

FOR IMMEDIATE RELEASE

July 19, 2016

Cintas Corporation Announces Fiscal 2016 Fourth Quarter and Full Year Results

CINCINNATI, July 19, 2016 -- Cintas Corporation (Nasdaq: CTAS) today reported results for its fourth quarter and full fiscal year ended May 31, 2016.

Revenue for the fourth quarter of fiscal year 2016 was \$1.27 billion, an increase of 11.3% over the prior year period. Organic growth, which adjusts for the impacts of acquisitions, foreign currency exchange rate fluctuations and workday differences, was 6.7%. Operating income for the fourth quarter of fiscal year 2016 of \$202.9 million increased 14.2% from the prior year period. Operating income margin improved to 16.0% from 15.6% of revenue in last year's fourth quarter.

Net income from continuing operations for the fourth quarter of fiscal 2016 was \$118.0 million compared to \$100.6 million in the prior year period, and earnings per diluted share (EPS) from continuing operations for the fourth quarter of fiscal 2016 were \$1.08 compared to \$0.86 for last year's fourth quarter. Fourth quarter of fiscal 2016 net income and EPS from continuing operations increased 17.3% and 25.6%, respectively, compared to the prior year period. Net income from continuing operations as a percent of revenue improved to 9.3% from 8.8% in last fiscal year's fourth quarter.

Scott D. Farmer, Cintas' Chief Executive Officer, stated, "This year we initiated our first national branding campaign and introduced our new tagline, **Ready for the Workday™**. This new tagline communicates the value we provide our customers by addressing their business needs with our broad range of products and services. Our fourth quarter results are a reflection of the success of our employees, whom we call partners, in being **READY™** for our customers. I'd like to thank our partners for delivering industry-leading growth rates and operating income margins and a significant increase in EPS."

For the fiscal year ended May 31, 2016, revenue was \$4.90 billion, an increase of 9.6% over the prior fiscal year. Organic growth was 6.7%. Operating income for fiscal year 2016 of \$781.7 million increased 12.3% from the prior fiscal year. Operating income margin improved to 15.9% from 15.6% of revenue last fiscal year. Net income from continuing operations was \$456.9 million compared to \$410.5 million in the prior year period, and EPS from continuing operations for fiscal 2016 were \$4.09 compared to \$3.46 for last fiscal year. Excluding a non-recurring gain in the first quarter of fiscal 2015 of \$13.6 million or EPS of \$0.11, fiscal 2016 net income and EPS from continuing operations increased 15.1% and 22.1%, respectively, compared to the prior year period. Net income from continuing operations as a percent of revenue improved to 9.3% from 8.9% last fiscal year, excluding the prior year non-recurring gain.

“I am proud to report that we achieved record revenue and EPS in fiscal year 2016,” added Mr. Farmer. “We have increased EPS by double-digits in six consecutive years. Our balance sheet and cash flow remain very strong. In addition, I am pleased with our continued ability to deploy cash to many priorities. In fiscal 2016, those priorities included capex and strategic investments like our SAP project and new branding campaign; acquisitions in our Uniform Rental and Facility Services, First Aid and Fire businesses; a 23.5% increase in the regular dividend; and the repurchase of shares under our buyback program at an aggregate cost of \$759.2 million.”

Mr. Farmer concluded, “We expect fiscal 2017 revenue to be in the range of \$5.150 billion to \$5.225 billion and fiscal 2017 EPS from continuing operations to be in the range of \$4.35 to \$4.45. This guidance does not include any potential deterioration in the U.S. economy or share buybacks. It does include our expectations for our continued SAP system implementation and the impact of one less workday in fiscal 2017 compared to fiscal 2016.”

The table below provides a comparison of fiscal 2016 revenue and EPS from continuing operations to our fiscal 2017 guidance.

	<u>Fiscal 2016</u>	<u>Fiscal 2017 Low End of Range</u>	<u>Growth vs. Fiscal 2016</u>	<u>Fiscal 2017 High End of Range</u>	<u>Growth vs. Fiscal 2016</u>
Revenue (dollar amounts in millions)	\$4,905.5	\$5,150.0	5.0%	\$5,225.0	6.5%
EPS from continuing operations	\$4.09	\$4.35	6.4%	\$4.45	8.8%

About Cintas

Cintas Corporation helps more than 900,000 businesses of all types and sizes get **Ready™** to open their doors with confidence every day by providing a wide range of products and services that enhance our customers' image and help keep their facilities and employees clean, safe and looking their best. With products and services including uniforms, floor care, restroom supplies, first aid and safety products, fire extinguishers and testing, and safety and compliance training, Cintas helps customers get **Ready for the Workday™**. Headquartered in Cincinnati, Cintas is a publicly held company traded over the Nasdaq Global Select Market under the symbol CTAS and is a component of the Standard & Poor's 500 Index.

