

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10- K

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

for the Fiscal Year Ended May 31, 2005

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

Commission File No. 0- 11399

CINTAS CORPORATION

(Exact name of registrant as specified in its charter)

**Incorporated under
the Laws of Washington**
(State or other juris-
diction of incorporation
or organization)

**6800 Cintas Boulevard
P.O. Box 625737
Cincinnati, Ohio 45262- 5737**
(Address of principal executive offices)

No. 31- 1188630
IRS Employer ID

Phone: (513) 459- 1200
(Telephone number of principal executive offices)

Securities Registered Pursuant to Section 12(b) of the Act:
None

Securities Registered Pursuant to Section 12(g) of the Act:
Common Stock, No Par Value
(Title of class)

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 preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

YES

NO



Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S- K is not contained herein, and will not be contained to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10- K or any amendment to the Form 10- K. ☒

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Indicated by check mark whether the Registrant is an accelerated filer (as defined in Exchange Act Rule 12b- 2).

YES

NO



The aggregate market value of the Common Stock held by non- affiliates as of November 30, 2004, was \$7,677,965,352 based on a closing sale price of \$44.72 per share. As of July 31, 2005, 172,249,416 shares of Common Stock were issued and 168,324,186 shares were outstanding.

Documents Incorporated by Reference

Portions of the Registrant's Proxy Statement to be filed with the Commission for its 2005 Annual Meeting are incorporated by reference in Part II and Part III as specified.

CINTAS CORPORATION
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FORWARD- LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a safe harbor from civil litigation for forward- looking statements. Forward- looking statements may be identified by words such as "estimates," "anticipates," "projects," "plans," "expects," "intends," "believes," "seeks," "could," "should," "may" and "will" or the negative versions thereof and similar expressions and by the context in which they are used. Such statements are based upon current expectations of Cintas and speak only as of the date made. These statements are subject to various risks, uncertainties and other factors that could cause actual results to differ from those set forth in or implied by this Annual Report. Factors that might cause such a difference include, but are not limited to, the possibility of greater than anticipated operating costs, lower sales volumes, the performance and costs of integration of acquisitions, fluctuations in costs of materials and labor including increased medical costs, costs and possible effects of union organizing activities, uncertainties regarding any existing or newly- discovered expenses and liabilities related to environmental compliance and remediation, the cost, results and timely completion of assessment and remediation of internal controls for financial reporting required by the Sarbanes- Oxley Act of 2002, the initiation or outcome of litigation, higher assumed sourcing or distribution costs of products, changes in federal and state tax laws and the reactions of competitors in terms of price and service. Cintas undertakes no obligation to update any forward- looking statements to reflect the events or circumstances arising after the date on which they are made.

PART I

ITEM 1. **BUSINESS**

Cintas Corporation, a Washington corporation, provides highly specialized services to businesses of all types throughout the United States and Canada. Cintas designs, manufactures and implements corporate identity uniform programs, provides entrance mats, shop towels, restroom supplies, promotional products, first aid, safety and fire protection products and services and document management services for over 700,000 businesses. Cintas was founded in 1968 by Richard T. Farmer, Chairman of the Board, when he left his family's industrial laundry business in order to develop uniform programs using an exclusive new fabric. In the early 1970's, Cintas acquired the family industrial laundry business.

Cintas classifies its businesses into two operating segments: Rentals and Other Services. The Rentals operating segment designs and manufactures corporate identity uniforms which it rents to its customers. Other items, including entrance mats, shop towels and restroom supplies, are also rented or sold to its customers. The Other Services operating segment involves the design, manufacture and direct sale of uniforms to its customers as well as the sale of ancillary products and services. These ancillary products and services include first aid, safety and fire protection products and services, document management services and cleanroom supplies.

The primary markets served by Cintas are local in nature and highly fragmented. Competition for this business varies at each of Cintas' locations. There are other companies in the uniform rental business which have financial resources comparable to those of Cintas, although much of the competition consists of smaller local and regional firms. In certain instances, local competitors may also have financial resources comparable to those of Cintas in a particular market. Cintas believes that the primary competitive factors that affect these operations are product, quality, service, design and price.

Cintas serves these markets principally through the rental and cleaning of uniforms as well as providing ongoing uniform replacements as required to each customer. Cintas also provides ancillary products and services which include the rental or sale of entrance mats, shop towels, mops, linen and restroom products and first aid, safety and fire protection products and services and document management services.

Due to its diverse customer base and average account size, the loss of one account would not have a significant financial impact on Cintas. No individual customer accounts for greater than one percent of Cintas' total revenues.

In its sale of customized uniforms, Cintas competes on a national basis with other uniform suppliers and manufacturers. Cintas believes that the primary competitive factors that affect these operations are design, service and price.

Cintas operates fourteen manufacturing facilities, which provide for a substantial amount of its standard uniform needs. Additional products are purchased from numerous outside suppliers. Because of Cintas' ability to manufacture much of its own uniform needs, the loss of one vendor would not have a significant impact on Cintas. Cintas purchases fabric, used in its manufacturing process, from several suppliers. Cintas is not aware of any circumstances that would hinder its ability to obtain these materials.

Cintas is subject to various environmental laws and regulations, as are other companies in the industry. While environmental compliance is not a material component of our costs, Cintas must incur capital expenditures and associated operating costs, primarily for water treatment and waste removal, on a regular basis. Environmental spending related to water treatment and waste removal was approximately \$14 million in fiscal 2005 and approximately \$12 million in fiscal 2004. Capital expenditures to limit or monitor hazardous substances were \$4 million in fiscal 2005 and \$3 million in fiscal 2004. These expenditures were primarily related to the purchase of water treatment systems, which are depreciated over a useful life of ten years. Cintas does not expect a material change in the cost of environmental compliance on a percent to sale basis and is not aware of any material non-compliance with environmental laws.

At May 31, 2005, Cintas employed approximately 30,000 employees of which approximately 450 were represented by labor unions. Since January 2003, Cintas has been the target of a corporate unionization campaign by UNITE HERE and the Teamsters unions. These unions are attempting to pressure Cintas

into surrendering its employees' rights to a government- supervised election and unilaterally accept union representation. This is unacceptable. Cintas' philosophy in regard to unions is straightforward: We believe that employees have the right to say yes to union representation and the freedom to say no. This campaign could be materially disruptive to our business and could materially adversely affect results of operations. We will continue to vigorously oppose this campaign and to defend our employees' rights. Cintas considers its relationships with its employees to be satisfactory.

Cintas files annual and quarterly reports and proxy materials with the Securities and Exchange Commission. The public may copy these materials at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580 Washington, D.C. 20549 and may obtain further information concerning the operation of the Public Reference Room by calling the SEC at (202) 551- 8090. The SEC maintains an internet site that contains the same information regarding Cintas that is filed electronically with the SEC. The address of that site is: <http://www.sec.gov>. Cintas' Annual Report on Form 10- K, Quarterly Reports on Form 10- Q and current reports on Form 8- K and amendments to those reports are posted on its website, www.cintas.com, as soon as practicable after filing with the SEC.

The following table sets forth the revenues derived from each service segment provided by Cintas.

	Year Ended May 31		
	(in thousands)		
	2005	2004	2003
Rentals	\$ 2,363,397	\$ 2,201,405	\$ 2,101,785
Other Services	703,886	612,654	584,800
	<u>\$ 3,067,283</u>	<u>\$ 2,814,059</u>	<u>\$ 2,686,585</u>

See Note 13 entitled Segment Information in "Notes to Consolidated Financial Statements."

ITEM 2.

PROPERTIES

Cintas occupies 377 facilities located in 280 cities, of which 193 facilities are leased for various terms ranging from monthly to the year 2015. Cintas expects that it will be able to renew its leases on satisfactory terms. Of the fourteen manufacturing facilities listed below, Cintas controls the operations of four of these manufacturing plants, but does not own or lease the real estate related to these operations. All other properties are owned. The corporate offices provide centrally located administrative functions including accounting, finance, marketing and computer system development and support. Cintas operates processing plants that house administrative, sales and service personnel and the necessary equipment involved in the cleaning of uniforms and bulk items, such as entrance mats and shop towels. Branch operations provide administrative, sales and service functions. Cintas operates seven distribution centers and fourteen manufacturing plants. Cintas also operates first aid, safety and fire protection and document management facilities and direct sales offices. Cintas considers the facilities it operates to be adequate for their intended use. Cintas owns or leases 10,725 vehicles.

The following chart provides additional information concerning Cintas' facilities:

<u>Type of Facility</u>	<u># of Facilities</u>
Rental Processing Plants	168
Rental Branches	79
First Aid, Safety and Fire Protection Facilities	57
Document Management Facilities	23
Distribution Centers	7*
Manufacturing Facilities	14
Direct Sales Offices	29
Total	377

Rental processing plants, rental branches, distribution centers and manufacturing facilities are used in Cintas' Rentals segment. Rental processing plants, rental branches, first aid facilities, document management facilities, distribution centers, manufacturing facilities and direct sale offices are all used in the Other Services segment.

* Includes the Corporate office, which is attached to the distribution center in Cincinnati, OH.

ITEM 3.

LEGAL PROCEEDINGS

I. Supplemental Information: We discuss certain legal proceedings pending against us in Part II of this Annual Report on Form 10-K under the caption "Item 8. Financial Statements and Supplementary Data," in Note 12 to our consolidated financial statements, which is captioned "Litigation and Other Contingencies," and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" under "Litigation and Other Contingencies," and refer you to those discussions for important information concerning those legal proceedings, including the basis for such actions and, where known, the relief sought. We provide the following additional information concerning those legal proceedings which sets forth the name of the lawsuit, the court in which the lawsuit is pending and the date on which the petition commencing the lawsuit was filed.

Wage and Hour Litigation: *Paul Veliz, et al., v. Cintas Corporation*, United States District Court, Northern District of California, Oakland Division, March 19, 2003.

Race and Gender Litigation and Related Charges: *Robert Ramirez, et al., v. Cintas Corporation*, United States District Court, Northern District of California, San Francisco Division, January 20, 2004; *Mirna E. Serrano, et al., v. Cintas Corporation*, United States District Court for the Eastern District of Michigan, Southern Division, May 10, 2004; *Larry Houston, et al., v. Cintas Corporation*, United States District Court for the Northern District of California, August 3, 2005; EEOC charge filed by Mirna Serrano on April 17, 2000 with the EEOC Detroit District; EEOC charge filed by James Morgan on December 15, 2004 with the EEOC Washington, D.C. office and the California Department of Fair Employment and Housing; EEOC charge filed by an EEOC Commissioner on November 30, 2004 with the EEOC Systemic Litigation Unit; EEOC charge filed by Jennifer Fargo on January 24, 2005 with the Augusta Human Relations Commission and the EEOC Detroit District; EEOC charge filed by Clifton Cooper on March 23, 2005 with the EEOC Systemic Litigation Unit; EEOC charge filed by Lorelei Reynolds on March 28, 2005 with the EEOC Birmingham District; EEOC charge filed by Melissa Schulz on April 25, 2005 with the EEOC Systemic Litigation Unit and the Oregon Bureau of Labor and Industries, Civil Rights Division; EEOC charge filed by Anthony Jones on May 6, 2005 with the EEOC Systemic Litigation Unit and EEOC charge filed by Mattie Cooper on June 10, 2005 with the EEOC Systemic Litigation Unit.

Breach of Fiduciary Duties: *J. Lester Alexander, III vs. Cintas Corp., et al.*, United States Bankruptcy Court for the Middle District of Alabama, Eastern Division, October 25, 2004.

II. Environmental Matters: Item 103 of SEC Regulation S-K requires disclosure of certain environmental matters. The following matters are disclosed in accordance with that requirement:

During fiscal 2001, the State of Connecticut filed suit against Cintas in the Superior Court District of Hartford alleging various violations of state environmental laws and alleging that Cintas violated certain wastewater discharge and hazardous waste violations. While this proceeding is not considered material to the business or financial condition of the registrant, management reasonably believes that the proceedings will result in monetary sanctions in excess of \$100,000. A reserve has been established for the estimated liability related to these allegations.

ITEM 4.

SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None in the fourth quarter of fiscal 2005.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Cintas Corporation's Common Stock is traded on the NASDAQ National Market System under the symbol "CTAS". The following table shows the high and low closing prices by quarter during the last two fiscal years.

Fiscal 2005			
Quarter Ended	High	Low	
May 2005	\$ 44.55	\$ 37.89	
February 2005	46.87	41.77	
November 2004	45.91	40.38	
August 2004	48.06	39.51	
Fiscal 2004			
Quarter Ended	High	Low	
May 2004	\$ 47.92	\$ 40.20	
February 2004	50.68	42.21	
November 2003	47.59	36.80	
August 2003	41.87	34.55	

Holders

At May 31, 2005, there were approximately 2,000 shareholders of record of Cintas' Common Stock. Cintas believes that this represents approximately 65,000 beneficial owners.

Dividends

Dividends on the outstanding Common Stock are paid annually and amounted to \$0.32 per share, \$0.29 per share and \$0.27 per share in fiscal 2005, fiscal 2004 and fiscal 2003, respectively.

Equity Compensation Plan Information

Plan category	Number of shares to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	Number of shares remaining available for future issuance under equity compensation plans
Equity compensation plans approved by shareholders	6,441,885	\$ 37.92	4,438,875
Equity compensation plans not approved by shareholders	-	-	-
Total	6,441,885	\$ 37.92	4,438,875

Recent Sales of Unregistered Securities

None in the fourth quarter of fiscal 2005.

Issuer Purchases of Equity Securities

On May 2, 2005, Cintas announced that the Board of Directors authorized a \$500 million stock repurchase program at market prices. During fiscal 2005, we purchased approximately 1.5 million shares of Cintas stock at an average price of \$39.62 per share, for a total purchase price of approximately \$58 million. The Board did not specify an expiration date for this program.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of the publicly announced plan	Maximum approximate dollar value of shares that may yet be purchased under the plan
March 2005	-	\$ -	-	\$ -
April 2005	-	-	-	-
May 2005	1,468,901	39.62	1,468,901	441,796,359
Total	1,468,901	\$ 39.62	1,468,901	\$ 441,796,359

In fiscal 2005, Cintas also acquired 100,921 shares as payment received from employees upon the exercise of options under the stock option plan.

In addition to the purchases made in fiscal 2005, as provided in the table above, Cintas has subsequently purchased 2.4 million shares of Cintas stock at an average price of \$39.08 per share for a purchase price of approximately \$96 million. As such, from the inception of the stock repurchase program through July 22, 2005, Cintas has purchased a total of approximately 3.9 million shares of Cintas stock at an average price of \$39.27 per share for a total purchase price of approximately \$154 million. The maximum approximate dollar value of shares that may yet be purchased under the plan as of July 22, 2005, is \$345,856,218.

ITEM 6.

SELECTED FINANCIAL DATA

Eleven Year Financial Summary

(In thousands except per share and percentage data)

Years Ended May 31	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	10- Year Compd Growth
Revenue	\$ 929,534	1,103,492	1,261,899	1,476,945	1,751,568	1,901,991	2,160,700	2,271,052	2,686,585	2,814,059	3,067,283	12.7%(3)
Net Income	\$ 85,413	98,956	118,557	133,654	138,939	193,387	222,451	234,251	249,253	272,205	300,518	13.4%
Pro Forma Net Income (1)	\$ 80,752	94,151	112,763	128,704	138,939	193,387	222,451	234,251	249,253	272,205	300,518	14.0%
Basic EPS	\$ 0.55	0.64	0.75	0.83	0.84	1.16	1.32	1.38	1.46	1.59	1.75	12.3%
Diluted EPS	\$ 0.55	0.63	0.75	0.82	0.82	1.14	1.30	1.36	1.45	1.58	1.74	12.2%
Pro Forma Basic EPS (1)	\$ 0.52	0.61	0.72	0.80	0.84	1.16	1.32	1.38	1.46	1.59	1.75	12.9%
Pro Forma Diluted EPS (1)	\$ 0.51	0.60	0.71	0.79	0.82	1.14	1.30	1.36	1.45	1.58	1.74	13.1%
Dividends Per Share	\$ 0.07	0.09	0.10	0.12	0.15	0.19	0.22	0.25	0.27	0.29	0.32	16.4%
Total Assets	\$ 816,508	996,046	1,101,182	1,305,400	1,407,818	1,581,342	1,752,224	2,519,234	2,582,946	2,810,297	3,059,744	14.1%
Shareholders' Equity	\$ 481,654	553,701	650,603	756,795	871,423	1,042,876	1,231,315	1,423,759	1,646,332	1,887,969	2,104,135	15.9%
Return on Average Equity (2)	18.1%	18.2%	18.7%	18.3%	17.1%	20.2%	19.6%	17.6%	16.2%	15.4%	15.1%	
Long- Term Debt	\$ 164,332	237,550	227,799	307,633	283,581	254,378	220,940	703,250	534,763	473,685	465,291	

Note: Results prior to March 24, 1999, have been restated to include Unitog Company. Results prior to April 8, 1998, have also been restated to include Uniforms To You Companies.

- (1) Results for 1998 and prior years were adjusted on a pro forma basis to reflect the true tax impact of Uniforms To You as if it had been reported as a C Corporation prior to the merger with Cintas.
- (2) Return on average equity using pro forma net income.
- (3) Represents the 10- year compound annual growth rate based on revenue as restated for pooling of interests transactions noted above.

ITEM 7.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BUSINESS STRATEGY

We are North America's leading provider of corporate identity uniforms through rental and sales programs, as well as a significant provider of related business services, including entrance mats, restroom products and services, first aid, safety and fire protection products and services, document management services and cleanroom services. Our services are designed to enhance our customers' images and to provide additional safety and protection in the workplace.

Our business strategy is to increase our market share of the uniform rental and sales business in North America through the sale of new uniform programs and to provide our customers with all of the products and services we offer. We will also continue to identify additional product and service opportunities for our current and future customers. Our long- term goal is to provide a product or service to every business in North America.

To pursue this strategy, we focus on the development of a highly talented and diverse team of employees (who we call partners) a team that is properly trained and motivated to service our customers. We support our partners' service efforts by providing superior products with distinct competitive advantages, and we embrace technological advances.

Continuous cost containment and product and process innovation are considered hallmarks of our organization. In order to sustain these efforts, we have implemented a Six Sigma effort within Cintas. Six Sigma is an analytical process that assists companies in improving quality and customer satisfaction while reducing cycle time and operating costs. We are pleased with our progress in this endeavor and are optimistic about the improved efficiencies that this process will yield to Cintas.

We continue to leverage our size and core competencies to become a more valued business service provider to our current and future customers. We will also continue to supplement our internal growth with strategic acquisitions and the cultivation of new businesses.

