of 1999 due to a decision by a tax court in the case of a national business regarding the deductibility of interest on its leveraged corporate owned life insurance (COLI) program. Although this ruling will be appealed, the Company has a similar program and provided a reserve for this potential liability. Without this $5.5 million reserve, the Company's effective income tax rate would have been 36.9% in 1999.

LIQUIDITY AND CAPITAL RESOURCES

Shareholders' equity at August 25, 2001 was $285.5 million, or 75.1% of total capitalization.

Net cash provided by operating activities was $76.2 million in fiscal 2001 and totaled $190.8 million for the three years ended August 25, 2001. These cash flows, along with net additional borrowings of $43.3 million, were used to fund $126.0 million in capital expenditures to expand and update Company facilities, $61.9 million was used for acquisitions, and $24.8 million was used to repurchase 1.5 million shares of the Company's common stock.

The Company had $5.7 million in cash and $69.4 million available on its $170 million unsecured line of credit with a syndicate of banks as of August 25, 2001. The Company believes its generated cash 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 annual 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. Such factors include uncertainties regarding the transfer of the Company's manufacturing operations to new facilities in Mexico, the Company's ability to consummate and successfully integrate acquired businesses, uncertainties regarding any existing or newly-discovered expenses and liabilities related to environmental compliance and remediation, the Company's ability to compete successfully without any significant degradation in its margin rates, seasonal fluctuations in business levels, uncertainties regarding the price levels of natural gas, electricity and fuel, uncertainties arising from the war on terrorism and its impact on the economy and general economic conditions. When used in this annual report, the words "intend," "anticipate," "believe," "estimate," and "expect" and similar expressions as they relate to the Company are included to identify such forward looking statements.

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. See

Note 5 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.

QUARTERLY FINANCIAL DATA (UNAUDITED)
UniFirst Corporation and Subsidiaries

The following is a summary of the results of operations for each of the quarters within the years ended August 25, 2001 and August 26, 2000.

(In thousands, except per share data)

2001	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$141,009	$136,562	$140,625	$138,175
Income before income taxes	11,010	6,941	10,251	9,255
Net income	6,826	4,303	6,356	5,739
Weighted average shares outstanding - basic	19,620	19,362	19,256	19,220
Net income per share - basic & diluted	$ 0.35	$ 0.22	$ 0.33	$ 0.30

2000	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$131,790	$130,283	$134,497	$132,156
Income before income taxes	8,807	6,363	8,869	8,005
Net income	5,460	3,945	5,499	4,964
Weighted average shares outstanding	19,690	19,664	19,664	19,664
Net income per share	$ 0.28	$ 0.20	$ 0.28	$ 0.25

Common Stock Prices and Dividends Per Share for the Years Ended August 25, 2001 and August 26, 2000:

	Price Per Share	Dividends Per Share
		Class B

2001	High	Low	Common Stock	Common Stock
First Quarter	$10.625	$ 8.875	$ 0.030	$0.0375
Second Quarter	13.938	9.063	0.030	0.0375
Third Quarter	19.700	12.350	0.030	0.0375
Fourth Quarter	19.250	15.600	0.030	0.0375

	Price Per Share		Dividends Per Share	
2000	High	Low	Class B Common Stock	Common Stock
First Quarter	$15.875	$10.188	$ 0.030	$0.0375
Second Quarter	15.313	10.250	0.030	0.0375
Third Quarter	11.750	8.000	0.030	0.0375
Fourth Quarter	11.125	7.438	0.030	0.0375

The Company's common shares are traded on the New York Stock Exchange (NYSE Symbol: UNF). The approximate number of shareholders of record of the Company's common stock and Class B common stock as of October 31, 2001 were 142 and 21 respectively.

Exhibit 21

List of subsidiaries of the Company:

UniTech Services Group, Inc.
Interstate Uniform Manufacturing of Puerto Rico, Inc.
Superior Products & Equipment Co., Inc.
UniFirst Canada Ltd.
UniFirst Holdings, L.P.
UTWO Corporation
UR Corporation
UONE Corporation
Euro Nuclear Services B.V.
ENS Nuklear Services, GmbH
UniFirst S.A. de C.V.
Uniformes de San Luis S.A. de C.V.
RC Air, LLC

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports dated October 31, 2001 included in this Form 10-K, into the Company's previously filed Registration Statement File Numbers 33-60781 and 333-96097.

ARTHUR ANDERSEN LLP

Boston, Massachusetts
November 21, 2001