

SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C.
 20549

FORM 10-Q

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

For the quarter ended
 May 31, 1997

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: (508) 658-8888

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceeding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

The number of outstanding shares of the registrant's Common Stock and Class B Common Stock as of July 7, 1997 were 7,893,864 and 12,616,744 respectively.

PART 1 - FINANCIAL INFORMATION

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

	May 31, 1997	August 31, 1996*	June 1, 1996
Assets			
Current assets:			
Cash	\$ 5,936,000	\$ 3,425,000	\$ 5,533,000
Receivables	39,855,000	36,634,000	38,750,000
Inventories	20,192,000	17,053,000	16,350,000
Rental merchandise in service	39,362,000	37,973,000	35,611,000
Prepaid expenses	140,000	127,000	117,000

Total current assets	105,485,000	95,212,000	96,361,000
Property and equipment:			
Land, buildings and leasehold improvements	133,489,000	119,346,000	118,101,000
Machinery and equipment	136,060,000	120,671,000	119,204,000
Motor vehicles	36,690,000	33,278,000	33,379,000
Less - accumulated depreciation	306,239,000	273,295,000	270,684,000
	124,252,000	113,191,000	111,408,000
	181,987,000	160,104,000	159,276,000
Other assets	48,767,000	47,062,000	43,520,000
	\$336,239,000	\$302,378,000	\$299,157,000
Liabilities and Shareholders' Equity			
Current liabilities:			
Current maturities of long-term obligations	\$ 1,037,000	\$ 1,058,000	\$ 1,050,000
Notes payable	3,340,000	2,757,000	--
Accounts payable	13,075,000	11,697,000	13,261,000
Accrued liabilities	46,167,000	37,371,000	38,639,000
Accrued and deferred income taxes	2,679,000	3,679,000	4,380,000
Total current liabilities	66,298,000	56,562,000	57,330,000
Long-term obligations, net of current maturities	42,745,000	38,307,000	41,287,000
Deferred income taxes	17,213,000	16,400,000	15,201,000
Shareholders' equity:			
Preferred stock, \$1.00 par value; 2,000,000 shares authorized; none issued	--	--	--
Common stock, \$.10 par value; 30,000,000 shares authorized; issued and outstanding 7,893,864 shares	789,000	789,000	789,000
Class B Common stock, \$.10 par value; 20,000,000 shares authorized; issued and outstanding 12,616,744 shares	1,262,000	1,262,000	1,262,000
Capital surplus	7,078,000	7,078,000	7,078,000
Retained earnings	201,531,000	182,384,000	176,568,000
Cumulative translation adjustment	(677,000)	(404,000)	(358,000)
Total shareholders' equity	209,983,000	191,109,000	185,339,000
	\$336,239,000	\$302,378,000	\$299,157,000

* Condensed from audited financial statements

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

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

	Thirty-nine weeks ended May 31, 1997	Forty weeks ended June 1, 1996	Thirteen weeks ended May 31, 1997	Thirteen weeks ended June 1, 1996
Revenues	\$313,164,000	\$294,792,000	\$107,124,000	\$98,554,000
Costs and expenses:				
Operating costs	192,243,000	180,520,000	65,905,000	59,339,000
Selling and administrative expenses	69,676,000	68,528,000	23,123,000	22,868,000
Depreciation and amortization	17,161,000	15,339,000	5,969,000	5,340,000
	279,080,000	264,387,000	94,997,000	87,547,000
Income from operations	34,084,000	30,405,000	12,127,000	11,007,000
Interest expense (income):				
Interest expense	1,792,000	1,995,000	641,000	755,000
Interest income	(155,000)	(193,000)	(49,000)	(61,000)
	1,637,000	1,802,000	592,000	694,000
Income before income taxes	32,447,000	28,603,000	11,535,000	10,313,000
Provision for income taxes	11,681,000	10,297,000	4,153,000	3,713,000

Net income	\$ 20,766,000	\$ 18,306,000	\$ 7,382,000	\$ 6,600,000
Weighted average number of shares outstanding	20,510,608	20,510,608	20,510,608	20,510,608
Net income per share	\$ 1.01	\$ 0.89	\$ 0.36	\$ 0.32

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

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

	Thirty-nine weeks ended May 31, 1997	Forty weeks ended June 1, 1996

Cash flows from operating activities:		
Net Income	\$ 20,766,000	\$ 18,306,000
Adjustments:		
Depreciation	14,303,000	12,767,000
Amortization of other assets	2,858,000	2,572,000
Receivables	(2,865,000)	(4,688,000)
Inventories	(3,172,000)	215,000
Rental merchandise in service	(804,000)	(1,789,000)
Prepaid expenses	(13,000)	--
Accounts payable	1,303,000	280,000
Accrued liabilities	8,806,000	3,197,000
Accrued and deferred income taxes	(986,000)	513,000
Deferred income taxes	818,000	614,000
Net cash provided by operating activities	41,014,000	31,987,000