RESULTS OF OPERATIONS

Fiscal 2005 marked the 36th consecutive year of uninterrupted growth in sales and profits for Cintas. In addition to achieving this milestone, Cintas experienced healthy improvements in profitability, cash flow and balance sheet strength.

Cintas classifies its businesses into two operating segments: Rentals and Other Services. The Rentals operating segment designs and manufactures corporate identity uniforms, which it rents to its customers. Other items, including entrance mats, shop towels and restroom supplies, are also rented or sold to its customers. The Other Services operating segment involves the design, manufacture and direct sale of uniforms to customers, as well as the sale of ancillary products and services. These ancillary products and services include first aid, safety and fire protection products and services, document management services and cleanroom supplies. These services are provided throughout the United States and Canada to businesses of all types - from small service and manufacturing companies to major corporations that employ thousands of people.

The following table sets forth certain consolidated statements of income data as a percentage of revenue by reporting segment and in total for the periods indicated:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Revenue:			
Rentals	77.1%	78.2%	78.2%
Other services	22.9%	21.8%	21.8%
Total revenue	100.0%	100.0%	100.0%
Cost of sales:			
Rentals	54.8%	55.5%	55.8%
Other services	66.3%	66.1%	67.3%
Total cost of sales	57.5%	57.8%	58.3%
Gross margin:			
Rentals	45.2%	44.5%	44.2%
Other services	33.7%	33.9%	32.7%
Total gross margin	42.5%	42.2%	41.7%
Selling and administrative expenses	26.4%	25.9%	25.9%
Interest income	- 0.2%	- 0.1%	- 0.1%
Interest expense	0.8%	0.9%	1.2%
Write- off of loan receivable	-	0.1%	-
Income before income taxes	15.5%	15.4%	14.7%

As evidenced above, our revenue growth has been higher in Other Services versus Rentals during fiscal 2005, resulting in a moderate shift in the percentage of revenue between our reporting segments. This shift was mainly driven by the acquisitions of first aid, safety and fire protection businesses and document management businesses. Information related to acquisitions is discussed in Note 8 entitled Acquisitions of "Notes to Consolidated Financial Statements."

FISCAL 2005 COMPARED TO FISCAL 2004

Fiscal 2005 total revenue was \$3.1 billion, an increase of 9.0% over fiscal 2004. Internal growth improved throughout fiscal 2005 and was 6.3% for the year. As the economy continued to strengthen and employment rates improved, our internal growth rates improved. Internal growth by quarter is shown in the table below. Internal growth percentages have been adjusted for the appropriate number of workdays, by quarter and for the year, where applicable.

	<u>Total Company Internal Growth</u>
First Quarter Ending August 31, 2004	5.6%
Second Quarter Ending November 30, 2004	5.0%
Third Quarter Ending February 28, 2005	7.1%
Fourth Quarter Ending May 31, 2005	7.5%
For the Year Ending May 31, 2005	6.3%

Historically, increases in our internal growth rate have lagged an economic upturn as customers add individuals to existing rental or sales programs or enter into new rental or sales programs. Our internal growth continues to be generated mainly through the continued sale of uniform rental programs to new customers and the increased penetration of ancillary products to our existing customer base. The remaining growth in total revenue was generated predominantly through acquisitions of first aid, safety and fire protection service businesses and document management businesses. Information related to acquisitions is discussed in Note 8 entitled Acquisitions of "Notes to Consolidated Financial Statements."

Rentals operating segment revenues consist predominantly of revenues derived from the rental and/or sale of corporate identity uniforms, mats, shop towels, restroom supplies and other rental services. Revenue from the Rentals segment increased 7.4% over fiscal 2004. Internal revenue growth for the Rentals segment was 6.8% in fiscal 2005 compared to 4.2% in fiscal 2004. The 0.6% of remaining growth in fiscal 2005 resulted from the acquisition of rental volume.

The increase in Rentals revenue was primarily due to growth in the customer base as well as the continued penetration of ancillary products into our existing customer base. New business remained healthy as we experienced continued success in selling uniform rental programs to new customers. We also continued to expand our rental market, with over half of our new business being comprised of customers who were first time users of uniform rental programs. Rentals revenue growth was partially offset by lost business of approximately 7.0%.

Other Services operating segment revenues are predominantly derived from the design, manufacture and direct sale of uniforms to our customers and the sale of other direct sale products and services. Other direct sale products and services include cleanroom supplies, first aid, safety and fire protection products and services and document management services. Other Services revenue increased 14.9% over fiscal 2004, primarily due to acquisitions of first aid, safety and fire protection businesses and document management businesses.

Internal revenue growth in the Other Services segment was 4.4% for the year. This increase was mainly driven by the growth of the sale of first aid, safety and fire protection products and services and document management services. Growth in these areas continues to be through an increase in the customer base and through further penetration of additional products and services into our existing customer base.

Cost of rentals increased 6.0% over fiscal 2004. Cost of rentals consists primarily of production expenses, delivery expenses and the amortization of in service inventory, including uniforms, mats, shop towels and other rental items. The cost increase over fiscal 2004 was primarily driven by the growth in Rentals segment revenues. Rising oil and fuel costs also contributed to this increase. Various cost containment initiatives implemented throughout the year provided a decrease in cost of rentals as a percent to Rentals revenue from 55.5% in fiscal 2004 to 54.8% in fiscal 2005.

Cost of other services increased 15.2% over fiscal 2004. Cost of other services consists primarily of cost of goods sold (predominantly uniforms and first aid products), delivery expenses and distribution expenses. The increase over fiscal 2004 was due to the growth in Other Services revenue, derived through a combination of internal growth and acquisitions. Gross margin within this segment generally fluctuates between 30% to 35%, depending on the type of product or service sold. Products which require additional services generate higher gross margins. The gross margin for fiscal 2005 is 33.7%, which is in the upper portion of that general range, mainly due to a shift in the product mix.

Selling and administrative expenses increased 11.4% over fiscal 2004. Selling and administrative expenses increased mainly due to higher selling expenses. In order to accelerate revenue growth, we have increased our sales force, marketing plans and sales promotions. These measures combined to increase our selling costs by approximately \$36 million over the prior fiscal year. The cost of providing medical benefits to our employees also increased approximately \$15 million. The costs of providing medical benefits are anticipated to continue to rise.

Net interest expense decreased \$5 million from the prior fiscal year. This decrease was primarily a result of increased interest income due to higher levels of cash and marketable securities throughout the entire year and an increase in the interest rate environment.

Pre-tax income was \$477 million, a 10.4% increase over fiscal 2004. Pre-tax income from the Rentals segment increased 9.2% over the prior year due to higher rental revenue and various cost containment initiatives, which more than offset the increases in selling expenses and medical costs. Pre-tax income for the Other Services segment decreased 1.4% from the prior year mainly due to increased selling expenses and medical costs.

Cintas' effective tax rate was 37.0% for both fiscal 2005 and fiscal 2004 (see also Note 7 entitled Income Taxes of "Notes to Consolidated Financial Statements" and the Outlook section below).

Net income for fiscal 2005 of \$301 million was a 10.4% increase over fiscal 2004 and diluted earnings per share of \$1.74 was a 10.1% increase over fiscal 2004, both of which are consistent with the increases in pre-tax income. Return on average equity was approximately 15% in both fiscal 2005 and 2004. Return on average equity is computed as net income divided by the average of shareholders' equity.

Cash, cash equivalents and marketable securities increased by \$55 million in fiscal 2005, or 21.7%, primarily due to increased revenues. Cash, cash equivalents and marketable securities will be used to finance future acquisitions, capital

expenditures, expansion and possible stock repurchases. Marketable securities consist primarily of municipal bonds and federal government securities.

Accounts receivable increased \$41 million due to increased revenues. Accounts receivable also increased due to a loan to an affiliated company. During the fourth quarter of fiscal 2005, the Board of Directors approved and Cintas provided a \$10 million loan to an affiliated company with specific repayment terms over the next three years. This affiliated company manufactures a significant portion of Cintas' mats. A dividend of \$5 million was subsequently received by Cintas from this affiliate in the first quarter of fiscal 2006.

Inventories increased \$28 million mainly due to increased revenues. Other contributing factors include the continued increase in international sourcing of product, a current conversion of our comfort pant to a new fabric and style, and additional inventory requirements for our Uniform Book, a large catalog used for the direct sale of uniforms and accessories.

Net property and equipment increased by \$32 million due to continued investment in rental facilities and equipment and real estate purchased in conjunction with the acquisitions of first aid, safety and fire protection and document management businesses. Capital expenditures exceeded depreciation expense by \$21 million. During the year, Cintas completed construction of five new uniform rental facilities and has an additional three uniform rental facilities in various stages of construction to accommodate growth in rental operations.

Total debt decreased \$12 million through repayment of certain debt, net of the change in fair market value of the debt (see Note 5 entitled Long-Term Debt of "Notes to Consolidated Financial Statements").

FISCAL 2004 COMPARED TO FISCAL 2003

Fiscal 2004 total revenue was \$2.8 billion, an increase of 4.7% over fiscal 2003. This growth was achieved despite the difficult economic environment that existed for much of the year. Internal growth for fiscal 2004, when adjusted for the additional workday in fiscal 2004 as compared to fiscal 2003, was 3.0%. Weakness in employment numbers through the first half of our fiscal year directly affected our business, mainly through reduced uniform wearers and usage of related products, and caused our internal growth rate to be lower than our stated objective. As employment numbers strengthened over the second half of the year, our internal growth rates improved. Internal growth by quarter is shown in the table below. Internal growth percentages have been adjusted for the appropriate number of workdays, by quarter and for the year, where applicable.

	Total Company Internal Growth
First Quarter Ending August 31, 2003	1.1%
Second Quarter Ending November 30, 2003	2.3%
Third Quarter Ending February 29, 2004	3.7%
Fourth Quarter Ending May 31, 2004	5.0%
For the Year Ending May 31, 2004	3.0%

Historically, increases in our internal growth rate have lagged an economic upturn as customers add individuals to existing rental or sales programs or enter into new rental or sales programs. Our internal growth continues to be generated mainly through the continued sale of uniform rental programs to new customers and the increased penetration of ancillary products to our existing customer base.

The remaining growth in total revenue was generated predominantly through acquisitions of first aid and safety service businesses and document management businesses. Information related to acquisitions is discussed in Note 8 entitled Acquisitions of "Notes to Consolidated Financial Statements."

Rentals operating segment revenues consist predominantly of revenues derived from the rental and/or sale of corporate identity uniforms, mats, shop towels, restroom supplies and other rental services. Revenue from the Rentals segment increased 4.3%, when adjusted for the extra workday that occurred in fiscal 2004 as compared to fiscal 2003. Internal revenue growth for the Rentals segment was 4.2%, adjusted for the additional workday. The amount of acquired rental volume was insignificant for the year ending May 31, 2004.

The increase in Rentals revenue was primarily due to growth in the customer base as well as the continued penetration of ancillary products into our existing customer base. New business remained healthy as we experienced continued

success in selling uniform rental programs to new customers. We continue to expand our rental market, with over half of our new business being comprised of customers who were first time users of uniform rental programs. Rentals revenue growth was mitigated by lost business and reductions in existing business attributable to the sluggish economy, especially during the first half of the year.

Other Services operating segment revenues are predominantly derived from the design, manufacture and direct sale of uniforms to our customers and the sale of other direct sale products and services. Other direct sale products and services include cleanroom supplies, first aid and safety products and services and document management services. Other Services revenue increased 4.4%, when adjusted for the extra workday that occurred in fiscal 2004 as compared to fiscal 2003, primarily due to acquisitions of first aid and safety services and document management businesses.

Internal revenue in the Other Services segment, adjusted for the additional workday in fiscal 2004, decreased by 1.3% for the year. This decrease was mainly due to the continued difficulty experienced by our uniform direct sale customers in the hospitality and airline industries. Weakness in the hospitality sector and delayed purchases by large national account customers have continued to impact our direct sales effort. Partially offsetting this internal revenue decrease in uniform direct sale revenues were increased revenues from the sale of first aid products and services and document management services.

Cost of rentals increased 4.2% over fiscal 2003. Cost of rentals consists primarily of production expenses, delivery expenses and the amortization of in service inventory, including uniforms and other rental items. The cost increase over fiscal 2003 was primarily driven by the growth in Rentals segment revenues. An increase in fuel and energy costs and a rise in labor delivery costs also contributed to this increase. Further assimilation of operations obtained through the Omni acquisition and various cost containment initiatives implemented throughout the year mitigated the increased fuel, energy and delivery costs.

Cost of other services increased 2.8% over fiscal 2003. Cost of other services consists primarily of cost of goods sold (predominantly uniforms and first aid products), delivery expenses and distribution expenses. The increase over fiscal 2003 was due to the growth in Other Services revenue, derived predominantly through acquisitions. The increased volume afforded additional overhead coverage, thereby providing a decrease in cost of other services as a percent to Other Services revenue from 67.3% in fiscal 2003 to 66.1% in fiscal 2004. Sourcing and manufacturing efficiencies and other cost containment initiatives, including Six Sigma initiatives, implemented throughout the year supported this reduction in cost of other services as a percent to Other Services revenue.

Selling and administrative expenses increased 4.6% over fiscal 2003, primarily due to increased revenues. The continued rise in medical costs and increased legal expenses contributed to the increase.

Net interest expense decreased \$6 million from the prior year. This decrease was primarily a result of lower debt outstanding. Total outstanding debt decreased \$79 million from May 31, 2003 to May 31, 2004, as cash from operations was used to reduce debt which had been incurred predominantly during the acquisition of Omni in May 2002 (see the Liquidity and Capital Resources section below and Note 5 entitled Long- Term Debt of "Notes to Consolidated Financial Statements").

A write- off of a loan receivable from a garment manufacturer is included in net income as a pre- tax charge of \$4.3 million. Due to developments concerning the supplier's viability to remain as a going concern, the collectibility of the receivable was doubtful. As such, the receivable was completely written off.

Pre- tax income was \$432 million, a 9.2% increase over fiscal 2003. Pre- tax income from the Rentals segment increased 6.7% over the prior year due to higher rental revenue, increased efficiencies obtained from the assimilation of operations obtained from the Omni acquisition and various cost containment initiatives. Pre- tax income for the Other Services segment increased 19.6% from the prior year, due to increased sales volume, the continued leveraging of fixed costs and sourcing and cost containment initiatives.

Cintas' effective tax rate was 37.0% for both fiscal 2004 and fiscal 2003 (see also Note 7 entitled Income Taxes of "Notes to Consolidated Financial Statements").

Net income for fiscal 2004 of \$272 million was a 9.2% increase over fiscal 2003 and diluted earnings per share of \$1.58 was a 9.0% increase over fiscal 2003. Return on average equity was 15.4% in fiscal 2004 and 16.2% in fiscal 2003. Return on average equity is computed as net income divided by the average of shareholders' equity.

Cash, cash equivalents and marketable securities increased by \$197 million in fiscal 2004, or 341.1%, primarily due to increased revenues, a reduction in inventory levels and, to a lesser extent, a reduction in uniform and other rental items in service levels. Cash, cash equivalents and marketable securities will be used to finance future acquisitions, capital expenditures and expansion. Marketable securities consist primarily of municipal bonds and federal government securities.

Accounts receivable increased \$7 million due to increased revenues. Aggressive collection efforts provided for a lower sequential increase in accounts receivable as compared to total revenue growth.

Inventories decreased \$43 million due to improved processes and management systems, including cycle time reductions and other process improvements initiated primarily through our Six Sigma process. The completion of the Omni product line consolidation also contributed to this decrease in inventory levels.

Net property and equipment increased by \$8 million due to real estate purchased in conjunction with the acquisitions of first aid and safety services and document management businesses. Depreciation expense exceeded capital expenditures by \$4 million as Cintas continued to consolidate operations obtained from the Omni acquisition in May of 2002. In addition, due to excess plant capacity and a sluggish economy, Cintas slowed the pace of new plant construction. During the year, Cintas completed construction of four new uniform rental facilities and has an additional eight uniform rental facilities in various stages of construction to accommodate growth in rental operations.

Total debt decreased \$79 million through repayment of certain debt related to the purchase of Omni, net of the change in fair market value of the debt (see Note 5 entitled Long- Term Debt of "Notes to Consolidated Financial Statements"). This significant debt reduction was possible due to strong cash flows being generated by operations.

LIQUIDITY AND CAPITAL RESOURCES

At May 31, 2005, Cintas had \$309 million in cash, cash equivalents and marketable securities, representing an increase of \$55 million from May 31, 2004. This increase is primarily due to increased net income. Cash generated from operations was \$414 million in fiscal 2005 as compared to \$510 million generated in fiscal 2004. This \$96 million decrease was primarily due to increased accounts receivable and inventory levels. Significant uses of cash in fiscal 2005 were capital expenditures of \$141 million, acquisitions of \$109 million (net of cash acquired), common stock repurchases of \$58 million and dividends of \$55 million.

Cintas' investment policy pertaining to marketable securities is conservative. Preservation of principal, while earning an attractive yield, is the criteria used in making investment decisions.

Working capital increased \$102 million to \$810 million in fiscal 2005. This increase is primarily the result of increased cash and marketable securities and accounts receivable.

Capital expenditures for fiscal 2005 totaled \$141 million, including \$118 million for the Rentals segment and \$23 million for Other Services. Cintas continues to reinvest in land, buildings and equipment in an effort to expand capacity for future growth. Cintas anticipates that capital expenditures for fiscal 2006 will be between \$150 and \$170 million.

On May 13, 2002, Cintas completed the acquisition of Omni Services, Inc. This acquisition, coupled with smaller acquisitions in both the Rentals and Other Services segments, was financed with a combination of cash, long- term notes and commercial paper. As a result of this additional debt, the total debt to total capitalization ratio was 33.6% at May 31, 2002. Significant debt repayments have occurred since that time, including \$11 million in fiscal 2005 and \$69 million in fiscal 2004. The total debt to total capitalization ratio has decreased to 18.3% at May 31, 2005.

The long- term notes total \$500 million and consist of \$225 million with five- year maturities at a rate of 5.125% and \$225 million with ten- year maturities at a rate of 6.0%. Cintas has earned credit ratings on these notes of "A" from Standard & Poor's and "A2" from Moody's. Cintas also utilizes a \$300 million commercial paper program, on which it has earned credit ratings of "A- 1" from Standard & Poor's and "Prime- 1" from Moody's. According to Standard & Poor's and Moody's, these ratings reflect Cintas' commitment to conservative financial policies, strong financial management and a disciplined integration strategy for acquisitions. The commercial paper program is fully supported by a long- term credit facility that matures in 2009. As of May 31, 2005, there is no commercial paper outstanding. Subsequent to May 31, 2005, Cintas borrowed \$64 million under the \$300 million commercial paper program for short- term cash requirements. This financing decision was made in order to allow certain marketable securities to reach maturity rather than Cintas incurring a penalty for early redemption.

