# Rollins, Inc. Reports Third Quarter Financial Results 

Revenues Increased 4.5\%, EPS Rose 12\%

ATLANTA--(BUSINESS WIRE)--

Rollins, Inc. (NYSE:ROL), a premier North American consumer and commercial services company, today reported revenues for the third quarter ended September 30, 2007 grew $4.5 \%$ to $\$ 238.1$ million compared to $\$ 227.8$ million for the third quarter ended September 30, 2006.

Net income rose $10.1 \%$ to a record $\$ 18.8$ million or $\$ 0.28$ per diluted share for the third quarter 2007, compared to $\$ 17.0$ million or $\$ 0.25$ per diluted share for the same period in 2006.

Commenting on the Company's results, Gary W. Rollins, President and Chief Executive Officer of Rollins, Inc. said, "We are pleased by the increased rate of organic revenue growth for the quarter. Our sales and service programs are working and have resulted in improvements in both recurring revenues and customer retention. Commercial pest control, which now represents $44 \%$ of our business, continued to accelerate during the second quarter and we expect this area to perform well going forward."
"We continued to expand our footprint globally this quarter having announced two international franchises: one in the Dominican Republic and another in South Korea. We have established four international franchises this year and expect to continue to develop our worldwide presence. Likewise, the Company's strong free cash flow supports our ability to pursue acquisition opportunities. We remain optimistic about having a successful 2007."

Rollins, Inc. is a premier North American consumer and commercial services company. Through its wholly owned subsidiaries, Orkin, Inc., PCO Services, Western Pest Services, and The Industrial Fumigant Company, the Company provides essential pest control services and protection against termite damage, rodents and insects to approximately 1.7 million customers in the United States, Canada, Mexico, Panama, Costa Rica, Honduras, the United Arab Emirates, the Dominican Republic and South Korea from over 400 locations. You can learn more about our subsidiaries by visiting our Web sites at www.orkin.com, www.westernpest.com, www.indfumco.com and www.rollins.com. You can also find this and other news releases at www.rollins.com by accessing the news releases button.

This release contains statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include the Company's expectation that its commercial pest control area will perform well going forward, the Company's expectation to continue to develop its worldwide presence, and the Company's continuing optimism about having a very successful 2007. The actual results of the Company could differ materially from those indicated by the forwardlooking statements because of various risks and uncertainties, including without limitation, general economic conditions; market risk; changes in industry practices or technologies; the degree of success of the Company's pest and termite process reforms and pest control selling and treatment methods; the Company's ability to identify and integrate potential acquisitions; climate and weather trends; competitive factors and pricing practices; expected benefits of the commercial re-engineering project may not be realized; potential increases in labor costs; uncertainties of litigation; and changes in various government laws and regulations, including environmental regulations. All of the foregoing risks and uncertainties are beyond the ability of the Company to control, and in many cases the Company cannot predict the risks and uncertainties that could cause its actual results to differ materially from those indicated by the forward-looking statements. A more detailed discussion of potential risks facing the Company can be found in the Company's Report on Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2006.

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ROLLINS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in thousands)
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2007
(unaudited)
$\begin{array}{rr}\text { (unaudited) } & \text { (unaudited) } \\ \$ 81,821 & \$ 53,787 \\ 61,430 & 57,817 \\ 8,244 & 8,398 \\ 16,969 & 21,053 \\ 8,382 & 8,974 \\ ---------------1\end{array}$
Equipment and property, net 77,633 72,090
Goodwill
Other Intangible Assets
Customer Contracts
Deferred income taxes
Trade receivables, long-term
Other assets

Total Assets

LIABILITIES
Capital leases
Accounts payable
Accrued insurance
Accrued compensation and related liabilities Other current liabilities
Unearned revenue

Total Current Liabilities

| \$ 1,240 | \$ 623 |
| :---: | :---: |
| 22,589 | 14,092 |
| 13,277 | 16,633 |
| 42,533 | 42,813 |
| 26,627 | 31,759 |
| 90,191 | 88,945 |
| 196,457 | 194,865 |


| Capital leases, less current portion | 881 | 197 |
| :---: | :---: | :---: |
| Accrued pension | 6,946 | 15,651 |
| Long-term accrued liabilities | 54,466 | 44,593 |
| Total Liabilities | 258,750 | 255,306 |
| STOCKHOLDERS' EQUITY |  |  |
| Common stock | 67,456 | 67,783 |
| Retained earnings and other equity | 157,206 | 131,096 |
| Total Stockholders' Equity | 224,662 | 198,879 |
| Total Liabilities and Stockholders' Equity | \$483,412 | \$454,185 |

ROLLINS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, (in thousands except per share data) (unaudited)

|  | Three Months ended September 30, |  | Nine Months ended September 30, |  |
| :---: | :---: | :---: | :---: | :---: |
|  | 2007 | 2006 | 2007 | 2006 |
| REVENUES |  |  |  |  |
| Customer services | \$238,116 | \$227,816 | \$678,966 | \$654,225 |
| COSTS AND EXPENSES |  |  |  |  |
| Cost of services provided | 123,029 | 119,206 | 351,466 | 345,255 |
| Depreciation and amortization | 6,885 | 6,662 | 20,482 | 20,400 |
| Sales, general and administrative | 78,154 | 74,472 | 221,982 | 211,340 |
| (Gain)/loss on sales of assets | (17) | (17) | (113) | (15) |
| Interest income | (466) | (332) | $(1,540)$ | (968) |
|  | 207,585 | 199,991 | 592,277 | 576,012 |
| INCOME BEFORE TAXES | 30,531 | 27,825 | 86,689 | 78,213 |
| PROVISION FOR INCOME TAXES | 11,766 | 10,788 | 33,892 | 30,943 |
| NET INCOME | \$ 18,765 | \$ 17,037 | \$ 52,797 | \$ 47,270 |
| NET INCOME PER SHARE - BASIC | \$ 0.28 | \$ 0.25 | \$ 0.79 | \$ 0.70 |
| NET INCOME PER SHARE - DILUTED | \$ 0.28 | \$ 0.25 | \$ 0.78 | \$ 0.69 |
| Weighted average shares |  |  |  |  |
| Weighted average shares outstanding - diluted | 67,318 | 68,700 | 67,687 | 68,926 |



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        CONFERENCE CALL ANNOUNCEMENT
                        Rollins, Inc.
                            (NYSE: ROL)
        Management will hold a conference call to discuss
        Third Quarter results on:
            Wednesday, OCTOBER 24, 2007 at:
                            10:00 a.m. Eastern
                        9:00 a.m. Central
                        8:00 a.m. Mountain
                        7:00 a.m. Pacific
                            TO PARTICIPATE:
            Please dial 800-257-7087 domestic;
                        303-262-2131 international
            at least 5 minutes before start time.
            REPLAY: available through October 31, 2007
    Please dial 800-405-2236/303-590-3000, Pass code: 11099316
        THIS CALL CAN ALSO BE ACCESSED THROUGH THE INTERNET AT
            www.viavid.net
                            Questions?
Contact Janet Jazmin at Financial Relations Board at 212-827-3777
        Or email to jjjazmin@frbir.com
Source: Rollins, Inc.
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