

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
November 27, 1993

Commission File
Number 1-8504

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

Massachusetts
(State of Incorporation)

04-2103460
(IRS Employer Identification Number)

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

Registrant's telephone number, including area code: (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 January 5, 1994 were 7,873,854 and 12,627,954 respectively.

PART 1 - FINANCIAL INFORMATION
FORM 10-Q

UNIFIRST CORPORATION AND SUBSIDIARIES
CONDENSED BALANCE SHEETS
(unaudited)

November 27, August 28, November 28,

	1993	1993*	1992
Assets			
Current assets:			
Cash	\$ 1,780,000	\$ 3,656,000	\$ 1,854,000
Receivables	28,674,000	24,849,000	25,501,000
Inventories	11,277,000	11,536,000	11,314,000
Rental merchandise in service	28,773,000	26,565,000	24,528,000
Prepaid expenses	109,000	115,000	153,000
Total current assets	70,613,000	66,721,000	63,350,000
Property and equipment:			
Land, buildings and leasehold improvements	96,659,000	93,347,000	88,976,000
Machinery and equipment	89,262,000	86,165,000	83,257,000
Motor vehicles	22,332,000	21,899,000	20,308,000
	208,253,000	201,411,000	192,541,000
Less - accumulated depreciation	78,289,000	75,617,000	73,254,000
	129,964,000	125,794,000	119,287,000
Other assets	29,175,000	26,549,000	28,545,000
	\$229,752,000	\$219,064,000	\$211,182,000
Liabilities and Shareholders' Equity			
Current liabilities:			
Current maturities of long-term obligations	\$ 6,570,000	\$ 6,055,000	\$ 6,037,000
Notes payable	138,000	177,000	198,000
Accounts payable	12,270,000	10,624,000	8,367,000
Accrued liabilities	26,646,000	25,225,000	19,477,000
Accrued and deferred income taxes	6,120,000	5,399,000	9,123,000
Total current liabilities	51,744,000	47,480,000	43,202,000
Long-term obligations, net of current maturities	26,814,000	26,176,000	33,447,000
Deferred income taxes	13,256,000	12,685,000	13,189,000
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 7,873,854 shares	787,000	787,000	2,040,000
Class B Common stock, \$.10 par value; 20,000,000 shares authorized, issued and outstanding 12,627,954 shares	1,263,000	1,263,000	--
Capital surplus	7,008,000	7,008,000	6,516,000
Retained earnings	129,086,000	123,793,000	112,669,000
Cumulative translation adjustment	(206,000)	(128,000)	119,000
Total shareholders' equity	137,938,000	132,723,000	121,344,000
	\$229,752,000	\$219,064,000	\$211,182,000

* Condensed from audited financial statements

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

	Thirteen weeks ended November 27, 1993	Thirteen weeks ended November 28, 1992
Revenues	\$78,107,000	\$71,708,000
Costs and expenses:		
Operating costs	46,072,000	42,694,000
Selling and administrative expenses	18,096,000	16,555,000
Depreciation and amortization	4,259,000	4,086,000
	68,427,000	63,335,000
Income from operations	9,680,000	8,373,000
Interest expense (income):		
Interest expense	634,000	821,000
Interest income	(68,000)	(65,000)
	566,000	756,000
Income before income taxes	9,114,000	7,617,000
Provision for income taxes	3,372,000	2,666,000
Net income	\$ 5,742,000	\$ 4,951,000
Weighted average number of shares outstanding	20,508,642	20,457,744
Net income per share	\$ 0.28	\$ 0.24