During the year, Cintas paid dividends of \$55 million, or \$0.32 per share. On a per share basis, this dividend is an increase of 10.3% over the dividend paid in fiscal 2004. This marks the 22nd consecutive year that Cintas has increased

its annual dividend since going public in 1983.

On May 2, 2005, Cintas announced that the Board of Directors authorized a \$500 million stock repurchase program at market prices. During fiscal 2005, we purchased approximately 1.5 million shares of Cintas stock at an average price of \$39.62 per share, for a total purchase price of approximately \$58 million. Due to the stock being purchased late in fiscal 2005, the amount of purchased shares did not change fiscal 2005 earnings per share. Subsequent to May 31, 2005, Cintas purchased approximately 2.4 million additional shares of Cintas stock at an average price of \$39.08 per share for a total purchase price of approximately \$96 million. As such, from the inception of the stock repurchase program through July 22, 2005, Cintas has purchased approximately 3.9 million shares of Cintas stock at an average price of \$39.27 per share for a total purchase price of approximately \$154 million. The Board did not specify an expiration date for this program.

Following is information regarding Cintas' long- term contractual obligations and other commitments outstanding as of May 31, 2005:

LONG- TERM CONTRACTUAL OBLIGATIONS

(In thousands)	Payments Due by Period				
	Total	One year or less	Two to three years	Four to five years	After five years
Long- term debt (1)	\$ 469,668	\$ 6,731	\$ 232,033	\$ 872	\$ 230,032
Capital lease obligations (2)	2,923	569	1,213	661	480
Operating leases (3)	61,814	18,572	25,819	10,863	6,560
Interest payments (4)	125,345	26,225	43,147	27,708	28,265
Interest swap agreements (5)	(1,719)	(101)	(1,618)	-	-
Unconditional purchase obligations	-	-	-	-	-
Total contractual cash obligations	\$ 658,031	\$ 51,996	\$ 300,594	\$ 40,104	\$ 265,337

Cintas also makes payments to defined contribution plans. The amounts of contributions made to the plans are made at the discretion of Cintas. Future contributions are expected to increase 15% annually. Assuming this 15% increase, payments due in one year or less would be \$29,397, two to three years would be \$72,685 and four to five years would be \$96,126. Payments for years thereafter are expected to continue increasing by 15% each year.

(1) Long- term debt primarily consists of \$450,000 in long- term notes related to the Omni acquisition. Reference Note 5 entitled Long- Term Debt of "Notes to Consolidated Financial Statements" for a detailed discussion of long- term debt.

(2) Capital lease obligations are included in long- term debt detailed in Note 5 entitled Long- Term Debt of "Notes to Consolidated Financial Statements."

(3) Operating leases consist primarily of building leases and synthetic leases on two corporate jets.

(4) Interest payments include interest on both fixed and variable rate debt. Rates have been assumed to increase 100 basis points for fiscal 2006, an additional 50 basis points in fiscal 2007 and then remain constant in future years.

(5) Reference Note 5 entitled Long- Term Debt of "Notes to Consolidated Financial Statements" for a detailed discussion of interest swap agreements.

OTHER COMMITMENTS

(In thousands)	Amount of Commitment Expiration Per Period				
	Total	One year or less	Two to three years	Four to five years	After five Years
Lines of credit (1)	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ -
Standby letters of credit (2)	43,662	43,662	-	-	-
Guarantees	-	-	-	-	-
Standby repurchase obligations	-	-	-	-	-
Other commercial commitments	-	-	-	-	-
Total commercial commitments	\$ 343,662	\$ 43,662	\$ -	\$ 300,000	\$ -

(1) Back- up facility for the commercial paper program (reference Note 5 entitled Long- Term Debt of "Notes to Consolidated Financial Statements" for further discussion).

(2) Support certain outstanding debt (reference Note 5 entitled Long- Term Debt of "Notes to Consolidated Financial Statements"), self- insured workers' compensation and general liability insurance programs.

Cintas has no off- balance sheet arrangements other than the synthetic leases on two corporate jets. The synthetic leases on the aircraft do not currently have, and are not reasonably likely to have, a current or future material effect on Cintas' financial condition, changes in Cintas' financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

INFLATION AND CHANGING PRICES

Changes in wages, benefits and oil and fuel costs have the potential to materially impact Cintas' financial results. Medical benefits and oil and fuel costs, in particular, continue to rise. Medical benefit costs have increased due to a combination of rising healthcare costs and an increase in the number of covered participants. Medical benefits were 3.1% of total revenues in fiscal 2005 and 2.9% of total revenues in fiscal 2004. Oil and fuel costs were 2.8% of total revenues in fiscal 2005 and 2.5% of total revenues in fiscal 2004.

Management believes inflation has not had a material impact on Cintas' financial condition or a negative impact on operations.

LITIGATION AND OTHER CONTINGENCIES

Cintas is subject to legal proceedings and claims arising from the ordinary course of its business, including personal injury, customer contract, environmental and employment claims. In the opinion of management, the aggregate liability, if any, with respect to such ordinary course of business actions, will not have a material adverse effect on the financial position or results of operations of Cintas. Cintas is party to additional litigation not considered in the ordinary course of business, including the litigation discussed below.

Cintas is a defendant in a purported class action lawsuit, *Paul Veliz, et al., v. Cintas Corporation*, filed on March 19, 2003, in the United States District Court, Northern District of California, Oakland Division, alleging that Cintas violated certain federal and state wage and hour laws applicable to its service sales representatives, whom Cintas considers exempt employees, and asserting additional related ERISA claims. The plaintiffs are seeking unspecified monetary damages, injunctive relief or both. Cintas denies these claims and is defending the plaintiffs' allegations. The court ordered arbitration for all potential plaintiffs except for those that fall into one of four narrowly defined exceptions. As a result, Cintas believes that a majority of the potential plaintiffs will be required to arbitrate their claims. No determination has been made by the court or an arbitrator regarding class certification. There can be no assurance as to whether a class will be certified or, if a class is certified, as to the geographic or other scope of such class. If a court or arbitrator certifies a class in this action and there is an adverse verdict on the merits, or in the event of a negotiated settlement of the action, the resulting liability and/or any increased costs of operations on an ongoing basis could be material to Cintas. Any estimated liability relating to this lawsuit is not determinable at this time.

Cintas is also a defendant in a purported class action lawsuit, *Robert Ramirez, et al., v. Cintas Corporation*, filed on January 20, 2004, and pending in the United States District Court, Northern District of California, San Francisco Division. The case was brought on behalf of all past and present female, African- American and Hispanic employees of Cintas and its subsidiaries. The complaint alleges that Cintas has engaged in a pattern and practice of discriminating against women and minorities in recruitment, hiring, promotions, transfers, job assignments and pay. The complaint seeks injunctive relief, compensatory damages, punitive damages and attorney's fees, among other things. Cintas denies these claims and is defending the plaintiffs' allegations. The court ordered arbitration as to three of the ten named plaintiffs. On April 27, 2005, the United States Equal Employment Opportunity Commission (EEOC) filed a motion to intervene in order to participate in this lawsuit. No filings or determination has been made in regard to the lawsuit as to class certification. There can be no assurance as to whether a class will be certified or, if a class is certified, as to the geographic or other scope of such class. Several related proceedings with similar allegations and seeking similar relief damages and fees are pending, including an EEOC charge filed on April 17, 2000, by Mirna Serrano with the EEOC Detroit District office on behalf of female service sales representative job applicants at all Cintas locations in Michigan, a class action lawsuit, *Mirna E. Serrano, et al., v. Cintas Corporation*, filed on May 10, 2004, in the United States District Court for the Eastern District of Michigan, Southern Division on behalf of the same female service sales representative job applicants in the EEOC charge, and an administrative action filed on December 15, 2004, by James Morgan with the EEOC Washington, D.C. office and the California Department of Fair Employment and Housing alleging racial discrimination in compensation and training opportunities. In addition, a class action lawsuit, *Larry Houston, et al., v. Cintas Corporation*, was filed on August 3, 2005, in the United States District Court for the Northern District of California on behalf of African- American managers alleging racial discrimination. If there is an adverse verdict or a negotiated settlement of these actions, the resulting liability and/or any increased costs of operations on an ongoing basis could be material to Cintas. Any estimated liability relating to these proceedings is not determinable at this time.

Several other similar administrative proceedings are pending including: (i) two charges filed on November 30, 2004, by an EEOC Commissioner with the EEOC Systemic Litigation Unit alleging failure to hire and assign females to production job positions, and, failing to hire females, African-Americans and Hispanics into the Management Trainee program, (ii) a charge filed on January 24, 2005, by Jennifer Fargo on behalf of herself and a similarly situated class with the Augusta Human Relations Commission and the EEOC Detroit District office alleging gender and equal pay discrimination against female sales representatives and sales associates, (iii) a charge filed on March 23, 2005, by Clifton Cooper on behalf of himself and a similarly situated class with the EEOC Systemic Litigation Unit alleging discriminatory pay and treatment due to race, (iv) a charge filed on March 28, 2005, by Lorelei Reynolds on behalf of herself and a similarly situated class with the EEOC Birmingham District alleging discriminatory pay and treatment due to race and gender, (v) a charge filed on April 25, 2005, by Melissa Schulz on behalf of herself and a similarly situated class with the EEOC Systemic Litigation Unit and the Oregon Bureau of Labor and Industries, Civil Rights Division alleging discriminatory pay and treatment due to race and gender, (vi) a charge filed on May 6, 2005, by Anthony Jones on behalf of himself and a similarly situated class with the EEOC Systemic Litigation Unit alleging discriminatory pay and treatment due to race and (vii) a charge filed on June 10, 2005, by Mattie Cooper on behalf of herself and a similarly situated class with the EEOC Systemic Litigation Unit alleging discriminatory pay and treatment due to race and gender. The investigations of these allegations are pending and no determinations have been made.

Cintas is also a defendant in a lawsuit, *J. Lester Alexander, III vs. Cintas Corp., et al.*, which was originally filed on October 25, 2004, and is currently pending in the United States Bankruptcy Court for the Middle District of Alabama, Eastern Division. The case was brought by J. Lester Alexander, III, the Chapter 7 Trustee (the "Trustee") of Terry Manufacturing Company, Inc. ("TMC") and Terry Uniform Company, LLC ("TUC"), against Cintas in Randolph County, Alabama. The Trustee seeks damages against Cintas for allegedly breaching fiduciary duties to TMC and TUC and for allegedly aiding and abetting breaches of fiduciary duties by others to those entities. The complaint also includes allegations that Cintas breached certain limited liability company agreements, or alternatively, misrepresented their intention to perform their obligations in those agreements and acted as alter egos of the bankrupt TMC and are therefore liable for all of TMC's debts. The Trustee is seeking \$50 million in compensatory damages and \$100 million in punitive damages. Cintas denies these claims and is vigorously defending itself against all claims in the complaint. If there is an adverse verdict on the merits or in the event of a negotiated settlement of this lawsuit, the resulting liability could be material to Cintas. Any estimated liability relating to this lawsuit is not determinable at this time.

During fiscal 2001, the State of Connecticut filed suit against Cintas in the Superior Court District of Hartford alleging various violations of state environmental laws and alleging that Cintas violated certain wastewater discharge and hazardous waste violations. While this proceeding is not considered material to the business or financial condition of the registrant, management reasonably believes that the proceedings will result in monetary sanctions in excess of \$100 thousand. A reserve has been established for the estimated liability related to these allegations.

The litigation discussed above, if decided adversely to or settled by Cintas, may, individually or in the aggregate, result in liability material to Cintas' financial condition or results of operations. Cintas may enter into discussions regarding settlement of these and other lawsuits, and may enter into settlement agreements if it believes such settlement is in the best interests of Cintas' shareholders.

Cintas is subject to various environmental laws and regulations, as are other companies in the industry. While environmental compliance is not a material component of our costs, Cintas must incur capital expenditures and associated operating costs, primarily for water treatment and waste removal, on a regular basis. Environmental spending related to water treatment and waste removal was approximately \$14 million in fiscal 2005 and approximately \$12 million in fiscal 2004. Capital expenditures to limit or monitor hazardous substances were \$4 million in fiscal 2005 and \$3 million in fiscal 2004. These expenditures were primarily related to the purchase of water treatment systems, which are depreciated over a useful life of ten years. Cintas does not expect a material change in the cost of environmental compliance on a percent to sale basis and is not aware of any material non-compliance with environmental laws.

NEW ACCOUNTING STANDARDS

On December 16, 2004, the Financial Accounting Standards Board (FASB) issued Statement No. 123 (revised 2004), *Share-Based Payment*, (Statement 123R) which is a revision of FASB Statement No. 123, *Accounting for Stock-Based Compensation*. Generally, the approach in Statement 123R is similar to the approach described in Statement 123. However, Statement 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. The new standard will be effective for public entities (excluding small business issuers) no later than the beginning of the first fiscal year beginning after June 15, 2005. Cintas will adopt this Statement no later than the first quarter of fiscal 2007. Cintas is in the process of determining the impact that the adoption of this Statement will have on its financial position and results of operations.

CRITICAL ACCOUNTING POLICIES

The preparation of Cintas' consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and judgments that have a significant effect on the amounts reported in the financial statements and accompanying notes. These critical accounting policies should be read in conjunction with Note 1 entitled Significant Accounting Policies of "Notes to Consolidated Financial Statements." Significant changes, estimates or assumptions related to any of the following critical accounting policies could possibly have a material impact on the financial statements.

Revenue recognition

Rental revenue is recognized when services are performed and other services revenue is recognized either when services are performed or when products are shipped and the title and risks of ownership pass to the customer. Cintas establishes an allowance for uncollectible accounts. This allowance is an estimate based on historical rates of collectibility. An uncollectible accounts provision is recorded for overdue amounts, beginning with a nominal percentage and increasing substantially as the account ages. The amount provided as the account ages will differ slightly between the Rentals and Other Services segments, because of differences in customers served and the nature of each business segment.

Inventories

Inventories are valued at the lower of cost (first-in, first-out) or market. Substantially all inventories represent finished goods. Cintas applies a commonly accepted practice of using inventory turns to apply variances between actual to standard costs to the inventory balances. The judgments and estimates used to calculate inventory turns will have an impact on the valuation of inventory at the lower of cost or market. Inventory obsolescence is determined by specific identification, as well as an estimate based on historical rates of obsolescence.

Uniforms and other rental items in service

Uniform and other rental items in service are valued at cost less amortization, calculated using the straight-line method. Uniforms in service (other than cleanroom and flame resistant garments) are amortized over their useful life of eighteen months. Other rental items including shop towels, mats, cleanroom garments, flame resistant garments, linens and restroom dispensers are amortized over their useful lives of eight to forty-eight months. The amortization rates used are based on industry experience, Cintas' experience and wear tests performed by Cintas. These factors are critical to determining the amount of in service inventory that is presented in the financial statements.

Property and equipment

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which is typically thirty to forty years for buildings, five to twenty years for building improvements, three to ten years for equipment and two to five years for leasehold improvements. When events or circumstances indicate that the carrying amount of long-lived assets may not be recoverable, the estimated future cash flows (undiscounted) are compared to the carrying amount of the assets. If the estimated future cash flows are less than the carrying amount of the assets, an impairment loss is recorded. The impairment loss is measured by comparing the fair value of the assets with their carrying amounts. Fair value is determined by discounted cash flows or appraised values, as appropriate. Long-lived assets that are held for disposal are reported at the lower of the carrying amount or the fair value, less estimated costs related to disposition.

Goodwill and impairment

Goodwill, primarily obtained through acquisitions of businesses, is valued at cost less any impairment. Cintas performs annual impairment tests by segment. These tests include comparisons to current market values, where available, and discounted cash flow analyses. Significant assumptions include growth rates based on historical trends and margin improvement leveraged from such growth. Based on the results of the impairment tests, Cintas has not recognized an impairment of goodwill for the years ended May 31, 2005, 2004 or 2003.

Service contracts and other assets

Service contracts and other assets, which consist primarily of noncompete and consulting agreements obtained through acquisitions of businesses, are amortized by use of the straight-line method over the estimated lives of the agreements, which are generally five to ten years. Certain noncompete agreements, as well as all service contracts, require that a valuation be determined using a discounted cash flow model. The assumptions and judgments used in these models

involve estimates of cash flows and discount rates, among other factors. Because of the assumptions used to value these intangible assets, actual results over time could vary from original estimates. Impairment of service contracts and other assets is through specific identification. No impairment has been recognized by Cintas for the years ended May 31, 2005, 2004 or 2003.

Environmental matters and related litigation

Cintas is subject to legal proceedings and claims related to environmental matters arising from the ordinary course of business. U.S. generally accepted accounting principles require that a liability for contingencies be recorded when it is probable that a liability has occurred and the amount of the liability can be reasonably estimated. Significant judgment is required to determine the existence of a liability, as well as the amount to be recorded. Cintas regularly consults with attorneys to ensure that all of the relevant facts and circumstances are considered before a contingent liability is recorded. While a significant change in assumptions and judgments could have a material impact on the amounts recorded for contingent liabilities, Cintas does not believe that they will result in a material adverse effect on the financial statements. A detailed discussion of litigation matters is discussed above in the section entitled Litigation and Other Contingencies.

Income taxes

Deferred tax assets and liabilities are determined by the differences between the financial statement carrying amounts and the tax basis of assets and liabilities. Please reference Note 7 entitled Income Taxes of "Notes to Consolidated Financial Statements" for the types of items that give rise to significant deferred income tax assets and liabilities. Deferred income taxes are classified as assets or liabilities based on the classification of the related asset or liability for financial reporting purposes. Deferred income taxes that are not related to an asset or liability for financial reporting are classified according to the expected reversal date. Cintas regularly reviews deferred tax assets for recoverability based upon projected future taxable income and the expected timing of the reversals of existing temporary differences. As a result of this review, Cintas has not established a valuation allowance against the deferred tax assets.

Cintas is periodically reviewed by domestic and foreign tax authorities regarding the amount of taxes due. These reviews include questions regarding the timing and amount of deductions and the allocation of income among various tax jurisdictions. In evaluating the exposure associated with various filing positions, Cintas records reserves for probable exposures. Based on Cintas' evaluation of current tax positions, Cintas believes it has appropriately accrued for probable exposures.

OUTLOOK

As we look forward to fiscal 2006, our outlook remains positive, but guarded. As the economy has strengthened and employment rates have improved, our internal growth rates have also continued to improve. Based on our marketing data, we have a relatively low 7% market share of a \$42.5 billion estimated potential market. As such, we see upside potential for all of our business units. Although difficult to predict, we anticipate continued growth in all of our business units. Overall performance will be largely driven by external market conditions.

