

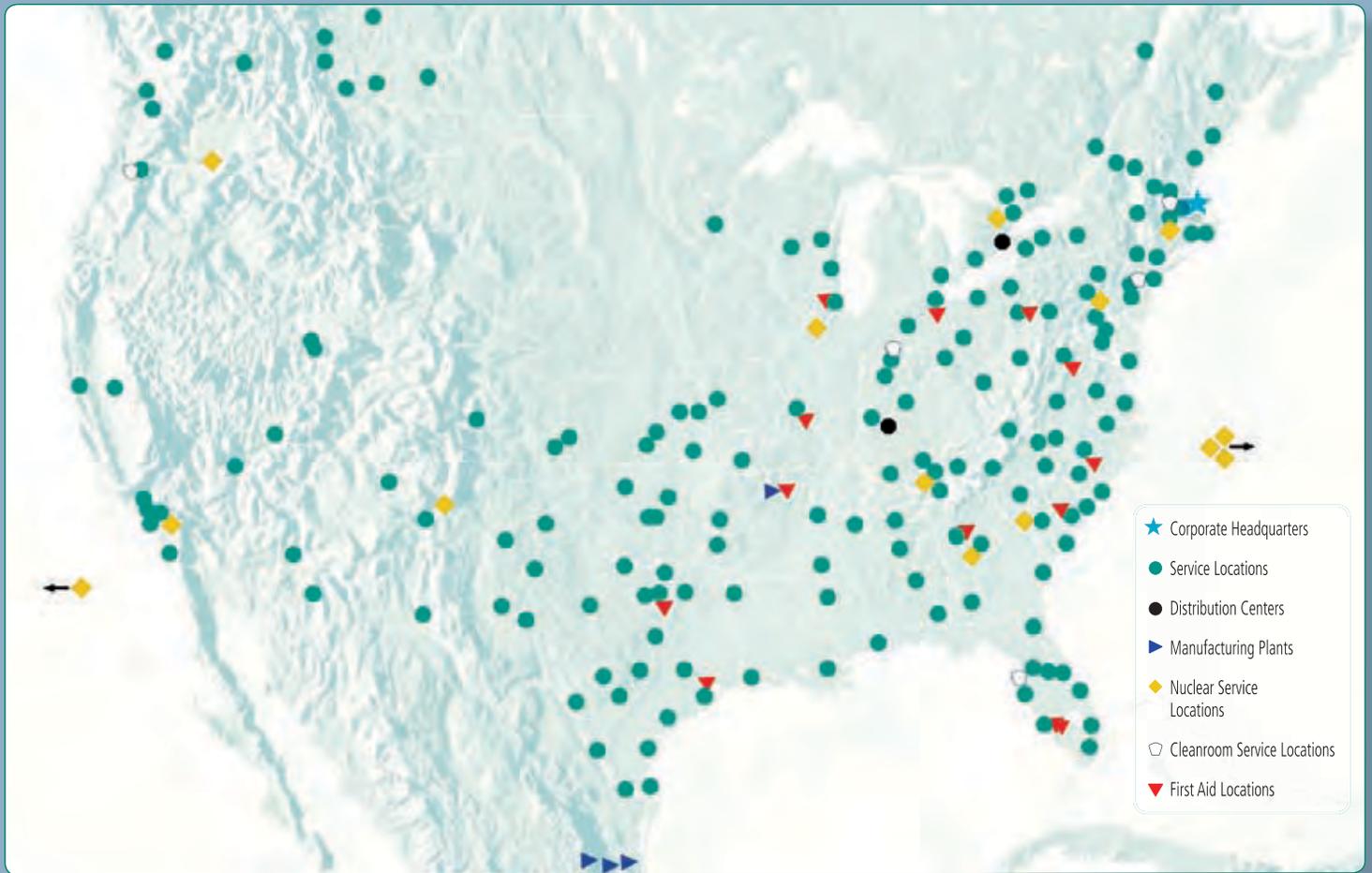
# UniFirst Corporation

# 2008

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# 08





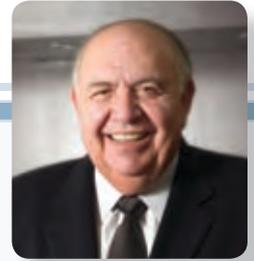
## UniFirst today

UniFirst is one of the largest workwear and textile services companies, serving over 200,000 customer locations from sites in the United States, Canada, and Europe. We design, manufacture, rent, sell, launder, and deliver a wide range of uniforms, work apparel, and protective work garments; as well as a broad selection of related textile items, including floor mats, mops, industrial towels, and wipers. We also provide customers with complementary facility services products such as paper towels, sanitary tissues, soap and skin care products, and air fresheners.

