Via E-Mail
From: John_Bartlett@unifirst.com
Sent: Monday, July 12, 2004 11:09 AM
To: John Richter
Subject: EITF 03-6

UniFirst Corporation (UNF) is in the process of finalizing its 10Q for the quarter ended May 29, 2004. As part of the disclosure in the 10Q we are including information regarding the requirement of UniFirst to adopt EITF 03-6 effective with our next fiscal quarter which will end on August 28, 2004.

UniFirst has a dual class stock structure which was adopted many years ago. The Common Stock, which has one vote per share, carries a 25% dividend preference on any dividends which are declared. The Class B Common Stock, which has ten votes per share, may be converted at any time on a one for one basis for the Common Stock at the option of the holder of the Class B Common Stock. The only shares which are publicly traded are the shares of the Common Stock.

EITF 03-6 will require the income per share for each class of stock to be calculated assuming 100% of the net income of the Company is distributed as dividends to each class of stock. The company has no intention of distributing all of its earnings in this fashion. The effective result of EITF 03-6 will be that the income per share for the Common Stock will be 25% greater than the earnings per share of the Class B Common Stock. The following table summarizes the impact based on the net income of the Company for the thirty-nine weeks ended May 29, 2004.

Basic net income per share as reported-both classes			$1.36
Basic net income per share under EITF 03-06			
Common Stock	$1.52		
Class B Common Stock		$1.21	

It is the Company's opinion that this will not result in a fair presentation of the income per share for either class of stock. In view of the fact that the Class B shareholders control approximately 90% of the vote and that the Class B shares can be converted to Common shares at any time this presentation significantly overstates the income per share of the Common Stock.

The Company believes a fairer presentation would be to calculate income per share assuming actual dividends paid were attributed to each class of stock and the balance of the net income was allocated on a pro rata basis. During the thirty-nine weeks ended May 29, 2004 the Company paid dividends of $.0375 each quarter for each share of Common Stock or $.1125 and $.03 each quarter for each share of Class B common stock or $.09. The income per share for each class of stock for the thirty-nine weeks ended May 29, 2004 under this method would be as follows.

Basic net income per share as reported-both classes	$1.36

Basic net income per share under modified method

Common Stock	$1.37	
Class B Common Stock		$1.35

This method would recognize that to the extent dividends are paid, that the income per share for the Common Stock should reflect the benefit of this preference. Since the Class B Common Stock holders can convert their shares to Common Stock at any time, it would also recognize that to the extent dividends are not paid that both classes of stock have an equal share of the remaining net income.

In summary the Company believes adopting the current version of EITF 03-6 will not result in a fair presentation of the income per share for either class of stock and will be misleading to investors. It will also result in significant confusion to analysts that are following the Company and require them to calculate and present pro forma income per share in their reports. We request that you reconsider this interpretation of SFAS 128 for companies in our situation.

Respectfully submitted,

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