In the marketplace, competition and related pricing pressure will continue; however, we believe cost containment initiatives, technological advances and continued leverage of our infrastructure will soften or offset any impact.

When appropriate opportunities arise, we will supplement our internal growth with strategic acquisitions.

Like most other companies, we experienced, and anticipate continuing to experience, increased costs for wages and benefits, including medical benefits. Changes in oil and fuel costs and changes in federal and state tax laws also have the potential to impact our results.

Cintas continues to be the target of a corporate unionization campaign by UNITE HERE and the Teamsters unions. These unions are attempting to pressure Cintas into surrendering our employees' rights to a government-supervised election and unilaterally accept union representation. This is unacceptable. Cintas' philosophy in regard to unions is straightforward: We believe that employees have the right to say yes to union representation and the freedom to say no. This campaign could be materially disruptive to our business and could materially adversely affect results of operations. We will continue to vigorously oppose this campaign and to defend our employees' rights.

We believe that the high level of customer service provided by our partners and supported by our infrastructure, quality products, financial resources and corporate culture will provide for continued business success. However, a number of factors influence future revenue, margins and profit which make forecasting difficult.

ITEM 7A.

QUANTITATIVE AND QUALITATIVE DISCLOSURE
ABOUT MARKET RISK

Cintas manages interest rate risk by using a combination of variable and fixed rate debt, marketable securities and interest rate swap agreements. Earnings are affected by changes in short- term interest rates due to the use of variable rate notes and revolving credit facilities amounting to approximately \$230 million, with an average interest rate of 4.6%. This exposure is limited by the purchase of marketable securities and interest rate swap agreements as a hedge against variability in short- term rates. If short- term rates change by one- half percent (or 50 basis points), Cintas' income before taxes would change by approximately \$1 million. This estimated exposure considers the mitigating effects of marketable securities and swap agreements on the change in the cost of variable rate debt. This analysis does not consider the effects of a change in economic activity or a change in Cintas' capital structure.

Through its foreign operations, Cintas is exposed to foreign currency risk. Foreign currency exposures arise from transactions denominated in a currency other than the functional currency and from foreign denominated revenue and profit translated into U.S. dollars. The primary foreign currency to which Cintas is exposed is the Canadian dollar. Cintas does not currently use forward exchange contracts to limit potential losses in earnings or cash flows from foreign currency exchange rate movements.

ITEM 8.

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Consolidated Financial Statements

Audited Consolidated Financial Statements for the Years Ended May 31, 2005, 2004 and 2003

[Management's Report on Internal Control over Financial Reporting](#)

[Reports of Ernst & Young LLP, Independent Registered Public Accounting Firm](#)

[Consolidated Statements of Income](#)

[Consolidated Balance Sheets](#)

[Consolidated Statements of Shareholders' Equity](#)

[Consolidated Statements of Cash Flows](#)

[Notes to Consolidated Financial Statements](#)

Management's Report on Internal Control over Financial Reporting

To the Shareholders of Cintas Corporation:

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a- 15(f) under the Securities Exchange Act of 1934) to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, even an effective system of internal control over financial reporting will provide only reasonable assurance with respect to financial statement preparation.

With the supervision of our President and Chief Executive Officer and our Chief Financial Officer, management assessed our internal control over financial reporting as of May 31, 2005. Management based its assessment on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Management's assessment included evaluation of such elements as the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies and our overall control environment. This assessment is supported by testing and monitoring performed by our internal audit function.

Based on our assessment, management has concluded that our internal control over financial reporting was effective as of May 31, 2005, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States.

We reviewed the results of management's assessment with the Audit Committee of our Board of Directors. Additionally, our independent registered public accounting firm, Ernst & Young LLP, audited management's assessment and independently assessed the effectiveness of Cintas' internal control over financial reporting. Ernst & Young has issued an attestation report, which is included in this Annual Report.

/s/ Scott D. Farmer
Scott D. Farmer
President and Chief Executive Officer

/s/ William C. Gale
William C. Gale
Senior Vice President and Chief Financial Officer

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Cintas Corporation:

We have audited management's assessment, included in the accompanying Management's Report on Internal Controls over Financial Reporting, that Cintas Corporation maintained effective internal control over financial reporting as of May 31, 2005, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Cintas Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that Cintas Corporation maintained effective internal control over financial reporting as of May 31, 2005, is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, Cintas Corporation maintained, in all material respects, effective internal control over financial reporting as of May 31, 2005, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Cintas Corporation as of May 31, 2005 and 2004, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended May 31, 2005 of Cintas Corporation, and our report dated July 22, 2005, expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Cincinnati, Ohio
July 22, 2005

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Cintas Corporation:

We have audited the accompanying consolidated balance sheets of Cintas Corporation as of May 31, 2005 and 2004, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended May 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cintas Corporation at May 31, 2005 and 2004, and the consolidated results of its operations and its cash flows for each of the three years in the period ended May 31, 2005, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Cintas Corporation's internal control over financial reporting as of May 31, 2005, based on criteria established in *Internal Control- Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated July 22, 2005, expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Cincinnati, Ohio
July 22, 2005

CINTAS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
Years Ended May 31
(In thousands except per share data)

	2005	2004	2003
Revenue:			
Rentals	\$ 2,363,397	\$ 2,201,405	\$ 2,101,785
Other services	703,886	612,654	584,800
	3,067,283	2,814,059	2,686,585
Costs and expenses (income):			
Cost of rentals	1,295,992	1,222,638	1,173,666
Cost of other services	466,532	404,929	393,711
Selling and administrative expenses	810,232	727,618	695,437
Interest income	(6,914)	(2,650)	(2,905)
Interest expense	24,448	25,101	30,917
Write- off of loan receivable	-	4,343	-
	2,590,290	2,381,979	2,290,826
Income before income taxes	476,993	432,080	395,759
Income taxes	176,475	159,875	146,506
Net income	\$ 300,518	\$ 272,205	\$ 249,253
Basic earnings per share	\$ 1.75	\$ 1.59	\$ 1.46
Diluted earnings per share	\$ 1.74	\$ 1.58	\$ 1.45
Dividends declared and paid per share	\$.32	\$.29	\$.27

See accompanying notes.

CINTAS CORPORATION
CONSOLIDATED BALANCE SHEETS
As of May 31
(In thousands except share data)

	2005	2004
Assets		
Current assets:		
Cash and cash equivalents	\$ 43,196	\$ 87,357
Marketable securities	266,232	166,964
Accounts receivable, principally trade, less allowance of \$9,891 and \$8,354, respectively	326,896	285,592
Inventories, net	216,412	188,688
Uniforms and other rental items in service	305,450	298,247
Prepaid expenses	8,358	7,395
Total current assets	1,166,544	1,034,243
Property and equipment, at cost, net	817,198	785,310
Goodwill	889,538	805,441
Service contracts, net	146,596	144,664
Other assets, net	39,868	40,639
	\$ 3,059,744	\$ 2,810,297
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 69,296	\$ 53,451
Accrued compensation and related liabilities	38,710	31,804
Accrued liabilities	166,428	146,226
Income taxes:		
Current	32,864	36,640
Deferred	41,883	47,042
Long- term debt due within one year	7,300	10,523
Total current liabilities	356,481	325,686
Long- term debt due after one year	465,291	473,685
Deferred income taxes	133,837	122,957
Shareholders' equity:		
Preferred stock, no par value:		
100,000 shares authorized, none outstanding	-	-
Common stock, no par value:		
425,000,000 shares authorized		
2005: 172,127,502 shares issued and 170,658,601 shares outstanding		
2004: 171,377,679 shares issued and outstanding	114,171	94,569
Retained earnings	2,035,992	1,790,547
Treasury stock:		
2005: 1,468,901 shares		
2004: 0 shares	(58,204)	-
Other accumulated comprehensive income (loss):		
Foreign currency translation	13,507	4,474
Unrealized loss on derivatives	(1,331)	(1,621)
Total shareholders' equity	2,104,135	1,887,969
	\$ 3,059,744	\$ 2,810,297

See accompanying notes.

CINTAS CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands)

	Common Stock		Retained Earnings	Other Accumulated Comprehensive Income (Loss)	Treasury Stock		Total Shareholders' Equity
	Shares	Amount			Shares	Amount	
Balance at May 31, 2002	169,930	\$ 66,508	\$ 1,365,136	\$ (7,885)	-	\$ -	\$ 1,423,759
Net income	-	-	249,253	-	-	-	249,253
Equity adjustment for foreign currency translation	-	-	-	9,290	-	-	9,290
Change in fair value of derivatives	-	-	-	732	-	-	732
Comprehensive income, net of tax							259,275
Dividends	-	-	(46,003)	-	-	-	(46,003)
Effects of acquisitions	74	2,800	(315)	-	-	-	2,485
Stock options exercised net of shares surrendered	596	5,699	-	-	-	-	5,699
Tax benefit resulting from exercise of employee stock options	-	1,117	-	-	-	-	1,117
Balance at May 31, 2003	170,600	76,124	1,568,071	2,137	-	-	1,646,332
Net income	-	-	272,205	-	-	-	272,205
Equity adjustment for foreign currency translation	-	-	-	47	-	-	47
Change in fair value of derivatives	-	-	-	669	-	-	669
Comprehensive income, net of tax							272,921
Dividends	-	-	(49,634)	-	-	-	(49,634)
Effects of acquisitions	274	11,550	(95)	-	-	-	11,455
Stock options exercised net of shares surrendered	504	5,868	-	-	-	-	5,868
Tax benefit resulting from exercise of employee stock options	-	1,027	-	-	-	-	1,027
Balance at May 31, 2004	171,378	94,569	1,790,547	2,853	-	-	1,887,969
Net income	-	-	300,518	-	-	-	300,518
Equity adjustment for foreign currency translation	-	-	-	9,033	-	-	9,033
Change in fair value of derivatives	-	-	-	290	-	-	290
Comprehensive income, net of tax							309,841
Dividends	-	-	(54,968)	-	-	-	(54,968)
Effects of acquisitions	289	12,818	(105)	-	-	-	12,713
Stock options exercised net of shares surrendered	461	4,621	-	-	-	-	4,621
Tax benefit resulting from exercise of employee stock options	-	2,163	-	-	-	-	2,163
Stock repurchases	-	-	-	-	(1,469)	(58,204)	(58,204)
Balance at May 31, 2005	172,128	\$ 114,171	\$ 2,035,992	\$ 12,176	(1,469)	\$ (58,204)	\$ 2,104,135

See accompanying notes.

CINTAS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended May 31
(In thousands)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:			
Net income	\$ 300,518	\$ 272,205	\$ 249,253
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	119,813	117,285	115,320
Amortization of deferred charges	28,362	25,974	27,741
Deferred income taxes	4,191	15,839	7,648
Change in current assets and liabilities, net of acquisitions of businesses:			
Accounts receivable	(36,317)	(488)	4,044
Inventories	(26,321)	48,033	(36,406)
Uniforms and other rental items in service	(7,168)	2,744	(24,013)
Prepaid expenses	(892)	246	2,597
Accounts payable	15,727	(3,223)	(6,648)
Accrued compensation and related liabilities	6,906	6,552	(3,734)
Accrued liabilities	12,444	4,429	(9,851)
Income taxes payable	(3,050)	20,113	4,736
Net cash provided by operating activities	414,213	509,709	330,687
Cash flows from investing activities:			
Capital expenditures	(140,727)	(112,888)	(115,019)
Proceeds from sale or redemption of marketable securities	102,997	48,078	23,790
Purchase of marketable securities	(202,265)	(189,622)	(4,752)
Acquisitions of businesses, net of cash acquired	(109,076)	(101,654)	(37,173)
Other	(1,663)	12,282	(3,068)
Net cash used in investing activities	(350,734)	(343,804)	(136,222)
Cash flows from financing activities:			
Repayment of long- term debt	(10,575)	(68,764)	(172,891)
Stock options exercised	4,621	5,868	5,699
Dividends paid	(54,968)	(49,634)	(46,003)
Repurchase of common stock	(58,204)	-	-
Other	11,486	1,743	10,341
Net cash used in financing activities	(107,640)	(110,787)	(202,854)
Net (decrease) increase in cash and cash equivalents	(44,161)	55,118	(8,389)
Cash and cash equivalents at beginning of year	87,357	32,239	40,628
Cash and cash equivalents at end of year	\$ 43,196	\$ 87,357	\$ 32,239

See accompanying notes.

CINTAS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands except per share and share data)

1. SIGNIFICANT ACCOUNTING POLICIES

Business description. Cintas Corporation (Cintas) provides highly specialized services to businesses of all types throughout North America. Cintas designs, manufactures and implements corporate identity uniform programs, provides entrance mats, shop towels, restroom supplies, promotional products, first aid, safety and fire protection products and services and document management services for over 700,000 businesses.

Cintas classifies its businesses into two operating segments: Rentals and Other Services. The Rentals operating segment designs and manufactures corporate identity uniforms, which it rents to its customers. Other items, including entrance mats, shop towels and restroom supplies, are also rented or sold to its customers. The Other Services operating segment involves the design, manufacture and direct sale of uniforms to customers, as well as the sale of ancillary products and services. These ancillary products and services include first aid, safety and fire protection products and services, document management services and cleanroom supplies. These services are provided throughout the United States and Canada to businesses of all types - from small service manufacturing companies to major corporations that employ thousands of people.

Principles of consolidation. The consolidated financial statements include the accounts of Cintas and its subsidiaries. Intercompany balances and transactions have been eliminated.

Use of estimates. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Financial results could differ from those estimates.

Revenue recognition. Rental revenue is recognized when services are performed and other services revenue is recognized either when services are performed or when products are shipped and the title and risks of ownership pass to the customer. Cintas also establishes an estimate of allowances for uncollectible accounts when revenue is recorded.

Cost of rentals. Cost of rentals consists primarily of production expenses, delivery expenses and the amortization of in service inventory, including uniforms, mats, shop towels and other rental items. The Rentals segment inbound freight charges, purchasing and receiving costs, inspection costs, warehousing costs and other costs of distribution are included in the cost of rentals.

Cost of other services. Cost of other services consists primarily of cost of goods sold (predominantly uniforms and first aid products), delivery expenses and distribution expenses. The Other Services segment inbound freight charges, purchasing and receiving costs, inspection costs, warehousing costs and other costs of distribution are included in the cost of other services.

Selling and administrative expense. Selling and administrative expense consists primarily of sales labor and commissions, management labor, payroll taxes, medical expense, insurance expense, legal costs and amortization of intangibles.

Cash and cash equivalents. Cintas considers all highly liquid investments with a maturity of three months or less, at date of purchase, to be cash equivalents.

Marketable securities. All marketable securities are comprised of debt securities and classified as available-for-sale. The majority of these debt securities are obligations of state and political subdivisions.

Accounts receivable. Accounts receivable are comprised of amounts owed through product shipments and are presented net of an allowance for uncollectible accounts. This allowance is an estimate based on historical rates of collectibility. An uncollectible accounts provision is recorded for overdue amounts, beginning with a nominal percentage and increasing substantially as the account ages. The amount provided as the account ages will differ slightly between the Rentals and Other Services segments because of differences in customers served and the nature of each business segment. When an account is considered uncollectible, it is written off against this allowance.

Inventories. Inventories are valued at the lower of cost (first-in, first-out) or market. Substantially all inventories represent finished goods.

Uniforms and other rental items in service. These items are valued at cost less amortization, calculated using the straight-line method. Uniforms in service (other than cleanroom and flame resistant garments) are amortized over their useful life

of eighteen months. Other rental items including shop towels, mats, cleanroom garments, flame resistant garments, linens and restroom dispensers are amortized over their useful lives of eight to forty- eight months.

Property and equipment. Depreciation is calculated using the straight- line method primarily over the following estimated useful lives, in years:

Buildings	30 to 40
Building improvements	5 to 20
Equipment	3 to 10
Leasehold improvements	2 to 5

Long- lived assets. When events or circumstances indicate that the carrying amount of long- lived assets may not be recoverable, the estimated future cash flows (undiscounted) are compared to the carrying amount of the assets. If the estimated future cash flows are less than the carrying amount of the assets, an impairment loss is recorded. The impairment loss is measured by comparing the fair value of the assets with their carrying amounts. Fair value is determined by discounted cash flows or appraised values, as appropriate. Long- lived assets that are held for disposal are reported at the lower of the carrying amount or the fair value, less estimated costs related to disposition.

Goodwill. As required under Statement of Financial Accounting Standards No. 142 (SFAS 142), *Goodwill and Other Intangible Assets*, goodwill is separately disclosed from other intangible assets on the balance sheet and no longer amortized, but is tested for impairment on at least an annual basis. Cintas completed an annual goodwill impairment test for the years ended May 31, 2005, 2004 and 2003, as required by SFAS 142. Based on the results of the impairment tests, Cintas was not required to recognize an impairment of goodwill in any of these years. Cintas will continue to perform future impairment tests as required by SFAS 142 as of March 1 in future years, or when indicators of impairment are noted.

Service contracts and other assets. Service contracts and other assets, which consist primarily of noncompete and consulting agreements obtained through acquisitions of businesses, are amortized by use of the straight- line method over the estimated lives of the agreements, which are generally five to ten years.

Accrued liabilities. Accrued liabilities consist primarily of insurance, medical and profit sharing obligations and legal and environmental contingencies. These are recorded when it is probable that a liability has occurred and the amount of the liability can be reasonably estimated.

Stock options. Cintas applies the provisions of Accounting Principles Board Opinion No. 25 (APB 25), *Accounting for Stock Issued to Employees*. Accordingly, no compensation expense has been reflected in the financial statements as the exercise price of options granted to employees is equal to the fair market value of Cintas' common stock on the date of grant. Cintas has adopted the disclosure- only provisions of Statement of Financial Accounting Standards No. 123 (SFAS 123), *Accounting for Stock- Based Compensation*.

In December 2002, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 148 (SFAS 148), *Accounting for Stock- Based Compensation - Transition and Disclosure*. This Statement amends SFAS 123 to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock- based employee compensation. In addition, this Statement amends the disclosures in both annual and interim financial statements regarding the method of accounting for stock- based employee compensation and the effect of the method used on reported results. Cintas continues to apply APB 25 for the method used to account for stock- based employee compensation arrangements, where applicable, but adopted the disclosure requirements of SFAS 148 during fiscal 2003.