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

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

	Thirteen weeks ended November 27, 1993	Thirteen weeks ended November 28, 1992
Cash flows from operating activities:		
Net Income	\$ 5,742,000	\$ 4,951,000
Adjustments:		
Depreciation	3,592,000	3,389,000
Amortization of other assets	667,000	697,000
Receivables	(3,836,000)	(3,175,000)
Inventories	308,000	964,000
Rental merchandise in service	(2,219,000)	(869,000)
Prepaid expenses	6,000	25,000
Accounts payable	1,337,000	(551,000)
Accrued liabilities	1,428,000	2,224,000
Accrued and deferred income taxes	724,000	2,040,000
Deferred income taxes	573,000	453,000
Net cash provided by operating activities	8,322,000	10,148,000
Cash flows from investing activities:		
Acquisition of businesses, net of working capital acquired	(4,000,000)	--
Capital expenditures	(6,822,000)	(2,631,000)
Other assets, net	(43,000)	154,000

Net cash used in investing activities	(10,865,000)	(2,477,000)
Cash flows from financing activities:		
Increase (reduction) in debt	1,116,000	(8,892,000)
Proceeds from exercise of stock options	--	105,000
Cash dividends paid or payable	(449,000)	(306,000)
Net cash provided by (used in) financing activities	667,000	(9,093,000)
Net decrease in cash	(1,876,000)	(1,422,000)
Cash at beginning of period	3,656,000	3,276,000
Cash at end of period	\$ 1,780,000	\$ 1,854,000
Supplemental disclosure of cash flow information:		
Interest paid	\$ 160,000	\$ 213,000
Income taxes paid	\$ 2,080,000	\$ 221,000

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 THIRTEEN WEEKS ENDED NOVEMBER 27, 1993

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. During 1993 the Company's shareholders voted to amend its Articles of Organization to increase the number of authorized common shares from 20,000,000 to 30,000,000, and to authorize a new Class B common stock with 20,000,000 authorized shares. The offer to exchange, on a share-for-share basis, shares of Class B common stock for shares of common stock resulted in 12,627,954 shares of common stock being exchanged for shares of Class B common stock.

4. On November 1, 1993 the Company acquired all of the outstanding stock of Modern Coverall and Uniform Supply, Inc., a garment rental business located in Los Angeles, CA. This acquisition is expected to add approximately \$3,000,000 in annual revenues.

5. On November 18, 1993 the Company's Board of Directors declared a two-for-one stock split, to be effected in the form of a stock dividend, on the Company's Common Stock and Class B Common Stock. The stock dividend is payable on January 19, 1994 to shareholders of record on January 5, 1994. All references to average number of shares outstanding, per share data and Shareholders' Equity section in these financial statements are after giving retroactive effect to the two-for-one split.

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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 THIRTEEN WEEKS ENDED NOVEMBER 27, 1993

RESULTS OF OPERATIONS

Thirteen Weeks of Fiscal 1994 compared to Thirteen Weeks of Fiscal 1993

Fiscal 1994 first quarter revenues increased \$6,399,000 or 8.9% over the fiscal 1993 first quarter. This increase is primarily attributable to internal growth and modest price increases. Income from operations as a percentage of revenue increased to 12.4% in fiscal 1994 from 11.7% in fiscal 1993. The primary reason for the increase is the result of margin improvements in 1994 from both the primary rental and nuclear businesses.

Net interest expense (interest expense less interest income) was \$566,000 in fiscal 1994 as compared to \$756,000 in fiscal 1993. The decrease is attributable to less debt and lower interest rates in fiscal 1994.

The provision for income taxes for the current period was 37.0% as compared to 35.0% for the corresponding 1993 period. The increase is due primarily to an increase in the statutory federal income tax rate in 1994.

CAPITAL RESOURCES AND LIQUIDITY

The Company believes that 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, 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 1. Legal Proceedings
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Reference is made to Note 2 of notes to condensed financial statements and to the discussion under the heading Environmental Matters in the Company's Annual Report on Form 10-K for the fiscal year ended August 28, 1993.

Item 6. Exhibits and Reports on Form 8-K
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(a) Exhibits: None

(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

Ronald D. Croatti

Ronald D. Croatti
Vice Chairman and
Chief Executive Officer

Date: January 10, 1994

John B. Bartlett

John B. Bartlett
Senior Vice President
and Chief Financial Officer