Cash flows from investing activities:		
Acquisition of businesses, net of cash acquired	(4,971,000)	(11,517,000)
Capital expenditures	(35,954,000)	(22,313,000)
Other assets, net	(959,000)	(2,168,000)
Net cash used in investing activities	(41,884,000)	(35,998,000)

Cash flows from financing activities:		
Increase in debt	6,329,000	12,925,000
Reduction of debt	(1,329,000)	(7,831,000)
Cash dividends paid or payable	(1,619,000)	(1,439,000)
Net cash provided by financing activities	3,381,000	3,655,000

Net increase (decrease) in cash	2,511,000	(356,000)
Cash at beginning of period	3,425,000	5,889,000

Cash at end of period	\$ 5,936,000	\$ 5,533,000
=====		
Supplemental disclosure of cash flow information:		
Interest paid	\$ 1,773,000	\$ 2,007,000
Income taxes paid	\$ 11,868,000	\$ 9,379,000
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The accompanying notes are an integral part of these condensed financial statements.

FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED FINANCIAL STATEMENTS
FOR THE THIRTY-NINE WEEKS ENDED MAY 31, 1997

1. These condensed financial statements have been prepared by the Company without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations; however, the Company believes that the information furnished reflects all adjustments which are, in the opinion of management, necessary to a fair statement of results for the interim period. It is suggested that these condensed financial statements be read in conjunction with the financial statements and the notes, thereto, included in the Company's latest annual report.

2. From time to time, the Company is subject to legal proceedings and claims arising from the conduct of 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.

FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS
OF OPERATIONS AND FINANCIAL CONDITION
FOR THE THIRTY-NINE WEEKS ENDED MAY 31, 1997

RESULTS OF OPERATIONS

Thirty-nine Weeks of Fiscal 1997 compared to Forty Weeks of Fiscal 1996

Revenues for the first thirty-nine weeks of fiscal 1997 increased \$18,372,000 or 6.2% over the first forty weeks of fiscal 1996. This increase can be attributed to acquisitions (2.5%), price increases (1.0%) and growth from existing operations (5.2%) offset by one week less of revenue (2.5%) in fiscal 1997.

Income from operations as a percentage of revenue increased to 10.9% in fiscal 1997 from 10.3% for the fiscal 1996 period. The main reason for the increase is improved profit margins in the Company's core uniform rental business.

Net interest expense (interest expense less interest income) was \$1,637,000 in fiscal 1997 as compared to \$1,802,000 in fiscal 1996. The decrease is

attributable to lower interest rates in fiscal 1997.

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

Thirteen Weeks ended May 31, 1997 compared to Thirteen Weeks ended June 1, 1996

Fiscal 1997 third quarter revenues increased \$8,570,000 or 8.7% over the fiscal 1996 third quarter. This increase can be attributed to acquisitions (1.6%), price increases (1.0%) and growth from existing operations (6.1%).

Income from operations as a percentage of revenue of 11.3% in fiscal 1997 was comparable to 11.2% for the fiscal 1996 period.

Net interest expense (interest expense less interest income) was \$592,000 in fiscal 1997 as compared to \$694,000 in fiscal 1996. The decrease is attributable to lower interest rates in the fiscal 1997 quarter.

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

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FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS
OF OPERATIONS AND FINANCIAL CONDITION
(continued)

FOR THE THIRTY-NINE WEEKS ENDED MAY 31, 1997

LIQUIDITY AND CAPITAL RESOURCES

During the thirty-nine weeks ended May 31, 1997 net cash provided by operating activities, \$41,014,000, was primarily used for capital expenditures, \$35,954,000 and acquisition of businesses, \$4,971,000.

The Company had \$5,936,000 in cash and \$23,900,000 available on its \$60,000,000 line of credit as of May 31, 1997. The Company believes its ability to generate cash from operations will adequately cover its foreseeable capital requirements.

Shareholders' equity at May 31, 1997 was \$210 million, 83% of total capitalization, indicating the overall strength of the Company's balance sheet.

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.

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PART II - OTHER INFORMATION

FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

(27) Financial Data Schedule

(b) Reports on Form 8-K: None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf of the undersigned thereunto duly authorized.

UNIFIRST CORPORATION

/s/ RONALD D. CROATTI

Ronald D. Croatti
Vice Chairman, President and
Chief Executive Officer

Date: July 15, 1997

/s/ JOHN B. BARTLETT

John B. Bartlett
Senior Vice President
and Chief Financial Officer

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF UNIFIRST CORPORATION FOR THE THIRTY-NINE WEEKS ENDED MAY 31, 1997, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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