For purposes of pro forma disclosure, the estimated fair value of Cintas' stock options is amortized to expense over the options' vesting period. Pro forma results as if Cintas accounted for its stock- based employee compensation using the fair value based alternative appear below:

	2005	2004	2003
Net income, as reported	\$ 300,518	\$ 272,205	\$ 249,253
Deduct: Total stock- based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(7,971)	(7,127)	(6,062)
Pro forma net income	\$ 292,547	\$ 265,078	\$ 243,191
Earnings per share:			
Basic as reported	\$ 1.75	\$ 1.59	\$ 1.46
Basic pro forma	\$ 1.70	\$ 1.55	\$ 1.43
Diluted as reported	\$ 1.74	\$ 1.58	\$ 1.45
Diluted pro forma	\$ 1.69	\$ 1.54	\$ 1.41

The effects of providing pro forma disclosure are not representative of earnings to be reported for future years.

During fiscal 2005, Cintas vested certain employee stock options whose exercise price was greater than current market value. This vesting will have an impact on basic pro forma and diluted pro forma earnings per share in future years.

Derivatives and hedging activities. Derivatives and hedging activities are presented in accordance with Statement of Financial Accounting Standards No. 133 (SFAS 133), *Accounting for Derivatives and Hedging Activities*, as amended. This Standard requires the recognition of all derivatives on the balance sheet at fair value and recognition of the resulting gains or losses as adjustments to earnings or other comprehensive income.

Cintas formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. Cintas' hedging activities are transacted only with highly rated institutions, reducing the exposure to credit risk in the event of nonperformance.

From time to time, Cintas will use derivatives for both cash flow hedging and fair value hedging purposes. For derivative instruments that hedge the exposure of variability in short- term interest rates, designated as cash flow hedges, the effective portion of the net gain or loss on the derivative instrument is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. For the ineffective portion of the hedge, gains or losses are charged to earnings in the current period. For derivative instruments that hedge the exposure to changes in the fair value of certain fixed rate debt, designated as fair value hedges, the effective portion of the net gain or loss on the derivative instrument, as well as the offsetting gain or loss on the fixed rate debt attributable to the hedged risk, are recorded in current period earnings.

Cintas uses interest rate swap and lock agreements, from time to time, to hedge against variability in short- term interest rates. These agreements effectively convert a portion of the floating rate debt to a fixed rate basis, thus reducing the impact of interest rate changes on future interest expense. Cintas uses the Hypothetical Derivative Method for assessing the effectiveness of these swaps. The effectiveness of these swaps is reviewed at least every fiscal quarter. Cintas also uses reverse interest rate swap agreements to convert a portion of fixed rate debt to a floating rate basis, thus hedging for changes in the fair value of the fixed rate debt being hedged. Cintas has determined that the interest rate swap agreements referenced in Note 5, entitled Long- Term Debt, designated as fair value hedges, qualify for treatment under the short- cut method of measuring effectiveness. Under the provisions of SFAS 133, these hedges are determined to be perfectly effective and there is no requirement to periodically evaluate effectiveness.

Fair value of financial instruments. The following methods and assumptions were used by Cintas in estimating the fair value of financial instruments:

Cash and cash equivalents. The amounts reported approximate market value.

Marketable securities. The amounts reported are at cost, which approximates market value. Market values are based on quoted market prices.

Long-term debt. The amounts reported are at a carrying value which approximates market value. Market values are determined using similar debt instruments currently available to Cintas that are consistent with the terms, interest rates and maturities.

Reclassification. Certain prior year amounts have been reclassified to conform to current year presentation.

Other accounting pronouncements. On December 16, 2004, FASB issued Statement No. 123 (revised 2004), *Share-Based Payment*, (Statement 123R), which is a revision of SFAS 123, *Accounting for Stock-Based Compensation*. Generally, the approach in Statement 123R is similar to the approach described in SFAS 123. However, Statement 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. The new standard will be effective for public entities (excluding small business issuers) no later than the beginning of the first fiscal year beginning after June 15, 2005. Cintas will adopt this Statement no later than the first quarter of fiscal 2007. Cintas is in the process of determining the impact that the adoption of this Statement will have on its financial position and results of operations.

2. MARKETABLE SECURITIES

All marketable securities are comprised of debt securities and classified as available-for-sale. Realized gains and losses and declines in value determined to be other than temporary on available-for-sale securities are included in interest income. The cost of the securities sold is based on the specific identification method. Interest on securities classified as available-for-sale is included in interest income.

The following is a summary of marketable securities:

	2005		2004	
	Cost	Estimated Fair Value	Cost	Estimated Fair Value
Obligations of state and political subdivisions	\$ 163,168	\$ 161,258	\$ 134,921	\$ 133,888
U.S. Treasury securities and obligations of U.S. government agencies	55,143	54,583	112	109
Other debt securities	47,921	47,846	31,931	31,799
	<u>\$ 266,232</u>	<u>\$ 263,687</u>	<u>\$ 166,964</u>	<u>\$ 165,796</u>

The gross realized gains on sales of available-for-sale securities totaled \$23, \$19 and \$105 for the years ended May 31, 2005, 2004 and 2003, and the gross realized losses totaled \$19, \$0 and \$10, respectively. Net unrealized losses are \$2,545 and \$1,168 at May 31, 2005 and 2004, respectively.

The cost and estimated fair value of debt securities at May 31, 2005, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because the issuers of the securities may have the right to prepay the obligations without prepayment penalties.

	Cost	Estimated Fair Value
Due in one year or less	\$ 77,809	\$ 77,576
Due after one year through three years	188,423	186,111
	<u>\$ 266,232</u>	<u>\$ 263,687</u>

3. PROPERTY AND EQUIPMENT

	2005	2004
Land	\$ 72,663	\$ 67,360
Buildings and improvements	431,746	411,878
Equipment	783,244	741,740
Leasehold improvements	10,735	10,577
Construction in progress	72,487	59,250
	1,370,875	1,290,805
Less: accumulated depreciation	553,677	505,495
	\$ 817,198	\$ 785,310

4. GOODWILL, SERVICE CONTRACTS AND OTHER ASSETS

Changes in the carrying amount of goodwill and service contracts for the years ended May 31, 2005 and 2004, by operating segment, are as follows:

	Rentals	Other Services	Total
Goodwill			
Balance as of June 1, 2003	\$ 671,955	\$ 49,900	\$ 721,855
Goodwill acquired	13,269	70,260	83,529
Foreign currency translation	37	20	57
Balance as of May 31, 2004	685,261	120,180	805,441
Goodwill acquired	15,082	67,873	82,955
Foreign currency translation	1,079	63	1,142
Balance as of May 31, 2005	\$ 701,422	\$ 188,116	\$ 889,538

	Rentals	Other Services	Total
Service Contracts			
Balance as of June 1, 2003	\$ 136,118	\$ 8,781	\$ 144,899
Service contracts acquired	3,641	16,827	20,468
Service contracts amortization	(8,161)	(12,608)	(20,769)
Foreign currency translation	65	1	66
Balance as of May 31, 2004	131,663	13,001	144,664
Service contracts acquired	4,473	19,423	23,896
Service contracts amortization	(19,466)	(4,204)	(23,670)
Foreign currency translation	1,680	26	1,706
Balance as of May 31, 2005	\$ 118,350	\$ 28,246	\$ 146,596

Information regarding Cintas' service contracts and other assets follows:

	Carrying Amount	As of May 31, 2005 Accumulated Amortization	Net
Service contracts	\$ 236,179	\$ 89,583	\$ 146,596
Noncompete and consulting agreements	\$ 36,158	\$ 17,163	\$ 18,995
Other	23,671	2,798	20,873
Total	\$ 59,829	\$ 19,961	\$ 39,868

	As of May 31, 2004		
	Carrying Amount	Accumulated Amortization	Net
Service contracts	\$ 216,997	\$ 72,333	\$ 144,664
Noncompete and consulting agreements	\$ 33,720	\$ 19,665	\$ 14,055
Other	29,100	2,516	26,584
Total	\$ 62,820	\$ 22,181	\$ 40,639

Amortization expense was \$28,362, \$25,974 and \$27,741 for the years ended May 31, 2005, 2004 and 2003, respectively. Estimated amortization expense, excluding any future acquisitions, for each of the next five years is \$28,845, \$27,001, \$24,582, \$22,118 and \$18,977, respectively.

5. LONG- TERM DEBT

	2005	2004
Unsecured term notes due through 2017 at an average rate of 5.35%	\$ 456,640	\$ 464,368
Unsecured notes due through 2009 at an average rate of 7.11%	8,594	11,489
Industrial development revenue bonds due through 2015 at an average rate of 3.67%	4,434	4,884
Other	2,923	3,467
	472,591	484,208
Less: amounts due within one year	7,300	10,523
	\$ 465,291	\$ 473,685

Debt in the amount of \$7,357 is secured by assets with a carrying value of \$8,475 at May 31, 2005. Cintas has letters of credit outstanding at May 31, 2005, approximating \$43,662. Maturities of long- term debt during each of the next five years are \$7,300, \$4,287, \$228,959, \$990 and \$543, respectively.

Interest expense is net of capitalized interest of \$749, \$521 and \$186 for the years ended May 31, 2005, 2004 and 2003, respectively. Interest paid, net of amount capitalized, was \$23,163, \$25,825 and \$20,766 for the years ended May 31, 2005, 2004 and 2003, respectively.

Cintas has a commercial paper program supported by a \$300 million long- term credit facility. As of May 31, 2005, there is no commercial paper outstanding.

From time to time, Cintas uses interest rate swap and lock agreements as hedges against variability in short- term interest rates. These agreements effectively convert a portion of floating rate debt to a fixed rate basis, thus reducing the impact of interest rate changes on future interest expense. Cintas uses the Hypothetical Derivative Method for assessing the effectiveness of these swaps. There were no interest rate swap agreements outstanding as of May 31, 2005. When outstanding, the effectiveness of these swaps is reviewed at least every fiscal quarter. Cintas also uses reverse interest rate swap agreements to convert a portion of fixed rate debt to a floating rate basis, thus hedging for changes in the fair value of the fixed rate debt being hedged. These agreements involve the receipt of fixed rate amounts in exchange for floating rate interest payments over the life of the agreements without an exchange of underlying principal amount. The mark- to- market values of both the fair value hedging instruments and the underlying debt obligations are equal and recorded as offsetting gains and losses in current period earnings. Cintas has determined that the current interest rate swap agreements, designated as fair value hedges, qualify for treatment under the short- cut method of measuring effectiveness. Under the provisions of SFAS 133, these hedges are determined to be perfectly effective and there is no requirement to periodically evaluate effectiveness.

Cintas entered into two lock agreements as part of the Omni acquisition in fiscal 2002. The amortization of the cash flow hedge, pertaining to these lock agreements, and the change in the fair value of the cash flow hedge, pertaining to the interest rate swap agreements, resulted in a credit to other comprehensive income of \$290 and \$669 for the years ended May 31, 2005 and 2004, respectively. The reverse interest rate swap agreements are fair value hedges that convert \$225 million of fixed rate debt to a floating rate. These agreements expire in 2007 and allow Cintas to receive an effective

interest rate of 5.13% and pay an interest rate based on LIBOR. Because these fair value hedges are 100% effective, the net \$4 million unfavorable change for fiscal 2005 and the net \$10 million unfavorable change for fiscal 2004 were directly offset by a decrease in the fair value of the debt, reflecting increased floating interest rates over the prior fiscal years.

Cintas has certain significant covenants related to debt agreements. These covenants limit Cintas' ability to incur certain liens, to engage in sale-leaseback transactions and to merge, consolidate or sell all or substantially all of Cintas' assets. These covenants also require Cintas to maintain certain debt to capitalization and interest coverage ratios. Cross default provisions exist between certain debt instruments. Cintas is in compliance with all of the significant debt covenants for all periods presented. Were a default of a significant covenant to occur, the default could result in an acceleration of indebtedness, impair liquidity and limit the ability to raise future capital. Cintas' debt, net of cash and marketable securities, is \$163 million. For fiscal 2005, net cash provided by operating activities was \$414 million. Capital expenditures were approximately \$141 million for the same period.

6. LEASES

Cintas conducts certain operations from leased facilities and leases certain equipment. Most leases contain renewal options for periods from one to ten years. The lease agreements provide for increases in rentals if the options are exercised based on increases in certain price level factors or other prearranged factors. Step rent provisions, escalation clauses, capital improvements funding and other lease concessions are taken into account in computing minimum lease payments. Minimum lease payments are recognized on a straight-line basis over the minimum lease term. Lease payments are not dependent on an existing index or rate and are not included in minimum lease payments. It is anticipated that expiring leases will be renewed or replaced.

The minimum rental payments under noncancelable lease arrangements for each of the next five years and thereafter are \$18,572, \$14,638, \$11,181, \$7,412, \$3,451 and \$6,560, respectively. Rent expense under operating leases during the years ended May 31, 2005, 2004 and 2003, was \$25,280, \$22,675 and \$25,083, respectively.

7. INCOME TAXES

	2005	2004	2003
Earnings before income taxes consist of the following components:			
U.S. operations	\$ 447,965	\$ 411,091	\$ 384,288
Foreign operations	29,028	20,989	11,471
	<u>\$ 476,993</u>	<u>\$ 432,080</u>	<u>\$ 395,759</u>
	2005	2004	2003
Income taxes consist of the following components:			
Current:			
Federal	\$ 155,987	\$ 132,105	\$ 128,198
State and local	18,043	12,291	13,136
	<u>174,030</u>	<u>144,396</u>	<u>141,334</u>
Deferred	2,445	15,479	5,172
	<u>\$ 176,475</u>	<u>\$ 159,875</u>	<u>\$ 146,506</u>
	2005	2004	2003
Reconciliation of income tax expense using the statutory rate and actual income tax expense is as follows:			
Income taxes at the U.S. federal statutory rate	\$ 166,947	\$ 151,228	\$ 138,515
State and local income taxes, net of federal benefit	12,050	8,939	9,160
Other	(2,522)	(292)	(1,169)
	<u>\$ 176,475</u>	<u>\$ 159,875</u>	<u>\$ 146,506</u>

The components of deferred income taxes included on the balance sheets are as follows:

	2005	2004
Deferred tax assets:		
Employee benefits	\$ 4,462	\$ 1,964
Allowance for bad debts	3,357	2,883
Inventory obsolescence	11,238	11,266
Insurance and contingencies	10,222	10,250
Other	9,532	7,348
	<u>38,811</u>	<u>33,711</u>
Deferred tax liabilities:		
In service inventory	82,883	83,840
Property	87,491	81,768
Intangibles	30,296	27,205
State taxes	13,861	10,897
	<u>214,531</u>	<u>203,710</u>
Net deferred tax liability	<u>\$ 175,720</u>	<u>\$ 169,999</u>

Income taxes paid were \$151,243, \$118,125 and \$139,794 for the years ended May 31, 2005, 2004 and 2003, respectively.

The American Jobs Creation Act of 2004 (the Act) created a temporary incentive for U.S. corporations to repatriate accumulated income earned in foreign jurisdictions by providing an 85% dividends-received deduction for certain dividends from controlled foreign corporations. Cintas has reviewed this provision and determined that no foreign earnings will be repatriated under the Act.

U.S. income taxes of \$3,119, net of foreign tax credits, have not been provided for on a cumulative total of approximately \$70,323 of undistributed earnings for certain non-U.S. subsidiaries as of May 31, 2005. Cintas intends to reinvest these earnings indefinitely in operations outside the United States.

8. ACQUISITIONS

For all acquisitions accounted for as purchases, including insignificant acquisitions, the purchase price paid for each has been allocated to the fair value of the assets acquired and liabilities assumed. During fiscal 2005, Cintas acquired 10 Rentals businesses and 27 Other Services businesses. During fiscal 2004, Cintas acquired 8 Rentals businesses and 29 Other Services businesses. The following summarizes the aggregate purchase price for all businesses acquired:

	2005	2004
Fair value of tangible assets acquired	\$ 18,811	\$ 25,642
Fair value of goodwill acquired	81,245	83,194
Fair value of service contracts acquired	24,008	20,457
Fair value of other intangibles acquired	10,082	2,554
Total fair value of assets acquired	134,146	131,847
Fair value of liabilities assumed and incurred	12,219	18,535
Total cash paid for acquisitions	<u>\$ 121,927</u>	<u>\$ 113,312</u>

The results of operations for the acquired businesses are included in the consolidated statements of income from the dates of acquisition. The pro forma revenue, net income and earnings per share information relating to acquired businesses are not presented because they are not significant.

9. DEFINED CONTRIBUTION PLANS

Cintas' Partners' Plan is a non-contributory profit sharing plan and ESOP for the benefit of substantially all U.S. Cintas employees who have completed one year of service. The plan also includes a 401(k) savings feature covering substantially all employees. The amounts of contributions to the profit sharing plan and ESOP, as well as the matching contribution to the 401(k), are made at the discretion of Cintas. Total contributions, including Cintas' matching contributions, were \$24,400, \$22,160 and \$20,100 for the years ended May 31, 2005, 2004 and 2003, respectively.

Cintas also has a non-contributory deferred profit sharing plan (DPSP), which covers substantially all Canadian employees. In addition, a registered retirement savings plan (RRSP) is offered to those employees. The amounts of contributions to the DPSP, as well as the matching contribution to the RRSP, are made at the discretion of Cintas. Total contributions were \$897, \$774 and \$628 for the years ended May 31, 2005, 2004 and 2003, respectively.

10. EARNINGS PER SHARE

Earnings per share are computed in accordance with Statement of Financial Accounting Standards No. 128, *Earnings per Share*. The basic computations are computed based on the weighted average number of common shares outstanding during each period. The diluted computations reflect the potential dilution that could occur if stock options were exercised into common stock, under certain circumstances, that then would share in the earnings of Cintas.

The following table represents a reconciliation of the shares used to calculate basic and diluted earnings per share for the respective years:

	2005	2004	2003
Numerator:			
Net income	\$ 300,518	\$ 272,205	\$ 249,253
Denominator:			
Denominator for basic earnings per share weighted average shares (000's)	171,679	170,960	170,262
Effect of dilutive securities employee stock options (000's)	970	1,412	1,775
Denominator for diluted earnings per share adjusted weighted average shares and assumed conversions (000's)	172,649	172,372	172,037
Basic earnings per share	\$ 1.75	\$ 1.59	\$ 1.46
Diluted earnings per share	\$ 1.74	\$ 1.58	\$ 1.45

11. STOCK BASED COMPENSATION

Under the stock option plan adopted by Cintas in fiscal 2000, Cintas may grant officers and key employees incentive stock options and/or non-qualified stock options to purchase an aggregate of 9,000,000 shares of Cintas' common stock. Options are granted at the fair market value of the underlying common stock on the date of grant and generally vest and become exercisable at the rate of 20% per year commencing five years after grant, so long as the holder remains an employee of Cintas.