CAUTION CONCERNING 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," "predicts," "projects," "plans," "expects," "intends," "target," "forecast," "believes," "seeks," "could," "should," "may" and "will" or the negative versions thereof and similar words, terms and 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. You should not place undue reliance on any forward-looking statement. We cannot guarantee that any forward-looking statement will be realized. These statements are subject to various risks, uncertainties, potentially inaccurate assumptions and other factors that could cause actual results to differ from those set forth in or implied by this Press Release. Factors that might cause such a difference include, but are not limited to, our ability to promptly and effectively integrate acquisitions, including ZEE Medical; our ability to realize any synergies from acquisitions, including ZEE Medical; the possibility of greater than anticipated operating costs including energy and fuel costs; lower sales volumes; loss of customers due to outsourcing trends; the performance and costs of integration of acquisitions, including the acquisition of ZEE Medical; fluctuations in costs of materials and labor including increased medical costs; costs and possible effects of union organizing activities; failure to comply with government regulations concerning employment discrimination, employee pay and benefits and employee health and safety; the effect on operations of exchange rate fluctuations, tariffs and other political, economic and regulatory risks; uncertainties regarding any existing or newly-discovered expenses and liabilities related to environmental compliance and remediation; the cost, results and ongoing assessment of internal controls for financial reporting required by the Sarbanes-Oxley Act of 2002; costs of our SAP system implementation; disruptions caused by the inaccessibility of computer systems data, including cybersecurity risks; the initiation or outcome of litigation, investigations or other proceedings; higher assumed sourcing or distribution costs of products; the disruption of operations from catastrophic or extraordinary events; the amount and timing of repurchases of our common stock, if any; changes in federal and state tax and labor laws; the reactions of competitors in terms of price and service; and the finalization of our financial statements for the year ended May 31, 2016. Cintas undertakes no obligation to publicly release any revisions to any forward-looking statements or to otherwise update any forward-looking statements whether as a result of new information or to reflect events, circumstances or any other unanticipated developments arising after the date on which such statements are made. A further list and description of risks, uncertainties and other matters can be found in our Annual Report on Form 10-K for the year ended May 31, 2015 and in our reports on Forms 10-Q and 8-K. The risks and uncertainties described herein are not the only ones we may face. Additional risks and uncertainties presently not known to us or that we currently believe to be immaterial may also harm our business.

For additional information, contact:

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Cintas Corporation
Consolidated Balance Sheets
(In thousands except share data)

<u>ASSETS</u>	February 29, 2016 (unaudited)	May 31, 2015
Current assets:		
Cash and cash equivalents	\$ 315,116	\$ 417,073
Marketable securities	71,703	16,081
Accounts receivable, net	550,748	496,130
Inventories, net	255,203	226,211
Uniforms and other rental items in service	539,401	534,005
Income taxes, current	-	936
Assets held for sale	-	21,341
Prepaid expenses and other current assets	26,653	24,030
Total current assets	1,758,824	1,735,807
Property and equipment, at cost, net	964,680	871,421
Investments	118,607	329,692
Goodwill	1,284,434	1,195,612
Service contracts, net	86,380	42,434
Other assets, net	18,285	17,494
	\$ 4,231,210	\$ 4,192,460
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 151,833	\$ 109,607
Accrued compensation and related liabilities	84,992	88,423
Accrued liabilities	319,438	309,935
Income taxes, current	52,541	-
Liabilities held for sale	-	704
Long-term debt due within one year	250,000	-
Total current liabilities	858,804	508,669
Long-term liabilities:		
Long-term debt due after one year	1,050,000	1,300,000
Deferred income taxes	240,714	339,327
Accrued liabilities	131,586	112,009
Total long-term liabilities	1,422,300	1,751,336
Shareholders' equity:		
Preferred stock, no par value:	-	-
100,000 shares authorized, none outstanding		
Common stock, no par value:	399,927	329,248
425,000,000 shares authorized		
FY16: 179,368,804 issued and 107,064,235 outstanding		
FY15: 178,117,334 issued and 111,702,949 outstanding		
Paid-in capital	184,442	157,183
Retained earnings	4,674,975	4,227,620
Treasury stock:	(3,275,564)	(2,773,125)
FY16: 72,304,569 shares		
FY15: 66,414,385 shares		
Accumulated other comprehensive loss	(33,674)	(8,471)
Total shareholders' equity	1,950,106	1,932,455
	\$ 4,231,210	\$ 4,192,460