Our Specialty Garments business provides specialized uniforms, laundering services, and safety products to the nuclear and cleanroom industries via its UniTech and UniClean units. And our First Aid business, comprised of Green Guard and Medique, supplies first aid cabinet services and various safety supplies to diverse manufacturers, retailers, and service organizations.

In fiscal year 2008, UniFirst employed approximately 11,000 Team Partners; operated 167 customer service centers, 14 nuclear decontamination facilities, 5 cleanroom operations, 13 first aid locations, 2 distribution centers, and 4 manufacturing plants—the latter producing more than half of the garments and floorcare products used in our rental service programs.

UniFirst's mission is to consistently deliver enhanced image, identity, and protection solutions that represent the best customer value, produce the greatest user benefits, and earn us recognition as the quality leader in our industry.



dear shareholders

In fiscal year 2008, UniFirst achieved record revenues of \$1.023 billion, a 13.4% increase from the previous year's \$902.1 million. Net income was \$61.0 million, or \$3.15 per diluted common share, a 34.9% increase from the \$45.2 million or \$2.34 per diluted common share reported in fiscal 2007. Most significantly, the company for the first time bested the \$1 billion revenue mark, achieving this milestone despite a slowing economy and a widening lack of business confidence throughout many of the industries that are key components of our customer base. This performance is a credit to our organization's commitment to growth and to the diligent and dedicated effort of all UniFirst Team Partners.

Once again leading the way were our Core Laundry operations, which produced a 13.9% increase in revenues over fiscal year 2007... a very healthy performance under increasingly trying market conditions. Most of this came from a combination of organic growth and price increases, with acquisitions accounting for just 2.9%. Our Specialty Garments business continued on the recovery track it established in fiscal 2007 by generating a 13.9% revenue increase, with both rental and direct sale components contributing and with nuclear decontamination and cleanroom areas both showing stronger performance. Our First Aid business was more significantly impacted by the overall slowdown and saw a revenue decrease of 0.7%. On a comparison basis with fiscal 2007, overall corporate results gained an approximate 2% lift from an extra revenue week in 2008.

Even though we have gained important product, service and business diversity over the past several years, uniform rental remains at the heart of what we do and continues to define our market identity. In fiscal year 2008, our uniform rental business continued to show excellent growth and we continued to expend considerable effort in fortifying the structures that will sustain that improvement in the periods ahead. Our professional field sales team performed well throughout the year and continued to show the positive effects of better local management, improved training and support systems, constant enhancements to our sales productivity system, more industry-specific selling programs, and fresh incentives for the delivery of top-level results.

Complementing this, our route sales programs showed across-the-board improvements with an increasing percentage of customers taking advantage of the value-added offers Route Reps were making on a scheduled basis throughout the year. This not only resulted in deeper account penetration, but generated closer ties between ourselves and individual customers, enhancing loyalty and providing greater insulation against customer losses in the future.

Balancing these local market efforts, our National Account sales team continued to add new business and was able to renew service contracts with the vast majority of current customers. Significantly, our Account Management Team -- the group responsible for maintaining account relations after the business has been sold and installed -- was increasingly successful in targeting, presenting and selling added products and services to customers who initially signed-on for more limited scale programs. Once again, this not only aids revenue and profitability, but also establishes a firmer partnership connection that benefits us at contract renewal time.

Net income for the year was impacted favorably by lower merchandise cost and by lower production payroll as a percent of revenues -- largely due to greater volume throughput at the laundries. Partially offsetting this was the negative impact of higher energy and fuel expense incurred by all operations. This rose dramatically during the latter part of the year, showing the greatest influence in the second half. UniTech profits showed a slightly unfavorable year-to-year comparison, due mostly to lower margin direct sale revenues serving as a larger component of their top-line growth. First Aid & Safety saw a slight drop in profits as well, with the primary factor being difficulty in preventing account losses and reductions triggered by the slowing economy.