The information presented in the following table relates primarily to stock options granted and outstanding under either the plan adopted in fiscal 2000 or under similar plans:

	Shares	Weighted Average Exercise Price
Outstanding May 31, 2002 (674,595 shares exercisable)	5,861,097	\$ 28.31
Granted	1,226,800	40.60
Cancelled	(426,967)	33.77
Exercised	(681,697)	13.60
Outstanding May 31, 2003 (753,916 shares exercisable)	5,979,233	32.12
Granted	1,214,800	39.73
Cancelled	(650,734)	35.52
Exercised	(606,740)	16.44
Outstanding May 31, 2004 (811,700 shares exercisable)	5,936,559	34.90
Granted	1,509,400	42.12
Cancelled	(441,186)	39.66
Exercised	(562,888)	16.08
Outstanding May 31, 2005 (3,086,485 shares exercisable)	6,441,885	\$ 37.92

The following table summarizes the information related to stock options outstanding at May 31, 2005:

Range of Exercise Prices	Number Outstanding	Outstanding Options		Exercisable Options	
		Average Remaining Option Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$ 12.92					
38.59	1,684,339	2.94	\$ 24.92	748,239	\$ 21.66
38.75 41.65	1,679,075	7.74	40.31	675,425	41.63
41.72 42.06	1,692,852	7.89	42.03	432,002	41.96
42.19 53.19	1,385,619	6.34	45.38	1,230,819	45.57
\$ 12.92					
53.19	6,441,885	6.22	\$ 37.92	3,086,485	\$ 38.40

At May 31, 2005, 4,441,875 shares of common stock are reserved for future issuance under the 2000 plan.

Pro forma information regarding earnings and earnings per share is required by SFAS 123 and has been determined as if Cintas had accounted for its stock options granted subsequent to May 31, 1995, under the fair value method of SFAS 123. The weighted average fair value of stock options granted during fiscal 2005, 2004 and 2003 was \$19.80, \$18.43 and \$19.43, respectively. The fair value of these options was estimated at the date of grant using a Black- Scholes option- pricing model with the following weighted- average assumptions:

	2005	2004	2003
Risk free interest rate	4.00%	4.00%	4.00%
Dividend yield	.50%	.50%	.50%
Expected volatility of Cintas' common stock	35%	35%	34%
Expected life of the option in years	9	9	9

The Black- Scholes option- pricing model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are freely transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because Cintas' options have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the fair value estimate, in Cintas' opinion, existing models do not necessarily provide a reliable single measure of the fair value of its stock options.

During fiscal 2005, Cintas vested certain employee stock options whose exercise price was greater than current market value. This vesting will have an impact on basic pro forma and diluted pro forma earnings per share in future years.

12. LITIGATION AND OTHER CONTINGENCIES

Cintas is subject to legal proceedings and claims arising from the ordinary course of its business, including personal injury, customer contract, environmental and employment claims. In the opinion of management, the aggregate liability, if any, with respect to such ordinary course of business actions, will not have a material adverse effect on the financial position or results of operations of Cintas. Cintas is party to additional litigation not considered in the ordinary course of business, including the litigation discussed below.

Cintas is a defendant in a purported class action lawsuit, *Paul Veliz, et al., v. Cintas Corporation*, filed on March 19, 2003, in the United States District Court, Northern District of California, Oakland Division, alleging that Cintas violated certain federal and state wage and hour laws applicable to its service sales representatives, whom Cintas considers exempt employees, and asserting additional related ERISA claims. The plaintiffs are seeking unspecified monetary damages, injunctive relief or both. Cintas denies these claims and is defending the plaintiffs' allegations. The court ordered arbitration for all potential plaintiffs except for those that fall into one of four narrowly defined exceptions. As a result, Cintas believes that a majority of the potential plaintiffs will be required to arbitrate their claims. No determination has been made by the court or an arbitrator regarding class certification. There can be no assurance as to whether a class will be certified or, if a class is certified, as to the geographic or other scope of such class. If a court or arbitrator certifies a class in this action and there is an adverse verdict on the merits, or in the event of a negotiated settlement of the action, the resulting liability and/or any increased costs of operations on an ongoing basis could be material to Cintas. Any estimated liability relating to this lawsuit is not determinable at this time.

Cintas is also a defendant in a purported class action lawsuit, *Robert Ramirez, et al., v. Cintas Corporation*, filed on January 20, 2004, and pending in the United States District Court, Northern District of California, San Francisco Division. The case was brought on behalf of all past and present female, African- American and Hispanic employees of Cintas and its subsidiaries. The complaint alleges that Cintas has engaged in a pattern and practice of discriminating against women and minorities in recruitment, hiring, promotions, transfers, job assignments and pay. The complaint seeks injunctive relief, compensatory damages, punitive damages and attorney's fees, among other things. Cintas denies these claims and is defending the plaintiffs' allegations. The court ordered arbitration as to three of the ten named plaintiffs. On April 27, 2005, the United States Equal Employment Opportunity Commission (EEOC) filed a motion to intervene in order to participate in this lawsuit. No filings or determination has been made in regard to the lawsuit as to class certification. There can be no assurance as to whether a class will be certified or, if a class is certified, as to the geographic or other scope of such class. Several related proceedings with similar allegations and seeking similar relief damages and fees are pending, including an EEOC charge filed on April 17, 2000, by Mirna Serrano with the EEOC Detroit District office on behalf of female service sales representative job applicants at all Cintas locations in Michigan, a class action lawsuit, *Mirna E. Serrano, et al., v. Cintas Corporation*, filed on May 10, 2004, in the United States District Court for the Eastern District of Michigan, Southern Division on behalf of the same female service sales representative job applicants in the EEOC charge and an administrative action filed on December 15, 2004, by James Morgan with the EEOC Washington, D.C. office and the California Department of Fair Employment and Housing alleging racial discrimination in compensation and training opportunities. In addition, a class action lawsuit, *Larry Houston, et al., v. Cintas Corporation*, was filed on August 3, 2005, in the United States District Court for the Northern District of California on behalf of African- American managers alleging racial discrimination. If there is an adverse verdict or a negotiated settlement of these actions, the resulting liability and/or any increased costs of operations on an ongoing basis could be material to Cintas. Any estimated liability relating to these proceedings is not determinable at this time.

Several other similar administrative proceedings are pending including: (i) two charges filed on November 30, 2004, by an EEOC Commissioner with the EEOC Systemic Litigation Unit alleging failure to hire and assign females to production job positions, and failing to hire females, African-Americans and Hispanics into the Management Trainee program, (ii) a charge filed on January 24, 2005, by Jennifer Fargo on behalf of herself and a similarly situated class with the Augusta Human Relations Commission and the EEOC Detroit District office alleging gender and equal pay discrimination against female sales representatives and sales associates, (iii) a charge filed on March 23, 2005, by Clifton Cooper on behalf of himself and a similarly situated class with the EEOC Systemic Litigation Unit alleging discriminatory pay and treatment due to race, (iv) a charge filed on March 28, 2005, by Lorelei Reynolds on behalf of herself and a similarly situated class with the EEOC Birmingham District alleging discriminatory pay and treatment due to race and gender, (v) a charge filed on April 25, 2005, by Melissa Schulz on behalf of herself and a similarly situated class with the EEOC Systemic Litigation Unit and the Oregon Bureau of Labor and Industries, Civil Rights Division alleging discriminatory pay and treatment due to race and gender, (vi) a charge filed on May 6, 2005, by Anthony Jones on behalf of himself and a similarly situated class with the EEOC Systemic Litigation Unit alleging discriminatory pay and treatment due to race and (vii) a charge filed on June 10, 2005, by Mattie Cooper on behalf of herself and a similarly situated class with the EEOC Systemic Litigation Unit alleging discriminatory pay and treatment due to race and gender. The investigations of these allegations are pending and no determinations have been made.

Cintas is also a defendant in a lawsuit, *J. Lester Alexander, III vs. Cintas Corp., et al.*, which was originally filed on October 25, 2004, and is currently pending in the United States Bankruptcy Court for the Middle District of Alabama, Eastern Division. The case was brought by J. Lester Alexander, III, the Chapter 7 Trustee (the "Trustee") of Terry Manufacturing Company, Inc. ("TMC") and Terry Uniform Company, LLC ("TUC"), against Cintas in Randolph County, Alabama. The Trustee seeks damages against Cintas for allegedly breaching fiduciary duties to TMC and TUC and for allegedly aiding and abetting breaches of fiduciary duties by others to those entities. The complaint also includes allegations that Cintas breached certain limited liability company agreements, or alternatively, misrepresented their intention to perform their obligations in those agreements and acted as alter egos of the bankrupt TMC and are therefore liable for all of TMC's debts. The Trustee is seeking \$50 million in compensatory damages and \$100 million in punitive damages. Cintas denies these claims and is vigorously defending itself against all claims in the complaint. If there is an adverse verdict on the merits or in the event of a negotiated settlement of this lawsuit, the resulting liability could be material to Cintas. Any estimated liability relating to this lawsuit is not determinable at this time.

During fiscal 2001, the State of Connecticut filed suit against Cintas in the Superior Court District of Hartford alleging various violations of state environmental laws and alleging that Cintas violated certain wastewater discharge and hazardous waste violations. While this proceeding is not considered material to the business or financial condition of the registrant, management reasonably believes that the proceedings will result in monetary sanctions in excess of \$100 thousand. A reserve has been established for the estimated liability related to these allegations.

The litigation discussed above, if decided adversely to or settled by Cintas, may, individually or in the aggregate, result in liability material to Cintas' financial condition or results of operations. Cintas may enter into discussions regarding settlement of these and other lawsuits, and may enter into settlement agreements if it believes such settlement is in the best interests of Cintas' shareholders.

13. SEGMENT INFORMATION

Cintas classifies its businesses into two operating segments: Rentals and Other Services. The Rentals operating segment designs and manufactures corporate identity uniforms which it rents to its customers. Other items, including entrance mats, shop towels and restroom supplies, are also rented or sold to its customers. The Other Services operating segment involves the design, manufacture and direct sale of uniforms to customers, as well as the sale of ancillary products and services. These ancillary products and services include first aid, safety and fire protection products and services, document management services and cleanroom supplies. These services are provided throughout the United States and Canada to businesses of all types - from small service and manufacturing companies to major corporations that employ thousands of people.

The \$4,343 write- off of the loan receivable in the first quarter of fiscal 2004 has been included in the Corporate segment.

Information as to the operations of Cintas' different business segments is set forth below based on the distribution of products and services offered. Cintas evaluates performances based on several factors of which the primary financial measures are business segment revenue and income before income taxes. The accounting policies of the business segments are the same as those described in Note 1 entitled Significant Accounting Policies.

	<u>Rentals</u>	<u>Other Services</u>	<u>Corporate</u>	<u>Total</u>
May 31, 2005				
Revenue	\$ 2,363,397	\$ 703,886	\$ -	\$ 3,067,283
Gross margin	\$ 1,067,405	\$ 237,354	\$ -	\$ 1,304,759
Selling and administrative expenses	633,488	176,744	-	810,232
Interest income	-	-	(6,914)	(6,914)
Interest expense	-	-	24,448	24,448
Income before income taxes	\$ 433,917	\$ 60,610	\$ (17,534)	\$ 476,993
Depreciation and amortization	\$ 125,946	\$ 22,229	\$ -	\$ 148,175
Capital expenditures	\$ 117,377	\$ 23,350	\$ -	\$ 140,727
Total assets	\$ 2,245,600	\$ 504,716	\$ 309,428	\$ 3,059,744
May 31, 2004				
Revenue	\$ 2,201,405	\$ 612,654	\$ -	\$ 2,814,059
Gross margin	\$ 978,767	\$ 207,725	\$ -	\$ 1,186,492
Selling and administrative expenses	581,380	146,238	-	727,618
Interest income	-	-	(2,650)	(2,650)
Interest expense	-	-	25,101	25,101
Write- off of loan receivable	-	-	4,343	4,343
Income before income taxes	\$ 397,387	\$ 61,487	\$ (26,794)	\$ 432,080
Depreciation and amortization	\$ 126,210	\$ 17,049	\$ -	\$ 143,259
Capital expenditures	\$ 93,428	\$ 19,460	\$ -	\$ 112,888
Total assets	\$ 2,194,817	\$ 361,159	\$ 254,321	\$ 2,810,297
May 31, 2003				
Revenue	\$ 2,101,785	\$ 584,800	\$ -	\$ 2,686,585
Gross margin	\$ 928,119	\$ 191,089	\$ -	\$ 1,119,208
Selling and administrative expenses	555,748	139,689	-	695,437
Interest income	-	-	(2,905)	(2,905)
Interest expense	-	-	30,917	30,917
Income before income taxes	\$ 372,371	\$ 51,400	\$ (28,012)	\$ 395,759
Depreciation and amortization	\$ 127,223	\$ 15,838	\$ -	\$ 143,061
Capital expenditures	\$ 108,453	\$ 6,566	\$ -	\$ 115,019
Total assets	\$ 2,210,585	\$ 314,702	\$ 57,659	\$ 2,582,946

14. SUBSEQUENT EVENTS

Subsequent to May 31, 2005, Cintas purchased approximately 2.4 million additional shares of Cintas stock at an average price of \$39.08 per share for a total purchase price of approximately \$96 million. As such, from the inception of the stock repurchase program through July 22, 2005, Cintas has purchased approximately 3.9 million shares of Cintas stock at an average price of \$39.27 per share for a total purchase price of approximately \$154 million. The Board did not specify an expiration date for this program.

Also subsequent to May 31, 2005, Cintas borrowed \$64 million under the \$300 million commercial paper program for short- term cash requirements. This financing decision was made in order to allow certain marketable securities to reach maturity rather than Cintas incurring a penalty for early redemption.

15. QUARTERLY FINANCIAL DATA (UNAUDITED)

The following is a summary of the results of operations for each of the quarters within the years ended May 31, 2005 and 2004:

May 31, 2005	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	\$ 745,956	\$ 756,840	\$ 755,241	\$ 809,246
Gross margin	\$ 318,838	\$ 315,955	\$ 321,454	\$ 348,512
Net income	\$ 72,666	\$ 73,560	\$ 71,332	\$ 82,960
Basic earnings per share	\$.42	\$.43	\$.42	\$.48
Diluted earnings per share	\$.42	\$.43	\$.41	\$.48
Weighted average number of shares outstanding (000's)	171,449	171,638	171,802	171,828
May 31, 2004	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	\$ 677,656	\$ 701,309	\$ 696,940	\$ 738,154
Gross margin	\$ 287,448	\$ 293,437	\$ 295,711	\$ 309,896
Net income	\$ 63,327	\$ 69,657	\$ 66,493	\$ 72,728
Basic earnings per share	\$.37	\$.41	\$.39	\$.42
Diluted earnings per share	\$.37	\$.40	\$.39	\$.42
Weighted average number of shares outstanding (000's)	170,652	170,804	171,088	171,299

16. SUPPLEMENTAL GUARANTOR INFORMATION

Effective June 1, 2000, Cintas reorganized its legal structure and created Cintas Corporation No. 2 (Corp. 2) as its indirectly, wholly- owned principal operating subsidiary. Cintas and its wholly- owned, direct and indirect domestic subsidiaries, other than Corp. 2, unconditionally guaranteed, jointly and severally, debt of Corp. 2.

On May 13, 2002, Cintas completed the acquisition of Omni Services, Inc. (Omni). A portion of the purchase price for Omni was funded with \$450,000 in long- term notes. Corp. 2 was the issuer of the long- term notes, which are unconditionally guaranteed, jointly and severally, by Cintas Corporation and the subsidiary guarantors.

As allowed by SEC rules, the following condensed consolidating financial statements are provided as an alternative to filing separate financial statements of the guarantors. Each of the subsidiaries presented in the condensed financial statements has been fully consolidated in Cintas' financial statements. The condensed consolidating financial statements should be read in conjunction with the financial statements of Cintas and notes thereto of which this note is an integral part.

Condensed consolidating financial statements for Cintas, Corp. 2, the subsidiary guarantors and non- guarantors are presented below:

CONDENSED CONSOLIDATING INCOME STATEMENT
YEAR ENDED MAY 31, 2005

	Cintas		Subsidiary		Non-		Cintas
	Corporation	Corp. 2	Guarantors	Guarantors	Eliminations		Corporation
							Consolidated
Revenue:							
Rentals	\$ -	\$ 1,750,109	\$ 479,868	\$ 133,767	\$ (347)		\$ 2,363,397
Other services	-	734,305	334,062	41,605	(406,086)		703,886
Equity in net income of affiliates	300,518	-	-	-	(300,518)		-
	300,518	2,484,414	813,930	175,372	(706,951)		3,067,283
Costs and expenses (income):							
Cost of rentals	-	1,051,256	300,172	79,832	(135,268)		1,295,992
Cost of other services	-	510,470	221,521	26,867	(292,326)		466,532
Selling and administrative expenses	-	748,414	(11,013)	39,448	33,383		810,232
Interest income	-	(5,691)	(15)	(1,208)	-		(6,914)
Interest expense	-	25,467	(4,799)	3,780	-		24,448
	-	2,329,916	505,866	148,719	(394,211)		2,590,290
Income before income taxes	300,518	154,498	308,064	26,653	(312,740)		476,993
Income taxes	-	56,806	113,268	6,401	-		176,475
Net income	\$ 300,518	\$ 97,692	\$ 194,796	\$ 20,252	\$ (312,740)		\$ 300,518

CONDENSED CONSOLIDATING INCOME STATEMENT
YEAR ENDED MAY 31, 2004

	Cintas		Subsidiary				Cintas Corporation
	Corporation	Corp. 2	Guarantors	Non-Guarantors	Eliminations		Consolidated
Revenue:							
Rentals	\$ -	\$ 1,642,663	\$ 443,817	\$ 115,161	\$ (236)		\$ 2,201,405
Other services	-	1,049,363	244,514	31,227	(712,450)		612,654
Equity in net income of affiliates	272,205	-	-	-	(272,205)		-
	272,205	2,692,026	688,331	146,388	(984,891)		2,814,059
Costs and expenses (income):							
Cost of rentals	-	1,020,448	277,529	71,213	(146,552)		1,222,638
Cost of other services	-	796,749	163,525	18,429	(573,774)		404,929
Selling and administrative expenses	-	711,086	(21,470)	36,352	1,650		727,618
Interest income	-	(2,079)	(97)	(474)	-		(2,650)
Interest expense	-	43,040	(22,137)	4,198	-		25,101
Write- off of loan receivable	-	-	4,343	-	-		4,343
	-	2,569,244	401,693	129,718	(718,676)		2,381,979
Income before income taxes	272,205	122,782	286,638	16,670	(266,215)		432,080
Income taxes	-	45,985	107,351	6,539	-		159,875
Net income	\$ 272,205	\$ 76,797	\$ 179,287	\$ 10,131	\$ (266,215)		\$ 272,205

