

Cintas Corporation
Consolidated Condensed Statements of Income
(Unaudited)
(In thousands except per share data)

| | Three Months Ended | | |
|-------------------------------------------------|----------------------|----------------------|----------|
| | November 30, 2015 | November 30, 2014 | % Change |
| Revenue: | | | |
| Uniform rental and facility services | \$ 937,704 | \$ 891,475 | 5.2 |
| Other | 281,376 | 231,904 | 21.3 |
| Total revenue | 1,219,080 | 1,123,379 | 8.5 |
| Costs and expenses: | | | |
| Cost of uniform rental and facility services | 526,091 | 505,823 | 4.0 |
| Cost of other | 165,589 | 136,132 | 21.6 |
| Selling and administrative expenses | 327,051 | 299,841 | 9.1 |
| Operating income | 200,349 | 181,583 | 10.3 |
| Interest income | (111) | (19) | 484.2 |
| Interest expense | 16,171 | 15,929 | 1.5 |
| Income before income taxes | 184,289 | 165,673 | 11.2 |
| Income taxes | 68,836 | 61,972 | 11.1 |
| Income from continuing operations | 115,453 | 103,701 | 11.3 |
| Income from discontinued operations, net of tax | 229,647 | 16,711 | 1274.2 |
| Net income | \$ 345,100 | \$ 120,412 | 186.6 |
| Basic earnings per share: | | | |
| Continuing operations | \$ 1.05 | \$ 0.88 | 19.3 |
| Discontinued operations | 2.06 | 0.14 | 1,371.4 |
| Basic earnings per share | \$ 3.11 | \$ 1.02 | 204.9 |
| Diluted earnings per share: | | | |
| Continuing operations | \$ 1.03 | \$ 0.86 | 19.8 |
| Discontinued operations | 2.03 | 0.14 | 1,350.0 |
| Diluted earnings per share | \$ 3.06 | \$ 1.00 | 206.0 |
| Weighted average number of shares outstanding | 108,301 | 117,115 | |
| Diluted average number of shares outstanding | 110,113 | 118,655 | |

| | Six Months Ended | | |
|------------------------------------------------------|----------------------|----------------------|----------|
| | November 30, 2015 | November 30, 2014 | % Change |
| Revenue: | | | |
| Uniform rental and facility services | \$ 1,876,112 | \$ 1,765,173 | 6.3 |
| Other | 541,858 | 460,283 | 17.7 |
| Total revenue | 2,417,970 | 2,225,456 | 8.7 |
| Costs and expenses: | | | |
| Cost of uniform rental and facility services | 1,044,594 | 996,498 | 4.8 |
| Cost of other | 321,832 | 269,588 | 19.4 |
| Selling and administrative expenses | 665,688 | 614,299 | 8.4 |
| Operating income | 385,856 | 345,071 | 11.8 |
| Gain on sale of stock of an equity method investment | - | 21,739 | -100.0 |
| Interest income | (230) | (72) | 219.4 |
| Interest expense | 32,583 | 32,512 | 0.2 |
| Income before income taxes | 353,503 | 334,370 | 5.7 |
| Income taxes | 131,852 | 124,764 | 5.7 |
| Income from continuing operations | 221,651 | 209,606 | 5.7 |
| Income from discontinued operations, net of tax | 223,630 | 20,914 | 969.3 |
| Net income | \$ 445,281 | \$ 230,520 | 93.2 |
| Basic earnings per share: | | | |
| Continuing operations | \$ 1.99 | \$ 1.78 | 11.8 |
| Discontinued operations | 2.01 | 0.18 | 1,016.7 |
| Basic earnings per share | \$ 4.00 | \$ 1.96 | 104.1 |
| Diluted earnings per share: | | | |
| Continuing operations | \$ 1.96 | \$ 1.75 | 12.0 |
| Discontinued operations | 1.98 | 0.18 | 1,000.0 |
| Diluted earnings per share | \$ 3.94 | \$ 1.93 | 104.1 |
| Weighted average number of shares outstanding | 109,455 | 116,887 | |
| Diluted average number of shares outstanding | 111,140 | 118,334 | |

| | Three Months Ended | |
|---------------------------------------------------|----------------------|----------------------|
| | November 30, 2015 | November 30, 2014 |
| Uniform rental and facility services gross margin | 43.9% | 43.3% |
| Other gross margin | 41.2% | 41.3% |
| Total gross margin | 43.3% | 42.9% |
| Net margin, continuing operations | 9.5% | 9.2% |

| | Six Months Ended | |
|---------------------------------------------------|----------------------|----------------------|
| | November 30, 2015 | November 30, 2014 |
| Uniform rental and facility services gross margin | 44.3% | 43.5% |
| Other gross margin | 40.6% | 41.4% |
| Total gross margin | 43.5% | 43.1% |
| Net margin, continuing operations | 9.2% | 9.4% |