By most any measure, fiscal year 2008 was a very good one for UniFirst. But the economic storm clouds that were gathering in the latter part of the year have further darkened, making the year ahead one that will be marked by uncertainty. The meltdown we've seen in financial markets will have a long term impact and the negative pressures that result will affect virtually every business. We're looking at the worst job loss forecast in over a decade with the possibility of skyrocketing unemployment numbers in the short term. Predictions are that business failures won't be limited to Wall Street, the Banking Industry and Big Insurance... but will extend to Main Street and the small and mid-sized businesses that drive local economies.

It's clear that recessionary conditions will prevail through fiscal year 2009 and possibly longer. The credit crisis won't be turned around overnight and that means business -- in the US, throughout North America and even globally -- will be facing the biggest challenges seen in the past 50 years. So we're not deluding ourselves into thinking that the government's rescue plan is going to make things right. And armed with that sober understanding, we believe we're better equipped to act responsibly and strategically in dealing with this situation to the best advantage of our customers, our Team Partners and our shareholders.

First off, we're not about to abandon our commitment to growth. This is not a time to hunker down and wait it out. There is abundant evidence from previous economic downturns that the companies who acted aggressively to build and expand during tough times came out the biggest winners. That's why we've created special sales programs specifically designed to aid growth in down markets... programs that address today's business uncertainty and cost containment interests, while at the same time helping to take advantage of competing suppliers' service performance weaknesses. It's also why we are putting even more emphasis on our targeted vertical market programs and are honing our focus on those industries that are in the best position to weather these tough times without business failures or job losses.

We can't avoid the impact on our business of some employment reductions and even business failures in our current customer base. But what we can and will do is focus on those factors we *can* control and which will do the most to mitigate economic negatives and accentuate positives. In our view, these are our programs for sales growth which we will pursue aggressively at all levels and throughout all business segments, our programs for service excellence and customer satisfaction which help protect the existing business base, and our programs for geographic and product-service expansion which will position us to better take advantage of the economic recovery when it comes.

In addition to pressing ahead with these programs, we will be taking a cautious approach with any and all non-business development spending. We have already moved to Phase 2 in our corporate cost control plan, which means no non-strategic personnel additions, a hold on replacements in select administrative and support areas, across-the-board limits on wage increases, and elimination of all non-essential capital projects. The same rules apply in all business segments and profit center managers know we will be exercising stringent ROI criteria in assessing every spending request.

Our focus -- in our Core Laundry Business, our Specialty Garments business and our First Aid business -- will be on establishing a selling advantage and competing aggressively across all fronts. That means pressing hard for new up-and-down-the-street business, gaining service usage expansion with current customers, selling more national and large regional accounts, and creating new private label and custom product sales opportunities in our non-uniform segments. It also means leveraging the advantages that are inherent in each business area.

In our Core Laundry business, our uniform and facility services products offer users a highly cost-effective promotional and image advantage that can result in a competitive edge... critically important at a time when winning business over the other guy can make the difference between staying in business or not. In our Specialty Garments business, our unique nuclear decontamination expertise is unmatched by any other provider. And at a time when the need to dramatically reduce reliance on fossil fuels, both here and abroad, is placing renewed focus on new-generation nuclear energy options, we are prepared with the clothing and equipment service solutions new installations will need. And in our First Aid business, our more integrated operation -- which includes our Medique wholesale medications business and our Prestige Packaging business -- allows us to offer solutions to more customers in more ways.

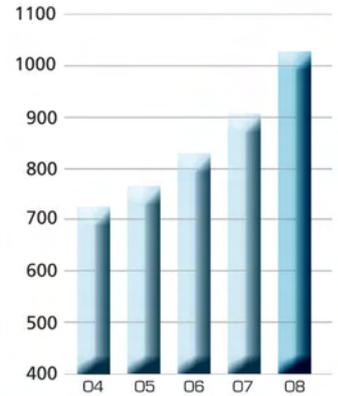
UniFirst has been around since 1936 and in that time has seen many economic ups and downs. Throughout, the essential resilience of our business model has enabled us to continue moving forward when others faltered or dropped by the wayside. In over 70 years we have never failed to show year-over-year revenue growth and, though the current period may prove to be one of the most challenging in our history, we are confident in our ability to measure up. We have products and services that are needed in the marketplace, that represent cost-effective solutions to real business requirements, and that deliver genuine value to users. But beyond that, we have a highly experienced executive management team, a group of exceptionally skilled operations managers, and a family of Team Partners who have proven time and again their ability to get the job done, no matter what the challenge. We're excited about the opportunity to prove ourselves once more.