CONDENSED CONSOLIDATING INCOME STATEMENT
YEAR ENDED MAY 31, 2003

	Cintas		Subsidiary				Cintas Corporation
	Corporation	Corp. 2	Guarantors	Non-Guarantors	Eliminations		Consolidated
Revenue:							
Rentals	\$ -	\$ 1,583,589	\$ 422,470	\$ 95,873	\$ (147)		\$ 2,101,785
Other services	-	1,183,250	199,301	31,113	(828,864)		584,800
Equity in net income of affiliates	249,253	-	-	-	(249,253)		-
	249,253	2,766,839	621,771	126,986	(1,078,264)		2,686,585
Costs and expenses (income):							
Cost of rentals	-	1,017,510	236,648	61,074	(141,566)		1,173,666
Cost of other services	-	896,668	141,277	19,074	(663,308)		393,711
Selling and administrative expenses	-	691,202	(29,329)	34,958	(1,394)		695,437
Interest income	-	(2,428)	(253)	(224)	-		(2,905)
Interest expense	-	47,000	(19,308)	3,225	-		30,917
	-	2,649,952	329,035	118,107	(806,268)		2,290,826
Income before income taxes	249,253	116,887	292,736	8,879	(271,996)		395,759
Income taxes	-	40,716	101,946	3,844	-		146,506
Net income	\$ 249,253	\$ 76,171	\$ 190,790	\$ 5,035	\$ (271,996)		\$ 249,253

CONDENSED CONSOLIDATING BALANCE SHEET
AS OF MAY 31, 2005

	Cintas Corporation	Corp. 2	Subsidiary Guarantors	Non- Guarantors	Eliminations	Cintas Corporation Consolidated
Assets						
Current assets:						
Cash and cash equivalents	\$ -	\$ 13,259	\$ 12,570	\$ 17,367	\$ -	\$ 43,196
Marketable securities	-	226,658	-	39,574	-	266,232
Accounts receivable, net	-	237,152	93,109	9,025	(12,390)	326,896
Inventories, net	-	199,236	24,120	9,087	(16,031)	216,412
Uniforms and other rental items in service	-	250,222	74,887	16,584	(36,243)	305,450
Prepaid expenses	-	5,781	1,989	588	-	8,358
Total current assets	-	932,308	206,675	92,225	(64,664)	1,166,544
Property and equipment, at cost, net						
	-	599,757	176,648	40,793	-	817,198
Goodwill	-	140,405	734,113	15,020	-	889,538
Service contracts, net	-	95,560	43,727	7,309	-	146,596
Other assets, net	1,626,712	44,757	773,343	164,544	(2,569,488)	39,868
	<u>\$ 1,626,712</u>	<u>\$ 1,812,787</u>	<u>\$ 1,934,506</u>	<u>\$ 319,891</u>	<u>\$ (2,634,152)</u>	<u>\$ 3,059,744</u>
Liabilities and Shareholders' Equity						
Current liabilities:						
Accounts payable	\$ (465,247)	\$ 89,598	\$ 404,314	\$ 2,618	\$ 38,013	\$ 69,296
Accrued compensation and related liabilities	-	28,287	8,523	1,900	-	38,710
Accrued liabilities	-	191,123	(28,212)	4,479	(962)	166,428
Current income taxes	-	(640)	32,232	1,301	(29)	32,864
Deferred income taxes	-	-	40,635	1,248	-	41,883
Long- term debt due within one year	-	6,588	871	-	(159)	7,300
Total current liabilities	(465,247)	314,956	458,363	11,546	36,863	356,481
Long- term debt due after one year						
	-	471,750	(52,413)	78,778	(32,824)	465,291
Deferred income taxes	-	10,222	119,212	4,403	-	133,837
Total shareholders' equity	2,091,959	1,015,859	1,409,344	225,164	(2,638,191)	2,104,135
	<u>\$ 1,626,712</u>	<u>\$ 1,812,787</u>	<u>\$ 1,934,506</u>	<u>\$ 319,891</u>	<u>\$ (2,634,152)</u>	<u>\$ 3,059,744</u>

CONDENSED CONSOLIDATING BALANCE SHEET
AS OF MAY 31, 2004

	Cintas Corporation	Corp. 2	Subsidiary Guarantors	Non- Guarantors	Eliminations	Cintas Corporation Consolidated
Assets						
Current assets:						
Cash and cash equivalents	\$ -	\$ 56,455	\$ 8,057	\$ 22,845	\$ -	\$ 87,357
Marketable securities	-	150,652	-	16,312	-	166,964
Accounts receivable, net	-	210,026	79,425	8,703	(12,562)	285,592
Inventories, net	-	172,586	20,249	6,624	(10,771)	188,688
Uniforms and other rental items in service	-	240,833	70,741	15,954	(29,281)	298,247
Prepaid expenses	-	6,006	1,011	378	-	7,395
Total current assets	-	836,558	179,483	70,816	(52,614)	1,034,243
Property and equipment, at cost, net						
	-	596,037	149,461	39,812	-	785,310
Goodwill	-	124,845	667,128	13,468	-	805,441
Service contracts, net	-	106,348	29,653	8,663	-	144,664
Other assets, net	1,419,869	29,861	769,746	141,897	(2,320,734)	40,639
	<u>\$ 1,419,869</u>	<u>\$ 1,693,649</u>	<u>\$ 1,795,471</u>	<u>\$ 274,656</u>	<u>\$ (2,373,348)</u>	<u>\$ 2,810,297</u>
Liabilities and Shareholders' Equity						
Current liabilities:						
Accounts payable	\$ (465,247)	\$ 207,254	\$ 259,676	\$ 13,755	\$ 38,013	\$ 53,451
Accrued compensation and related liabilities	-	23,863	6,307	1,634	-	31,804
Accrued liabilities	-	179,525	(36,472)	4,148	(975)	146,226
Current income taxes	-	(33,638)	69,796	511	(29)	36,640
Deferred income taxes	-	601	44,630	1,811	-	47,042
Long- term debt due within one year	-	9,655	655	372	(159)	10,523
Total current liabilities	(465,247)	387,260	344,592	22,231	36,850	325,686
Long- term debt due after one year						
	-	482,360	(49,928)	72,529	(31,276)	473,685
Deferred income taxes	-	9,621	108,143	5,193	-	122,957
Total shareholders' equity	1,885,116	814,408	1,392,664	174,703	(2,378,922)	1,887,969
	<u>\$ 1,419,869</u>	<u>\$ 1,693,649</u>	<u>\$ 1,795,471</u>	<u>\$ 274,656</u>	<u>\$ (2,373,348)</u>	<u>\$ 2,810,297</u>

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED MAY 31, 2005

	Cintas Corporation	Corp. 2	Subsidiary Guarantors	Non- Guarantors	Eliminations	Cintas Corporation Consolidated
Cash flows from operating activities:						
Net income	\$ 300,518	\$ 97,692	\$ 194,796	\$ 20,252	\$ (312,740)	\$ 300,518
Adjustments to reconcile net income to net cash provided by (used in) operating activities:						
Depreciation	-	89,467	24,480	5,866	-	119,813
Amortization of deferred charges	-	17,723	8,295	2,344	-	28,362
Deferred income taxes	-	-	5,544	(1,353)	-	4,191
Changes in current assets and liabilities, net of acquisitions of businesses:						
Accounts receivable	-	(26,906)	(8,917)	(322)	(172)	(36,317)
Inventories	-	(29,704)	635	(2,512)	5,260	(26,321)
Uniforms and other rental items in service	-	(6,335)	(7,214)	(581)	6,962	(7,168)
Prepaid expenses	-	225	(907)	(210)	-	(892)
Accounts payable	-	(78,831)	105,695	(11,137)	-	15,727
Accrued compensation and related liabilities	-	4,424	2,216	266	-	6,906
Accrued liabilities	-	12,211	(111)	331	13	12,444
Income taxes payable	-	32,998	(36,838)	790	-	(3,050)
Net cash provided by (used in) operating activities	300,518	112,964	287,674	13,734	(300,677)	414,213
Cash flows from investing activities:						
Capital expenditures	-	(93,901)	(39,883)	(6,943)	-	(140,727)
Proceeds from sale or redemption of marketable securities	-	79,716	247	23,034	-	102,997
Purchase of marketable securities	-	(155,721)	(248)	(46,296)	-	(202,265)
Acquisitions of businesses, net of cash acquired	-	(4,565)	(104,096)	(415)	-	(109,076)
Other	(194,130)	27,676	(133,932)	(3,502)	302,225	(1,663)
Net cash (used in) provided by investing activities	(194,130)	(146,795)	(277,912)	(34,122)	302,225	(350,734)
Cash flows from financing activities:						
Repayment of long- term debt	-	(9,655)	(5,249)	5,877	(1,548)	(10,575)
Stock options exercised	4,621	-	-	-	-	4,621
Dividends paid	(54,968)	-	-	-	-	(54,968)
Repurchase of common stock	(58,204)	-	-	-	-	(58,204)
Other	2,163	290	-	9,033	-	11,486
Net cash (used in) provided by financing activities	(106,388)	(9,365)	(5,249)	14,910	(1,548)	(107,640)
Net (decrease) increase in cash and cash equivalents	-	(43,196)	4,513	(5,478)	-	(44,161)
Cash and cash equivalents at beginning of period	-	56,455	8,057	22,845	-	87,357
Cash and cash equivalents at end of period	\$ -	\$ 13,259	\$ 12,570	\$ 17,367	\$ -	\$ 43,196

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED MAY 31, 2004

	Cintas Corporation	Corp. 2	Subsidiary Guarantors	Non- Guarantors	Eliminations	Cintas Corporation Consolidated
Cash flows from operating activities:						
Net income	\$ 272,205	\$ 76,797	\$ 179,287	\$ 10,131	\$ (266,215)	\$ 272,205
Adjustments to reconcile net income to net cash provided by (used in) operating activities:						
Depreciation	-	89,294	22,237	5,754	-	117,285
Amortization of deferred charges	-	18,013	5,754	2,207	-	25,974
Deferred income taxes	-	591	15,020	228	-	15,839
Changes in current assets and liabilities, net of acquisitions of businesses:						
Accounts receivable	-	(5,689)	7,265	(691)	(1,373)	(488)
Inventories	-	50,518	(893)	189	(1,781)	48,033
Uniforms and other rental items in service	-	5,545	682	726	(4,209)	2,744
Prepaid expenses	-	(1,141)	835	552	-	246
Accounts payable	-	65,802	(79,932)	10,907	-	(3,223)
Accrued compensation and related liabilities	-	4,412	1,939	201	-	6,552
Accrued liabilities	-	(2,552)	7,473	(509)	17	4,429
Income taxes payable	-	(585)	18,955	1,743	-	20,113
Net cash provided by (used in) operating activities	272,205	301,005	178,622	31,438	(273,561)	509,709
Cash flows from investing activities:						
Capital expenditures	-	(81,638)	(28,452)	(2,798)	-	(112,888)
Proceeds from sale or redemption of marketable securities	-	46,185	1,185	708	-	48,078
Purchase of marketable securities	-	(172,903)	(1,185)	(15,534)	-	(189,622)
Acquisitions of businesses, net of cash acquired	-	(18,251)	(83,246)	(157)	-	(101,654)
Other	(229,466)	33,109	(63,234)	(406)	272,279	12,282
Net cash (used in) provided by investing activities	(229,466)	(193,498)	(174,932)	(18,187)	272,279	(343,804)
Cash flows from financing activities:						
Repayment of long- term debt	-	(68,313)	(799)	218	130	(68,764)
Stock options exercised	5,868	-	-	-	-	5,868
Dividends paid	(49,634)	-	-	-	-	(49,634)
Other	1,027	669	-	47	-	1,743
Net cash (used in) provided by financing activities	(42,739)	(67,644)	(799)	265	130	(110,787)
Net increase (decrease) in cash and cash equivalents	-	39,863	2,891	13,516	(1,152)	55,118
Cash and cash equivalents at beginning of period	-	16,592	5,166	9,329	1,152	32,239
Cash and cash equivalents at end of period	\$ -	\$ 56,455	\$ 8,057	\$ 22,845	\$ -	\$ 87,357

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED MAY 31, 2003

	Cintas Corporation	Corp. 2	Subsidiary Guarantors	Non- Guarantors	Eliminations	Cintas Corporation Consolidated
Cash flows from operating activities:						
Net income	\$ 249,253	\$ 76,171	\$ 190,790	\$ 5,035	\$ (271,996)	\$ 249,253
Adjustments to reconcile net income to net cash provided by (used in) operating activities:						
Depreciation	-	88,110	22,027	5,183	-	115,320
Amortization of deferred charges	-	16,915	8,843	1,983	-	27,741
Deferred income taxes	-	(1,492)	6,080	3,060	-	7,648
Changes in current assets and liabilities, net of acquisitions of businesses:						
Accounts receivable	-	22,307	(11,121)	(7,445)	303	4,044
Inventories	-	(36,196)	(1,430)	(1,857)	3,077	(36,406)
Uniforms and other rental items in service	-	(39,941)	(158)	(3,579)	19,665	(24,013)
Prepaid expenses	-	2,556	201	(157)	(3)	2,597
Accounts payable	-	57,958	(52,963)	(11,675)	32	(6,648)
Accrued compensation and related liabilities	-	(3,990)	(140)	396	-	(3,734)
Accrued liabilities	-	6,840	(17,061)	355	15	(9,851)
Income taxes payable	-	1,836	6,757	(3,857)	-	4,736
Net cash provided by (used in) operating activities	249,253	191,074	151,825	(12,558)	(248,907)	330,687
Cash flows from investing activities:						
Capital expenditures	-	(48,196)	(51,621)	(15,202)	-	(115,019)
Proceeds from sale or redemption of marketable securities	-	19,241	(222)	4,771	-	23,790
Purchase of marketable securities	-	(702)	221	(4,271)	-	(4,752)
Acquisitions of businesses, net of cash acquired	-	(8,829)	(22,255)	(6,089)	-	(37,173)
Other	(210,066)	11,793	(50,206)	(3,934)	249,345	(3,068)
Net cash (used in) provided by investing activities	(210,066)	(26,693)	(124,083)	(24,725)	249,345	(136,222)
Cash flows from financing activities:						
Repayment of long- term debt	-	(170,961)	(27,587)	24,943	714	(172,891)
Stock options exercised	5,699	-	-	-	-	5,699
Dividends paid	(46,003)	-	-	-	-	(46,003)
Other	1,117	732	-	8,492	-	10,341
Net cash (used in) provided by financing activities	(39,187)	(170,229)	(27,587)	33,435	714	(202,854)
Net (decrease) increase in cash and cash equivalents	-	(5,848)	155	(3,848)	1,152	(8,389)
Cash and cash equivalents at beginning of period	-	22,440	5,011	13,177	-	40,628
Cash and cash equivalents at end of period	\$ -	\$ 16,592	\$ 5,166	\$ 9,329	\$ 1,152	\$ 32,239

ITEM 9.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS
ON ACCOUNTING AND FINANCIAL DISCLOSURE

Nothing to report.

ITEM 9A.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

With the participation of Cintas' management, including Cintas' Chief Executive Officer, Chief Financial Officer, President, General Counsel and Controllers, Cintas has evaluated the effectiveness of the disclosure controls and procedures (as defined in Rule 13a- 15(e) and 15d- 15(e) under the Securities Exchange Act of 1934) as of May 31, 2005. Based on such evaluation, Cintas' management, including Cintas' Chief Executive Officer, Chief Financial Officer, President, General Counsel and Controllers, have concluded that Cintas' disclosure controls and procedures were effective in ensuring (i) information required to be disclosed by Cintas in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) information required to be disclosed by Cintas in the reports that it files or submits under the Exchange Act is accumulated and communicated to Cintas' management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting

There were no changes in Cintas' internal control over financial reporting (as defined in Rules 13a- 15(f) and 15d- 15(f) under the Exchange Act) during the fiscal quarter ended May 31, 2005, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. See "Management's Report on Internal Control over Financial Reporting" and "Report of Independent Registered Public Accounting Firm" in Item 8 preceding Cintas' financial statements.

ITEM 9B.

OTHER INFORMATION

On May 2, 2005, Cintas announced that the Board of Directors authorized a \$500 million stock repurchase program at market prices. Pursuant to that authorization, on August 12, 2005, as part of this share repurchase program, the registrant entered into a Rule 10B5- 1 trading plan for the period beginning August 15, 2005 through September 23, 2005, unless earlier terminated.

PART III

Items 10, 11, 12, 13 and 14 of Part III are incorporated by reference to the Registrant's Proxy Statement for its 2005 Annual Shareholders' Meeting to be filed with the Commission pursuant to Regulation 14A.

PART IV

ITEM 15.

EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1) Financial Statements. All financial statements required to be filed by Item 8 of this Form and included in this report are listed in Item 8. No additional financial statements are filed because the requirements for paragraph (d) under Item 14 are not applicable to Cintas.

(a) (2) Financial Statement Schedule:

For each of the three years in the period ended May 31, 2005.

Schedule II: Valuation and Qualifying Accounts and Reserves.

All other schedules are omitted because they are not applicable, or not required, or because the required information is included in the Consolidated Financial Statements or Notes thereto.

(a) (3) Exhibits.

