

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
 March 2, 1996

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 April 9, 1996 were 7,886,644 and 12,623,964 respectively.

PART 1 - FINANCIAL INFORMATION

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

	March 2, 1996	August 26, 1995*	February 25, 1995

Assets			
Current assets:			
Cash	\$ 5,942,000	\$ 5,889,000	\$ 5,344,000
Receivables	38,312,000	33,420,000	32,040,000
Inventories	17,431,000	16,484,000	17,014,000
Rental merchandise in service	33,516,000	32,731,000	32,409,000
Prepaid expenses	102,000	118,000	146,000

Total current assets	95,303,000	88,642,000	86,953,000

Property and equipment:			
Land, buildings and leasehold improvements	116,152,000	111,148,000	105,940,000
Machinery and equipment	115,860,000	109,538,000	106,115,000
Motor vehicles	31,072,000	28,816,000	27,151,000
	263,084,000	249,502,000	239,206,000
Less - accumulated depreciation	108,618,000	101,428,000	97,784,000
	154,466,000	148,074,000	141,422,000

Other assets	44,015,000	35,975,000	37,349,000
	\$293,784,000	\$272,691,000	\$265,724,000
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Liabilities and Shareholders' Equity			
Current liabilities:			
Current maturities of long-term obligations	\$ 1,046,000	\$ 4,015,000	\$ 6,759,000
Notes payable	353,000	882,000	--
	13,144,000	12,992,000	11,227,000
Accounts payable	40,131,000	35,370,000	33,739,000
Accrued liabilities	3,909,000	3,882,000	4,498,000
Accrued and deferred income taxes			
Total current liabilities	58,583,000	57,141,000	56,223,000

Long-term obligations, net of current maturities	41,014,000	32,361,000	37,134,000
Deferred income taxes	14,981,000	14,593,000	14,542,000

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 7,886,644 shares	789,000	789,000	788,000
Class B Common stock, \$.10 par value; 20,000,000 shares authorized; issued and outstanding 12,623,964 shares	1,262,000	1,262,000	1,263,000
Capital surplus	7,078,000	7,078,000	7,042,000
Retained earnings	170,507,000	159,701,000	149,377,000
Cumulative translation adjustment	(430,000)	(234,000)	(645,000)
Total shareholders' equity	179,206,000	168,596,000	157,825,000
	\$293,784,000	\$272,691,000	\$265,724,000
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* 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)

	Twenty-seven weeks ended March 2, 1996	Twenty-six weeks ended February 25, 1995	Fourteen weeks ended March 2, 1996	Thirteen weeks ended February 25, 1995
Revenues	\$196,238,000	\$172,443,000	\$100,825,000	\$86,231,000

Costs and expenses:				
Operating costs	121,181,000	108,247,000	63,604,000	55,977,000
Selling and administrative expenses	45,660,000	38,756,000	23,907,000	18,880,000
Depreciation and amortization	9,999,000	9,529,000	5,093,000	4,752,000
	176,840,000	156,532,000	92,604,000	79,609,000

Income from operations	19,398,000	15,911,000	8,221,000	6,622,000

Interest expense (income):				
Interest expense	1,240,000	1,535,000	574,000	745,000
Interest income	(132,000)	(101,000)	(65,000)	(56,000)
	1,108,000	1,434,000	509,000	689,000

Income before income taxes	18,290,000	14,477,000	7,712,000	5,933,000
Provision for income taxes	6,584,000	5,067,000	2,776,000	2,077,000

Net income	\$ 11,706,000	\$ 9,410,000	\$ 4,936,000	\$ 3,856,000
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Weighted average number of shares outstanding	20,510,608	20,510,608	20,510,608	20,510,608
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Net income per share	\$ 0.57	\$ 0.46	\$ 0.24	\$ 0.19
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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)

	Twenty-seven weeks ended March 2, 1996	Twenty-six weeks ended February 25, 1995

Cash flows from operating activities:		
Net Income	\$ 11,706,000	\$ 9,410,000
Adjustments:		
Depreciation	8,338,000	7,955,000
Amortization of other assets	1,661,000	1,574,000
Receivables	(4,254,000)	(1,670,000)
Inventories	(899,000)	(1,520,000)
Rental merchandise in service	303,000	(955,000)
Prepaid expenses	16,000	81,000
Accounts payable	99,000	(1,322,000)
Accrued liabilities	4,690,000	6,364,000
Accrued and deferred income taxes	44,000	(1,074,000)
Deferred income taxes	395,000	861,000

Net cash provided by operating activities	22,099,000	19,704,000

Cash flows from investing activities:		
Acquisition of businesses, net of cash acquired	(11,517,000)	(6,614,000)
Capital expenditures	(13,089,000)	(11,149,000)
Other assets, net	(1,712,000)	(1,668,000)

Net cash used in investing activities	(26,318,000)	(19,431,000)

Cash flows from financing activities:		
Increase in debt	12,598,000	5,825,000
Reduction of debt	(7,427,000)	(3,975,000)
Cash dividends paid or payable	(899,000)	(899,000)

Net cash provided by financing activities	4,272,000	951,000

Net increase in cash	53,000	1,224,000
Cash at beginning of period	5,889,000	4,120,000

Cash at end of period	\$ 5,942,000	\$ 5,344,000
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Supplemental disclosure of cash flow information:		
Interest paid	\$ 1,283,000	\$ 1,563,000
Income taxes paid	\$ 6,356,000	\$ 5,292,000
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The accompanying notes are an integral part of these condensed financial statements.