Thank you for your continued support and I look forward to reporting on the progress of your company in the quarters ahead.

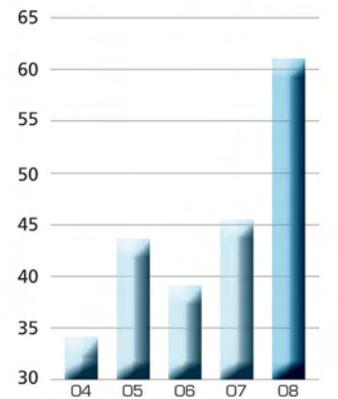


**RONALD D. CROATTI**  
Chairman of the Board, President, and Chief Executive Officer

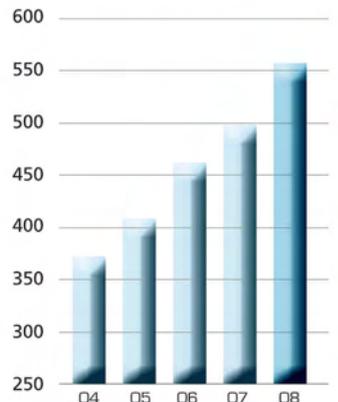
**Revenues**  
(in millions of dollars)



**Net Income**  
(in millions of dollars)



**Shareholders' Equity**  
(in millions of dollars)



## shareholder information

### Executive Officers

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**Ronald D. Croatti**

Chairman of the Board, President,  
and Chief Executive Officer

**Cynthia Croatti**

Executive Vice President and Treasurer

**John B. Bartlett**

Senior Vice President and  
Chief Financial Officer

**Bruce P. Boynton**

Senior Vice President, Operations

**David A. DiFillippo**

Senior Vice President, Operations

**Raymond C. Zemlin**

Secretary

### Operating and Corporate Officers

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**John R. Badey**

Vice President, Distribution  
and Engineering

**George J. Bakevich**

Vice President, UniTech Services Group

**Benjamin F. Childers**

Vice President, Western Rental Group

**Michael A. Croatti**

Vice President, Central Rental Group

**Stephen A. Gaykan**

Vice President, Manufacturing

**Robert A. Kuhn**

Vice President, Southern Rental Group

**Reis V. LaMontagne**

Vice President, Mid-Atlantic  
Rental Group

**Todd T. Lewis**

Vice President, First Aid Group

**Robert E. Middleton**

Vice President, Southwest Rental Group

**Gary L. Rogers**

Vice President, Texas Rental Group

**William M. Ross**

Vice President, Northeast Rental Group

**Michael E. Ruttner**

Vice President, National Accounts

**Steven S. Sintros**

Corporate Controller

**Michael J. Szymanski**

Vice President, Canadian Rental Group

### Directors

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**Ronald D. Croatti**

Chairman of the Board, President,  
and Chief Executive Officer

**Cynthia Croatti**

Executive Vice President and Treasurer

**Phillip L. Cohen**

Retired Partner of an international  
accounting firm and Certified  
Public Accountant

**Robert F. Collings**

President's Council of Massachusetts  
General Hospital and Board of Advisors  
of New Boston Real Estate Fund

**Anthony F. DiFillippo**

Former UniFirst Corporation President

**Donald J. Evans**

Retired Senior Partner of Goodwin  
Procter LLP; former General Counsel,  
First Deputy Commissioner of  
Massachusetts Department of Revenue;  
and Trustee of Massachusetts Eye and Ear  
Infirmary

**Michael Iandoli**

Vice President of Executive Committee,  
The Larz Anderson Auto Museum, and  
former Senior Executive and President  
of TAC Worldwide Companies

**Thomas S. Postek**

Financial Analyst for Geneva Investment  
Management of Chicago

### Corporate Information

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Shareholders may obtain, without charge,  
a copy of the Company's 2008 Form 10-K.  
Written requests should be addressed to  
John B. Bartlett, Senior Vice President.

### Transfer Agent

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Computershare Trust Company, N.A.  
Attn: Computershare Investor Services  
P.O. Box 43078  
Providence, RI 02940-3078

### Independent Registered Public Accounting Firm

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Ernst & Young LLP

### Legal Counsel

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Goodwin Procter LLP

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