Cintas Corporation
Consolidated Condensed Statements of Cash Flows
(Unaudited)
(In thousands)

	Nine Months Ended	
	February 29, 2016	February 28, 2015
<u>Cash flows from operating activities:</u>		
Net income	\$ 562,622	\$ 325,403
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	110,535	104,950
Amortization of intangible assets	12,136	11,090
Stock-based compensation	57,169	36,016
Gain on Storage Transactions	(15,786)	(35,036)
Loss on investment in Shred-it Partnership	24,288	4,570
Gain on sale of investment in Shred-it Partnership	(374,026)	-
Gain on sale of stock of an equity method investment	-	(21,739)
Deferred income taxes	(74,540)	15,428
Change in current assets and liabilities, net of acquisitions of businesses:		
Accounts receivable, net	(41,523)	(3,168)
Inventories, net	(24,009)	15,370
Uniforms and other rental items in service	(6,905)	(22,203)
Prepaid expenses and other current assets	(1,580)	(1,609)
Accounts payable	37,370	(33,615)
Accrued compensation and related liabilities	(3,731)	(7,086)
Accrued liabilities and other	(18,301)	1,841
Income taxes, current	53,435	(12,566)
Net cash provided by operating activities	297,154	377,646
<u>Cash flows from investing activities:</u>		
Capital expenditures	(207,502)	(163,040)
Proceeds from redemption of marketable securities	327,779	18,711
Purchase of marketable securities and investments	(384,796)	(79,947)
Proceeds from Storage Transactions, net of cash contributed	35,338	154,891
Proceeds from Shredding Transactions	578,257	3,344
Proceeds from sale of stock of an equity method investment	-	29,933
Dividends received on equity method investment	-	5,247
Acquisitions of businesses, net of cash acquired	(151,731)	(13,798)
Other, net	4,433	1,583
Net cash provided by (used in) investing activities	201,778	(43,076)
<u>Cash flows from financing activities:</u>		
Repayment of debt	(16)	(456)
Proceeds from exercise of stock-based compensation awards	22,260	31,956
Dividends paid	(115,273)	(201,941)
Repurchase of common stock	(502,439)	(314,648)

Other, net	<u>1,153</u>	<u>3,139</u>
Net cash used in financing activities	(594,315)	(481,950)
Effect of exchange rate changes on cash and cash equivalents	<u>(6,574)</u>	<u>(7,588)</u>
Net decrease in cash and cash equivalents	(101,957)	(154,968)
Cash and cash equivalents at beginning of period	<u>417,073</u>	<u>513,288</u>
Cash and cash equivalents at end of period	<u><u>\$ 315,116</u></u>	<u><u>\$ 358,320</u></u>