Computation of Diluted Earnings Per Share from Continuing Operations

| | Three Months Ended | |
|-------------------------------------------------------------------------------|----------------------|----------------------|
| | November 30, 2015 | November 30, 2014 |
| Income from continuing operations | \$ 115,453 | \$ 103,701 |
| Less: income from continuing operations allocated to participating securities | 1,887 | 1,342 |
| Income from continuing operations available to common shareholders | <u>\$ 113,566</u> | <u>\$ 102,359</u> |
| Basic weighted average common shares outstanding | 108,301 | 117,115 |
| Effect of dilutive securities - employee stock options | 1,812 | 1,540 |
| Diluted weighted average common shares outstanding | <u>110,113</u> | <u>118,655</u> |
| Diluted earnings per share from continuing operations | <u>\$ 1.03</u> | <u>\$ 0.86</u> |
| | Six Months Ended | |
| | November 30, 2015 | November 30, 2014 |
| Income from continuing operations | \$ 221,651 | \$ 209,606 |
| Less: income from continuing operations allocated to participating securities | 3,629 | 1,933 |
| Income from continuing operations available to common shareholders | <u>\$ 218,022</u> | <u>\$ 207,673</u> |
| Basic weighted average common shares outstanding | 109,455 | 116,887 |
| Effect of dilutive securities - employee stock options | 1,685 | 1,447 |
| Diluted weighted average common shares outstanding | <u>111,140</u> | <u>118,334</u> |
| Diluted earnings per share from continuing operations | <u>\$ 1.96</u> | <u>\$ 1.75</u> |

Reconciliation of Non-GAAP Financial Measures and Regulation G Disclosure

The press release contains non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. To supplement its consolidated financial statements presented in accordance with U.S. generally accepted accounting principles (GAAP), the Company provides additional non-GAAP financial measures of revenue and related growth, gross margin, operating income, net income, earnings per diluted share, and cash flow. The Company believes that these non-GAAP financial measures are appropriate to enhance understanding of its past performance as well as prospects for future performance. Reconciliations of the differences between these non-GAAP financial measures with the most directly comparable financial measures calculated in accordance with GAAP are shown in the tables within the narrative of the press release or below.

Computation of Workday Adjusted Revenue Growth

| | Six Months Ended | | |
|-----------------------------------------|---------------------------|---------------------------|----------------------------|
| | November 30, 2015 | November 30, 2014 | Growth % |
| Revenue | $\$ \quad A$ 2,417,970 | $\$ \quad B$ 2,225,456 | G 8.7% $G=(A-B)/B$ |
| Workdays in the period | C 131 | D 130 | |
| Revenue adjusted for workday difference | $\$ \quad E$ 2,399,512 | $\$ \quad F$ 2,225,456 | H 7.8% $H=(E-F)/F$ |
| | $E=(A/C)*D$ | $F=(B/D)*D$ | |

Management believes that workday adjusted revenue growth is valuable to investors because it reflects the revenue performance compared to a prior period with the same number of revenue generating days.

Computation of Free Cash Flow

| | Six Months Ended | |
|---------------------------------|----------------------|----------------------|
| | November 30, 2015 | November 30, 2014 |
| Net Cash Provided by Operations | \$ 265,037 | \$ 292,573 |
| Capital Expenditures | (121,817) | (113,025) |
| Free Cash Flow | <u>\$ 143,220</u> | <u>\$ 179,548</u> |

Management uses free cash flow to assess the financial performance of the Company. Management believes that free cash flow is useful to investors because it relates the operating cash flow of the Company to the capital that is spent to continue, improve and grow business operations.

Results from Continuing Operations as Reported and as Adjusted

The tables below present summary results for the six months ended November 30, 2015 and 2014, as reported and as adjusted. The adjustments between results as reported and as adjusted are explained below. We present net income from continuing operations and EPS from continuing operations, as adjusted, because we believe they are more representative of the ongoing performance of Cintas.

| For the six months ended November 30, 2015 | As Reported (see Note 1) | Adjustments | As Adjusted | Increase |
|---------------------------------------------------|-----------------------------|-------------|-------------|----------|
| Net income, continuing operations | \$ 221,651 | \$ - | \$ 221,651 | 13.1% |
| Net income margin, continuing operations | 9.2% | | 9.2% | |
| Diluted earnings per share, continuing operations | \$ 1.96 | \$ - | \$ 1.96 | 19.5% |

| For the six months ended November 30, 2014 | As Reported (see Note 1) | Adjustments (see Note 2) | As Adjusted |
|---------------------------------------------------|-----------------------------|-----------------------------|-------------|
| Net income, continuing operations | \$ 209,606 | \$ 13,630 | \$ 195,976 |
| Net income margin, continuing operations | 9.4% | | 8.8% |
| Diluted earnings per share, continuing operations | \$ 1.75 | \$ 0.11 | \$ 1.64 |

Note 1 - The "As Reported" figures for both fiscal 2016 and 2015 reflect the change in classification of the Document Storage and Imaging business and the investment in the Shred-it Partnership to discontinued operations within the Consolidated Condensed Statements of Income.