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FORM 10-Q

UNIFIRST CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE TWENTY-SEVEN WEEKS ENDED MARCH 2, 1996

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 Company.
3. In February, 1996 the Company acquired two uniform rental plants in California from National Service Industries, Inc., a garment and linen rental business headquartered in Atlanta, GA.

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FORM 10-Q
UNIFIRST CORPORATION AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS
OF OPERATIONS AND FINANCIAL CONDITION
FOR THE TWENTY-SEVEN WEEKS ENDED MARCH 2, 1996

RESULTS OF OPERATIONS

Twenty-seven Weeks of Fiscal 1996 compared to Twenty-six Weeks of Fiscal 1995

Revenues for the first twenty-seven weeks of fiscal 1996 increased \$23,795,000 or 13.8% over the first twenty-six weeks of fiscal 1995. This increase can be attributed to an extra week of revenue (3.8%), acquisitions (1.0%), price increases (1.0%) and growth from existing operations (8.0%).

Income from operations as a percentage of revenue increased to 9.9% in fiscal 1996 from 9.2% for the fiscal 1995 period. The main reason for the increase is improved profit margins in the Company's primary rental business, principally attributable to restructuring of the Company's service management structure and telemarketing operations. Also, depreciation expense as a percent of revenues improved .4% compared to the prior period.

Net interest expense (interest expense less interest income) was \$1,108,000 in fiscal 1996 as compared to \$1,434,000 in fiscal 1995. The decrease is attributable to lower average debt levels and lower interest rates in fiscal 1996.

The provision for income taxes for the current period was 36.0% as compared to 35.0% for the corresponding 1995 period. The increase in 1996 is due primarily to higher state income taxes.

Fourteen Weeks ended March 2, 1996 compared to Thirteen Weeks ended

February 25, 1995

Fiscal 1996 second quarter revenues increased \$14,594,000 or 16.9% over the fiscal 1995 second quarter. This increase can be attributed to an extra week of revenue (7.7%), acquisitions (.6%), price increases (1.0%) and growth from existing operations (7.6%).

Income from operations as a percentage of revenue increased to 8.2% in fiscal 1996 from 7.7% for the fiscal 1995 period. The primary reason for the increase is improved profit margins in our primary rental business as discussed above. Also, depreciation expense as a percent of revenues improved .3% compared to the prior period.

Net interest expense (interest expense less interest income) was \$509,000 in fiscal 1996 as compared to \$689,000 in fiscal 1995. The decrease is attributable to lower average debt levels and lower interest rates in fiscal 1996.

The provision for income taxes for the current period was 36.0% as compared to 35.0% for the corresponding 1995 period. The increase in 1996 is again due primarily to higher state income taxes

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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 TWENTY-SEVEN WEEKS ENDED MARCH 2, 1996

LIQUIDITY AND CAPITAL RESOURCES

During the twenty-seven weeks ended March 2, 1996 net cash provided by operating activities, \$22,099,000, and additional borrowings of \$12,598,000 were primarily used for capital expenditures, \$13,089,000, acquisition of businesses, \$11,517,000, debt repayment, \$7,427,000 and dividends, \$899,000.

Shareholders' equity as a percent of total capital was 81.0% at March 2, 1996, indicating the overall strength of the Company's balance sheet. The Company had \$5,942,000 in cash and \$18,325,000 available on its \$50,000,000 line of credit as of March 2, 1996. The Company believes its ability to generate cash from operations will adequately cover its foreseeable capital requirements.

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

Item 4. Submission of Matters to a Vote of Security Holders

Registrant's Annual Meeting of Shareholders was held on January 9, 1996. Ronald D. Croatti and Donald J. Evans were reelected to the Board of Directors. With respect to Mr. Croatti, 6,591,669 shares of Common Stock and 12,620,464 shares of Class B Common Stock were voted for his election and 144,633 shares of Common Stock were voted against his election. With respect to Mr. Evans, 6,360,069 shares of Common Stock and 12,620,464 shares of Class B Common Stock were voted for his election and 376,233 shares of Common Stock were voted against his election.

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: April 16, 1996

/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 TWENTY-SEVEN WEEKS ENDED MARCH 2, 1996, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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