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

	Three Months Ended		
	February 29, 2016	February 28, 2015	% Change
Revenue:			
Uniform rental and facility services	\$ 936,565	\$ 883,401	6.0
Other	279,518	225,446	24.0
Total revenue	1,216,083	1,108,847	9.7
Costs and expenses:			
Cost of uniform rental and facility services	524,656	501,273	4.7
Cost of other	166,819	132,267	26.1
Selling and administrative expenses	331,656	301,690	9.9
Operating income	192,952	173,617	11.1
Interest income	(335)	(96)	249.0
Interest expense	16,163	16,254	-0.6
Income before income taxes	177,124	157,459	12.5
Income taxes	59,845	57,128	4.8
Income from continuing operations	117,279	100,331	16.9
Income (loss) from discontinued operations, net of tax	62	(5,448)	101.1
Net income	\$ 117,341	\$ 94,883	23.7
Basic earnings (loss) per share:			
Continuing operations	\$ 1.07	\$ 0.86	24.4
Discontinued operations	0.00	(0.05)	100.0
Basic earnings per share	\$ 1.07	\$ 0.81	32.1
Diluted earnings (loss) per share:			
Continuing operations	\$ 1.05	\$ 0.85	23.5
Discontinued operations	0.00	(0.05)	100.0
Diluted earnings per share	\$ 1.05	\$ 0.80	31.3
Weighted average number of shares outstanding	107,843	116,178	
Diluted average number of shares outstanding	109,463	117,867	
Nine Months Ended			
	February 29, 2016	February 28, 2015	% Change
Revenue:			
Uniform rental and facility services	\$ 2,812,677	\$2,648,574	6.2
Other	821,376	685,729	19.8
Total revenue	3,634,053	3,334,303	9.0
Costs and expenses:			
Cost of uniform rental and facility services	1,569,250	1,497,771	4.8
Cost of other	488,651	401,855	21.6
Selling and administrative expenses	997,344	915,989	8.9
Operating income	578,808	518,688	11.6
Gain on sale of stock of an equity method investment	-	21,739	-100.0
Interest income	(565)	(168)	236.3
Interest expense	48,746	48,766	0.0
Income before income taxes	530,627	491,829	7.9
Income taxes	191,697	181,892	5.4
Income from continuing operations	338,930	309,937	9.4
Income from discontinued operations, net of tax	223,692	15,466	1346.3
Net income	\$ 562,622	\$ 325,403	72.9
Basic earnings per share:			
Continuing operations	\$ 3.06	\$ 2.64	15.9
Discontinued operations	2.02	0.13	1,453.8
Basic earnings per share	\$ 5.08	\$ 2.77	83.4
Diluted earnings per share:			
Continuing operations	\$ 3.01	\$ 2.60	15.8
Discontinued operations	1.99	0.13	1,430.8
Diluted earnings per share	\$ 5.00	\$ 2.73	83.2
Weighted average number of shares outstanding	108,923	116,653	
Diluted average number of shares outstanding	110,612	118,214	

CINTAS CORPORATION SUPPLEMENTAL DATA

	Three Months Ended	
	February 29,	
	2016	February 28, 2015
Uniform rental and facility services gross margin	44.0%	43.3%
Other gross margin	40.3%	41.3%
Total gross margin	43.1%	42.9%
Net margin, continuing operations	9.6%	9.0%

	Nine Months Ended	
	February 29,	
	2016	February 28, 2015
Uniform rental and facility services gross margin	44.2%	43.4%
Other gross margin	40.5%	41.4%
Total gross margin	43.4%	43.0%
Net margin, continuing operations	9.3%	9.3%

Computation of Diluted Earnings Per Share from Continuing Operations

	Three Months Ended			
	February 29, 2016		February 28, 2015	
Income from continuing operations	\$	117,279	\$	100,331
Less: income from continuing operations allocated to participating securities		1,871		733
Income from continuing operations available to common shareholders	\$	115,408	\$	99,598
Basic weighted average common shares outstanding		107,843		116,178
Effect of dilutive securities - employee stock options		1,620		1,689
Diluted weighted average common shares outstanding		109,463		117,867
Diluted earnings per share from continuing operations	\$	1.05	\$	0.85

	Nine Months Ended			
	February 29, 2016		February 28, 2015	
Income from continuing operations	\$	338,930	\$	309,937
Less: income from continuing operations allocated to participating securities		5,500		2,666
Income from continuing operations available to common shareholders	\$	333,430	\$	307,271
Basic weighted average common shares outstanding		108,923		116,653
Effect of dilutive securities - employee stock options		1,689		1,561
Diluted weighted average common shares outstanding		110,612		118,214
Diluted earnings per share from continuing operations	\$	3.01	\$	2.60

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

	Nine Months Ended		
	February 29, 2016	February 28, 2015	Growth %
	A	B	G
Revenue	\$ 3,634,053	\$ 3,334,303	9.0%
			$G=(A-B)/B$
Workdays in the period	C 196	D 195	
Revenue adjusted for workday difference	E \$ 3,615,512	F \$ 3,334,303	H 8.4%
	$E=(A/C)*D$	$F=(B/D)*D$	$H=(E-F)/F$