Note 2 - During the fiscal 2015 first quarter, Cintas recognized a gain on the sale of stock in an equity method investment in the net amount of \$13.6 million, equal to EPS of \$0.11.

SUPPLEMENTAL SEGMENT DATA

The results below reflect the segments effective June 1, 2015 as previously described. All prior fiscal year results presented below have been restated to reflect these new segments.

| | | Uniform Rental and Facility Services | First Aid and Safety Services | All Other | Corporate ⁽¹⁾ | Total |
|------------------------------------------------------|----|--------------------------------------------|-------------------------------------|--------------|--------------------------|--------------|
| For the three months ended November 30, 2015 | | | | | | |
| Revenue | \$ | 937,704 | \$ 120,438 | \$ 160,938 | \$ - | \$ 1,219,080 |
| Gross margin | \$ | 411,613 | \$ 52,027 | \$ 63,760 | \$ - | \$ 527,400 |
| Selling and administrative expenses | \$ | 242,318 | \$ 37,180 | \$ 47,553 | \$ - | \$ 327,051 |
| Interest income | \$ | - | \$ - | \$ - | \$ (111) | \$ (111) |
| Interest expense | \$ | - | \$ - | \$ - | \$ 16,171 | \$ 16,171 |
| Income (loss) before income taxes | \$ | 169,295 | \$ 14,847 | \$ 16,207 | \$ (16,060) | \$ 184,289 |
| For the three months ended November 30, 2014 | | | | | | |
| Revenue | \$ | 891,475 | \$ 82,271 | \$ 149,633 | \$ - | \$ 1,123,379 |
| Gross margin | \$ | 385,652 | \$ 38,396 | \$ 57,376 | \$ - | \$ 481,424 |
| Selling and administrative expenses | \$ | 226,085 | \$ 26,619 | \$ 47,137 | \$ - | \$ 299,841 |
| Interest income | \$ | - | \$ - | \$ - | \$ (19) | \$ (19) |
| Interest expense | \$ | - | \$ - | \$ - | \$ 15,929 | \$ 15,929 |
| Income (loss) before income taxes | \$ | 159,567 | \$ 11,777 | \$ 10,239 | \$ (15,910) | \$ 165,673 |
| As of and for the six months ended November 30, 2015 | | | | | | |
| Revenue | \$ | 1,876,112 | \$ 219,926 | \$ 321,932 | \$ - | \$ 2,417,970 |
| Gross margin | \$ | 831,518 | \$ 94,138 | \$ 125,888 | \$ - | \$ 1,051,544 |
| Selling and administrative expenses | \$ | 496,842 | \$ 70,699 | \$ 98,147 | \$ - | \$ 665,688 |
| Interest income | \$ | - | \$ - | \$ - | \$ (230) | \$ (230) |
| Interest expense | \$ | - | \$ - | \$ - | \$ 32,583 | \$ 32,583 |
| Income (loss) before income taxes | \$ | 334,676 | \$ 23,439 | \$ 27,741 | \$ (32,353) | \$ 353,503 |
| Assets | \$ | 2,995,616 | \$ 426,673 | \$ 355,892 | \$ 672,611 | \$ 4,450,792 |
| As of and for the six months ended November 30, 2014 | | | | | | |
| Revenue | \$ | 1,765,173 | \$ 162,195 | \$ 298,088 | \$ - | \$ 2,225,456 |
| Gross margin | \$ | 768,675 | \$ 75,051 | \$ 115,644 | \$ - | \$ 959,370 |
| Selling and administrative expenses | \$ | 464,292 | \$ 54,127 | \$ 95,880 | \$ - | \$ 614,299 |
| Gain on sale of stock of an equity method investment | \$ | - | \$ - | \$ - | \$ 21,739 | \$ 21,739 |
| Interest income | \$ | - | \$ - | \$ - | \$ (72) | \$ (72) |
| Interest expense | \$ | - | \$ - | \$ - | \$ 32,512 | \$ 32,512 |
| Income (loss) before income taxes | \$ | 304,383 | \$ 20,924 | \$ 19,764 | \$ (10,701) | \$ 334,370 |
| Assets | \$ | 2,907,484 | \$ 263,996 | \$ 336,604 | \$ 1,189,487 | \$ 4,697,571 |

⁽¹⁾ Corporate Assets include cash and marketable securities in all periods. Corporate Assets as of November 30, 2014 include the investment in the Shred-it Partnership and the Storage assets that were classified as Assets Held for Sale.