Exhibit Number	Description of Exhibit	Filing Status
3.1	Restated Articles of Incorporation	(1)
3.2	By- laws	(1)
3.3	Amendments to the Articles of Incorporation of Cintas Corporation	(2)
4.1	Indenture dated as of May 28, 2002 among Cintas Corporation No. 2, as issuer, Cintas Corporation, as parent guarantor, the subsidiary guarantors thereto and Wachovia Bank, National Association, as trustee	(17)
4.2	Form of 5- 1/8% Senior Note due 2007	(17)
4.3	Form of 6% Senior Note due 2012	(17)
10.1*	Incentive Stock Option Plan	(3)
10.2*	Partners' Plan, as Amended	(4)
10.4*	1994 Directors' Stock Option Plan	(5)
10.5	Agreement and Plan of Merger dated January 9, 1999 by and among Unitog Company, Cintas Image Acquisition Company and Cintas Corporation	(6)
10.6	Amendment No. 1 to Agreement and Plan of Merger dated March 23, 1999 by and among Unitog Company, Cintas Image Acquisition Company and Cintas Corporation	(7)
10.7	Unitog Company 1992 Stock Option Plan	(8)
10.8*	Amendment No. 1 to Unitog Company 1992 Stock Option Plan	(9)
10.9*	Unitog Company 1997 Stock Option Plan	(10)
10.10*	1999 Cintas Corporation Stock Option Plan	(11)
10.11*	Directors' Deferred Compensation Plan	(12)
10.13*	Stock purchase agreement between Cintas Corporation and Filuxel SA dated as of March 15, 2002	(13)
10.14	Bridge loan agreement dated May 8, 2002 among Cintas Corporation No. 2, as borrower, Cintas Corporation as a guarantor, the lenders, Bank One, NA, as agent, and Merrill Lynch Bank USA, as syndication agent	(14)

10.15	Purchase Agreement dated as of May 28, 2002 among Cintas Corporation No. 2, as issuer, Cintas Corporation as parent guarantor, the subsidiary guarantors named therein and the initial purchasers named therein	(15)
10.16*	Amended and Restated 2003 Directors' Stock Option Plan	(16)
10.17*	Form of agreement signed by Officers, General/Branch Managers, Professionals and Key Managers, including Executive Officers	(17)
10.18*	President and CEO Executive Compensation Plan	filed herewith
10.19*	2006 Executive Incentive Plan	filed herewith
14	Code of Ethics	(16)
21	Subsidiaries of the Registrant	filed herewith
23	Consent of Independent Registered Public Accounting Firm	filed herewith
31.1	Certification of Principal Executive Officer, Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934	filed herewith
31.2	Certification of Principal Financial Officer, Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934	filed herewith
32.1	Certification of Chief Executive Officer, Pursuant to 18 U.S.C. § 1350	filed herewith
32.2	Certification of Chief Financial Officer, Pursuant to 18 U.S.C. § 1350	filed herewith

* Management Compensatory Contracts

Incorporated by reference to:

- (1) Cintas' Annual Report on Form 10-K for the year ended May 31, 1989.
- (2) Cintas' 1994 Proxy Statement.
- (3) Cintas' Registration Statement No. 33-23228 on Form S-8 filed under the Securities Act of 1933.
- (4) Cintas' Registration Statement No. 33-56623 on Form S-8 filed under the Securities Act of 1933.
- (5) Cintas' Proxy Statement for its 1994 Annual Shareholders' Meeting.
- (6) the Unitog Company's Form 8-K dated January 9, 1999.
- (7) Cintas' Form 8-K dated March 24, 1999.
- (8) the Unitog Company's Form 10-K for the fiscal year ended January 26, 1992.
- (9) the Unitog Company's Form 10-K for the fiscal year ended January 30, 1994.
- (10) the Unitog Company's 1997 Proxy Statement.

- (11) Cintas' Form 10- Q for the quarter ended November 30, 2000.
- (12) Cintas' Form 10- Q for the quarter ended November 30, 2001.
- (13) Cintas' Form 10- Q for the quarter ended February 28, 2002.
- (14) Cintas' Form 8- K dated May 13, 2002.
- (15) Cintas' Form 10- K dated May 31, 2002.
- (16) Cintas' Form 10- K dated May 31, 2004.
- (17) Cintas' Form 10- Q for the quarter ended February 28, 2005.
- (b) A Form 8- K was filed on May 13, 2002 to report the acquisition of the stock of Omni Services, Inc.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CINTAS CORPORATION

DATE SIGNED: August 15, 2005

/s/ Scott D. Farmer

By: Scott D. Farmer

Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Capacity</u>	<u>Date</u>
<u>/s/ Richard T. Farmer</u> Richard T. Farmer	Chairman of the Board of Directors	August 15, 2005
<u>/s/ Robert J. Kohlhepp</u> Robert J. Kohlhepp	Vice Chairman of the Board and Director	August 15, 2005
<u>/s/ Scott D. Farmer</u> Scott D. Farmer	Chief Executive Officer, President and Director	August 15, 2005
<u>/s/ Roger L. Howe</u> Roger L. Howe	Director	August 15, 2005
<u>/s/ Paul R. Carter</u> Paul R. Carter	Director	August 15, 2005
<u>/s/ David C. Phillips</u> David C. Phillips	Director	August 15, 2005
<u>/s/ William C. Gale</u> William C. Gale	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	August 15, 2005

CINTAS CORPORATION

Schedule II - Valuation and Qualifying Accounts and Reserves
(In Thousands)

Description	Balance At Beginning of Year	Additions		(3) Deductions	Balance at End of Year
		(1) Charged to Costs and Expenses	(2) Charged to Other Accounts		
<u>Allowance for Doubtful Accounts</u>					
May 31, 2003	\$ 9,229	\$ 2,237	\$ 1,677	\$ 5,406	\$ 7,737
May 31, 2004	\$ 7,737	\$ 1,456	\$ 2,943	\$ 3,782	\$ 8,354
May 31, 2005	\$ 8,354	\$ 3,870	\$ 1,993	\$ 4,326	\$ 9,891
<u>Reserve for Obsolete Inventory</u>					
May 31, 2003	\$ 18,858	\$ 4,745	\$ 5,455	\$ 3,622	\$ 25,436
May 31, 2004	\$ 25,436	\$ 3,229	\$ 626	\$ 3,326	\$ 25,965
May 31, 2005	\$ 25,965	\$ 3,055	\$ 407	\$ 4,139	\$ 25,288

(1) Represents amounts charged to expense to increase reserve for estimated future bad debts or to increase reserve for obsolete inventory. Amounts related to inventory are computed by performing a thorough analysis of future marketability by specific inventory item.

(2) Represents a change in the appropriate balance sheet reserve due to acquisitions during the respective period.

(3) Represents reductions in the balance sheet reserve due to the actual write- off of non- collectible accounts receivable or the physical disposal of obsolete inventory items. These amounts do not impact Cintas' income statement.

**Cintas Corporation
Executive Compensation
Fiscal Year 2006
President & CEO**

		Current FY 05	FY 06 Target	% Change
I.	Base Pay:			
	Target Bonus Award:			
	Total Cash Comp:			
II.	Bonus Formula			
A.	37.5% Based on E.P.S. Increase			
	*Based on earnings per share increase over FY 2005 (FY 2005 Diluted E.P.S. = \$1.74)			
B.	37.5% Based on Sales Increase over FY 2005.			
C.	25% Based on Results of competitively sensitive Non- Financial Goals.			

Signature: _____ CINTAS CORPORATION
Scott Farmer

By: _____

FY'2006 Executive Incentive Plan



2006
Executive Incentive Plan



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June 22, 2005

Section A**Introduction and Principles**

The FY'2006 **Executive Incentive Plan (EIP)** provides an opportunity for executives of Cintas to share in the company's success. Year- end bonus awards are paid if performance measures are met or exceeded. Awards are tied directly to the annual performance of Cintas and its divisions.

Please note that the **EIP** is not just an individual incentive plan but rather, the recognition of both individual and organizational success.

Every executive will have at least 50% of their targeted incentive bonus based on the relevant Corporate measure (profit as a % of sales, % of revenue growth or EPS growth. As such, we all "succeed or fail as **One Team**".

Plan Participation

This plan applies to all Cintas Officers.

Effective Date

This Plan year is effective from June 1, 2005 until the end of our fiscal year, May 31, 2006 and it supersedes all prior **EIP** or officer compensation plans. Cintas reserves the right to amend and/or adjust this plan based on the strategic needs of our business. Communication to our participating partners will be made in a timely fashion.

Section B

Plan Design / Measures, & Objectives

Plan Mix

The FY'2006 **EIP** introduces the concept of "plan mix". Each participating officer will share in the success of Cintas based on three (3) different compensation vehicles; base salary, incentive bonuses, and long term incentives (i.e. stock and stock options).

Operations Officers will be eligible for cash incentive bonuses tied to the following; a business unit percent of Profit as a % of Sales objective and a business unit percent of Revenue Growth objective. These objectives will be linked to the Operations Officers' individual level of responsibility. Additionally, Operations Officers will be eligible for long term incentives (LTI) based on the achievement of the combination of % of Sales Growth and Profit as a % of Sales in their areas of responsibility (Cintas Rule 35 calculation) and Cintas Earnings per Share (EPS) Growth.

Staff Officers will be eligible for cash incentive bonuses tied to both a Cintas EPS Growth, and the Individual Goals linked to the Staff Officer's individual area of responsibility. Additionally, Staff Officers will be eligible for long term incentives (LTI) based the same formula as their annual cash incentive bonus.

For All Officers covered by the FY'2006 EIP, an officer could earn 0% up to a maximum of 200% of the cash bonus award depending on their overall performance in their two cash incentive bonus objectives. Additionally, depending on the results of the two LTI objectives, an officer could earn 0% LTI up to a maximum of 200% of the LTI award if that performance target is achieved.

Target Incentive Bonus

The "target incentive bonus" is the total cash incentive amount earned at the target objectives. Total Targeted Cash (TTC) represents an individuals base salary plus targeted cash incentives. Target bonus percentages may vary by position/level.

Pay- Out Calculation for Cash Incentives

For each measure, after the planned threshold is achieved, pay- out for that measure begins. If the "target" level is achieved, 100% of the bonus amount for that measure is earned, and if you achieve the level of maximum payout, 200% of the targeted award is earned.

Basis of Measures & Payout Schedule

The following charts describe the Basis of Measures, Objectives, and Payout Schedules for Corporate Staff and Division Officers Annual Bonus and LTI Awards.

Operations Officers**Cash Incentive Bonus****Business Unit Profit as a % of Sales**

<u>Weighting</u>	<u>Level of Achievement</u>	<u>Bonus Payout %</u>
50%	Below Threshold	0%
	Threshold to Target	50% of target and then straight line bonus payout based on % of profit growth achieved
	Target	100.00%
	Target to Maximum	Accelerated straight line bonus payout based on % of profit growth achieved
	Maximum	200.00%

Business Unit Percent of Revenue Growth

<u>Weighting</u>	<u>Level of Achievement</u>	<u>Bonus Payout %</u>
50%	Below Threshold	0%
	Threshold to Target	50% of target and then straight line bonus payout based on % of revenue growth achieved
	Target	100.00%
	Target to Maximum	Accelerated straight line bonus payout based on % of revenue growth achieved
	Maximum	200.00%

LTI Award**Operational Goals (Combination of Revenue Growth % Plus Profit %) -****Rule 35 Calculation**

<u>Weighting</u>	<u>Level of Achievement</u>	<u>LTI Award%</u>
50%	Below Threshold	0%
	Threshold to Target	50% of target and then predetermined levels based on hitting performance targets
	Target	100.00%
	Target to Maximum	Predetermined levels based on hitting performance targets
	Maximum	200.00%

Cintas EPS

<u>Weighting</u>	<u>Level of Achievement</u>	<u>LTI Award%</u>
50%	Below Threshold	0%
	Threshold to Target	50% of target and then predetermined levels based on hitting performance targets
	Target	100.00%
	Target to Maximum	Predetermined levels based on hitting performance targets
	Maximum	200.00%

Staff Officers**Cash Incentive Bonus****Individual Goals**

Weighting	Level of Achievement	Bonus Payout %
50%	Does Not Meet Goals	0%
	Meets Most Goals	50%
	Meets Goals	100.00%
	Exceeds Goals	150.00%
	Outstanding Achievement	200.00%

Cintas EPS

Weighting	Level of Achievement	Bonus Payout %
50%	Below Threshold	0%
	Threshold to Target	50% at threshold and then predetermined levels for hitting EPS Performance Targets
	Target	100.00%
	Target to Maximum	Predetermined levels for hitting EPS Performance Targets
	Maximum	200.00%

LTI Award**Individual Goals**

Weighting	Level of Achievement	LTI Award %
50%	Does Not Meet	0%
	Meets Most Goals	50% and then predetermined levels based on hitting performance targets
	Meets Goals	100.00%
	Exceeds Goals	Predetermined levels based on hitting performance targets
	Outstanding Achievement	200.00%

Cintas EPS

Weighting	Level of Achievement	LTI Award %
50%	Below Threshold	0%
	Threshold to Target	50% and then predetermined levels based on hitting performance targets
	Target	100.00%
	Target to Maximum	Predetermined levels based on hitting performance targets
	Maximum	200.00%

Section C**Calculation of Bonus Payments****General Rules**

Bonus calculations will be made using year- end actual results, subject to adjustment at the discretion of the CEO to exclude items that are not operational and therefore do not reflect the year's performance against objectives, such as accounting principle changes or revenue from an acquisition that was not in the business plan. (See Section E for more detail).

In addition, any automatic payroll deductions elected by the partners (e.g. 401K, or company loan repayments as the CEO deems necessary, etc) will be deducted from their bonus.

Partners who receive an overpayment of their award are responsible for reimbursing Cintas the amount of the overpayment, except where prohibited by law

Cash Advances

No cash advances will be paid against **EIP** awards.

Income Tax

Cash payments are treated as ordinary income, or according to local legislation, and are subject to withholding for all applicable taxes.

Section D

Transfers/New Hires/Terminations/Part Time Partners

Transfers

The partner's Comp Plan will be changed to properly incentivise the partner for their new responsibility, at the discretion of the CEO. Any final award calculation will be calculated by taking into account the time spent under each plan.

If a partner is transferred from another incentive program or non- **EIP**- eligible position to an **EIP**- eligible role, or vice versa, the partner will be aligned to the appropriate Basis of Measures for the months spent in the eligible position. Any bonus will be paid on the normal payment cycle on the designated pay date.

New Hires

EIP eligible Officers hired during the year may receive a pro- rated award or may be given a special plan for the remainder of the fiscal year as determined by the CEO.

Calculation of Prorated Awards

The Company will pay the partner a pro rata share of the bonus earned from the beginning of the fiscal year until the point of the employee's termination in the event that the employee retires, or their position is eliminated. If the employee is terminated because of poor performance, any bonus to be paid will be determined at the sole discretion of the Company, using its best judgment, taking all factors into consideration so as to be fair to both the partner and the Company. In the event that the partner leaves the Company during the year for any reason, or in the event the partner is terminated because of dishonesty, insubordination, or gross neglect, etc., the partner shall not be entitled to any of the bonus earned up to the point of his termination.

Exceptions to the plan

In general, no exceptions are made to the Basis of Measures alignment for eligible partners. If special circumstances cause the Basis of Measures alignment to be unfair to a particular individual or the Company, an exception request must be approved by the CEO who may approve the request at his discretion.

Section E

Other Terms

Acquisitions and Other Unusual Business Situations

The purpose of the formula and the Incentive Plan is to reward individuals for normal operating profits earned within his area of responsibility. Any incidences that abnormally inflate the profits of an operation such as the purchase or the sale of rental volume, the unusual sale of operating assets, or any other abnormal operational situation that causes the profits of the individual operation to abnormally increase, the Plan shall be adjusted so as to avoid any inequitable results to the partner or the Company.

Business Unit Revenue/Profit/Expenses

All financial numbers related to business unit/Cintas performance will be determined by the Cintas Accounting Department with the approval of our CFO and CEO. In cases of dispute, the Cintas Accounting Department figures will govern performance as it relates to calculating all bonus plan payouts.

Company Rights

Even though it is the intention of the Company to continue this Plan on an ongoing basis, from year to year, so that the employee can rely upon it in making long- term operational decisions, the Company does reserve the right to alter the program as it sees fit, from year to year.



SUBSIDIARIES OF REGISTRANT

<u>NAME</u>	<u>STATE/PROVINCE OF INCORPORATION</u>
Cintas Corporation No. 3	Nevada
Cintas Corporation No. 2	Nevada
Cintas Canada Limited	Ontario, Canada
Cintas Corp. No. 8, Inc.	Nevada
Cintas Corp. No. 15, Inc.	Nevada
Respond Industries, Incorporated	Colorado
Cintas R.U.S., LP	Texas Partnership
American First Aid Company	Maryland
Cintas First Aid Holdings Corporation	Nevada
XPECT First Aid Corporation	Kansas
Affirmed Medical, Inc.	California
Cintas De Honduras, S.A.	Honduras
Grupo Cintas de Mexico S.A. de C.V.	Mexico
Empresa Cintas de Mexico, S.A. de C.V.	Mexico
LLT, Inc.	Virginia
3065521 Nova Scotia Company	Nova Scotia, Canada
3065520 Nova Scotia Company	Nova Scotia, Canada
Cintas Canada Investment Limited Partnership	Alberta, Canada
Ensamblés de Coahuila, S.A. de C.V.	Mexico
Cintas Cleanroom Resources de Mexico S.A. de C.V.	Mexico
Cintas Document Management LLC	Ohio
1202327 Ontario, Inc.	Ontario, Canada
Cintas Investment Corp.	Ontario, Canada
The Millennium Mat Company, LLC	Ohio

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S- 8 No. 33- 56623) pertaining to the Cintas Corporation Partners' Plan,
- (2) Registration Statement (Form S- 8 No. 33- 23228) pertaining to the Incentive Stock Option Plan,
- (3) Registration Statement (Form S- 8 No. 33- 71124) pertaining to the 1990 Directors' Plan and 1992 Stock Option Plan,
- (4) Registration Statement (Form S- 8 No. 333- 75015) pertaining to the Unitog Company 1992 and 1997 Stock Option Plans,
- (5) Registration Statement (Form S- 8 No. 333- 44654) pertaining to the 1999 Stock Option Plan,
- (6) Registration Statement (Form S- 4 No. 333- 78085), and
- (7) Registration Statement (Form S- 8 333- 1102221) pertaining to the 2003 Director's Stock Option Plan

of our report dated July 22, 2005, with respect to the consolidated financial statements of Cintas Corporation included herein, our report dated July 22, 2005, with respect to Cintas Corporation management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting of Cintas Corporation, included herein, and our report on the financial statement schedule of Cintas Corporation included in this Annual Report (Form 10- K) of Cintas Corporation.

Our audits included the financial statement schedule of Cintas Corporation listed in Item 15(a). This schedule is the responsibility of Cintas Corporation's management. Our responsibility is to express an opinion based on our audits. In our opinion, as to which the date is July 22, 2005, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

Cincinnati, Ohio
August 10, 2005

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a)

I, Scott D. Farmer, certify that:

1. I have reviewed this Annual Report on Form 10-K of Cintas Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 15, 2005

/s/ Scott D. Farmer

Scott D. Farmer
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)

I, William C. Gale, certify that:

1. I have reviewed this Annual Report on Form 10-K of Cintas Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 15, 2005

/s/ William C. Gale
William C. Gale
Senior Vice- President and Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to
§ 906 of the Sarbanes- Oxley Act of 2002

In connection with the filing with the Securities and Exchange Commission of the Report of Cintas Corporation (the "Company") on Form 10- K for the period ending May 31, 2005 (the "Report"), I, Scott D. Farmer, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes- Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Scott D. Farmer
Scott D. Farmer
Principal Executive Officer

August 15, 2005

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to
§ 906 of the Sarbanes- Oxley Act of 2002

In connection with the filing with the Securities and Exchange Commission of the Report of Cintas Corporation (the "Company") on Form 10- K for the period ending May 31, 2005 (the "Report"), I, William C. Gale, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes- Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William C. Gale
William C. Gale
Principal Financial Officer

August 15, 2005