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

Nine Months Ended

	February 29, 2016	February 28, 2015
Net Cash Provided by Operations	\$ 297,154	\$ 377,646
Capital Expenditures	(207,502)	(163,040)
Free Cash Flow	<u>\$ 89,652</u>	<u>\$ 214,606</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 nine months ended February 29, 2016 and February 28, 2015, 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 nine months ended February 29, 2016	As Reported (see Note 1)	Adjustments	As Adjusted	Increase
Net income, continuing operations	\$ 338,930	\$ -	\$ 338,930	14.4%
Net income margin, continuing operations	9.3%		9.3%	
Diluted earnings per share, continuing operations	\$ 3.01	\$ -	\$ 3.01	20.9%

For the nine months ended February 28, 2015	As Reported (see Note 1)	Adjustments (see Note 2)	As Adjusted
Net income, continuing operations	\$ 309,937	\$ 13,630	\$ 296,307
Net income margin, continuing operations	9.3%		8.9%
Diluted earnings per share, continuing operations	\$ 2.60	\$ 0.11	\$ 2.49

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 February 29, 2016					
Revenue	\$ 936,565	\$ 119,064	\$ 160,454	\$ -	\$ 1,216,083
Gross margin	\$ 411,909	\$ 50,241	\$ 62,458	\$ -	\$ 524,608
Selling and administrative expenses	\$ 244,407	\$ 37,607	\$ 49,642	\$ -	\$ 331,656
Interest income	\$ -	\$ -	\$ -	\$ (335)	\$ (335)
Interest expense	\$ -	\$ -	\$ -	\$ 16,163	\$ 16,163
Income (loss) before income taxes	\$ 167,502	\$ 12,634	\$ 12,816	\$ (15,828)	\$ 177,124
For the three months ended February 28, 2015					
Revenue	\$ 883,401	\$ 79,471	\$ 145,975	\$ -	\$ 1,108,847
Gross margin	\$ 382,128	\$ 37,584	\$ 55,595	\$ -	\$ 475,307
Selling and administrative expenses	\$ 229,963	\$ 26,286	\$ 45,441	\$ -	\$ 301,690
Interest income	\$ -	\$ -	\$ -	\$ (96)	\$ (96)
Interest expense	\$ -	\$ -	\$ -	\$ 16,254	\$ 16,254
Income (loss) before income taxes	\$ 152,165	\$ 11,298	\$ 10,154	\$ (16,158)	\$ 157,459
As of and for the nine months ended February 29, 2016					
Revenue	\$ 2,812,677	\$ 338,990	\$ 482,386	\$ -	\$ 3,634,053
Gross margin	\$ 1,243,427	\$ 144,379	\$ 188,346	\$ -	\$ 1,576,152
Selling and administrative expenses	\$ 741,249	\$ 108,306	\$ 147,789	\$ -	\$ 997,344
Interest income	\$ -	\$ -	\$ -	\$ (565)	\$ (565)
Interest expense	\$ -	\$ -	\$ -	\$ 48,746	\$ 48,746
Income (loss) before income taxes	\$ 502,178	\$ 36,073	\$ 40,557	\$ (48,181)	\$ 530,627
Assets	\$ 3,050,138	\$ 436,390	\$ 357,863	\$ 386,819	\$ 4,231,210
As of and for the nine months ended February 28, 2015					
Revenue	\$ 2,648,574	\$ 241,666	\$ 444,063	\$ -	\$ 3,334,303
Gross margin	\$ 1,150,803	\$ 112,635	\$ 171,239	\$ -	\$ 1,434,677
Selling and administrative expenses	\$ 694,255	\$ 80,413	\$ 141,321	\$ -	\$ 915,989
Gain on sale of stock of an equity method investment				\$ 21,739	\$ 21,739
Interest income	\$ -	\$ -	\$ -	\$ (168)	\$ (168)
Interest expense	\$ -	\$ -	\$ -	\$ 48,766	\$ 48,766
Income (loss) before income taxes	\$ 456,548	\$ 32,222	\$ 29,918	\$ (26,859)	\$ 491,829
Assets	\$ 2,908,813	\$ 264,357	\$ 340,705	\$ 752,471	\$ 4,266,346

⁽¹⁾ Corporate Assets include cash and marketable securities in all periods. Corporate Assets as of February 28, 2015 include the investment in the Shred-it Partnership and the Storage assets that were classified as Assets Held for Sale.