# Rollins, Inc. Reports Third Quarter 2009 Financial Results 

## 14th Consecutive Quarter of Improved Earnings Results

ATLANTA, Oct. 28 /PRNewswire-FirstCall/ -- Rollins, Inc. (NYSE: ROL), a premier North American consumer and commercial services company, today reported unaudited financial results for its third quarter ended September 30, 2009. Revenues for the third quarter of 2009 grew $3.2 \%$ to $\$ 286.9$ million compared to $\$ 277.9$ million for the third quarter of 2008.

Net income increased $14.8 \%$ to $\$ 22.7$ million or $\$ 0.23$ per diluted share for the third quarter compared to $\$ 19.8$ million or $\$ 0.20$ per diluted share for the same period last year.

The Company repurchased 146,300 shares of common stock at a weighted average price of $\$ 17.81$ per share during the third quarter bringing the total number of shares repurchased year-to-date to $1,450,100$ at a weighted average price of $\$ 16.28$. In total, approximately 3.2 million additional shares may be purchased under its share repurchase program.
"Rollins again delivered solid quarterly results. We were especially pleased to experience increased revenue across our entire family of companies," said Gary W. Rollins, President and Chief Executive Officer of Rollins, Inc. "Our revenue and lead generation programs are working and we are benefiting from a planned increase in our sales staff."

Mr. Rollins, concluded, "We are clearly focused on successfully completing the year while maintaining the positive momentum in revenue growth, expense control, and service performance improvement."

Rollins, Inc. is a premier North American consumer and commercial services company. Through its wholly owned subsidiaries, Orkin, Inc., PCO Services, HomeTeam Pest Defense, Western Pest Services, The Industrial Fumigant Company and Crane Pest Control, the Company provides essential pest control services and protection against termite damage, rodents and insects to over 2 million customers in the United States, Canada, Mexico, Central America, the Caribbean, the Middle East, Asia and the Mediterranean from over 500 locations. You can learn more about our subsidiaries by visiting our Web sites at www.orkin.com, www.pestdefense.com, www.westernpest.com, www.indfumco.com, www.cranepestcontrol.com and www.rollins.com. You can also find this and other news releases at www.rollins.com by accessing the news releases button.
meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include the statements about the Company's clear focus on successfully completing the year while maintaining the positive momentum in revenue growth, expense control and service performance improvement. The actual results of the Company could differ materially from those indicated by the forward-looking statements because of various risks and uncertainties, including without limitation, economic and competitive conditions which may adversely affect our Company's business; 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; 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, 2008.

ROLLINS, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in thousands)

| At September 30, (unaudited) | 2009 | 2008 |
| :---: | :---: | :---: |
| ASSETS |  |  |
| Cash and cash equivalents | \$26,221 | \$16,334 |
| Trade receivables, short-term | 70,750 | 68,032 |
| Accounts Receivable - Other | 2,338 | 1,717 |
| Materials and supplies | 10,341 | 11,117 |
| Deferred income taxes | 17,628 | 18,323 |
| Other current assets | 14,143 | 8,320 |
| Total Current Assets | 141,421 | 123,843 |
| Equipment and property, net | 77,223 | 77,963 |
| Goodwill | 189,355 | 182,834 |
| Other Intangible Assets | 22,742 | 25,126 |
| Customer Contracts | 120,510 | 125,354 |
| Deferred income taxes | 16,669 | 8,309 |
| Trade receivables, long-term | 9,599 | 9,009 |
| Prepaid Pension | - | 18,259 |
| Other assets | 8,008 | 6,604 |
| Total Assets | \$585,527 | \$577,301 |
| LIABILITIES |  |  |
| Loans outstanding | \$45,000 | \$41,500 |
| Capital leases | 263 | 661 |
| Accounts payable | 16,616 | 20,037 |
| Accrued insurance | 15,605 | 14,855 |
| Accrued compensation and related liabilities | 58,208 | 53,842 |
| Unearned revenue | 95,361 | 99,297 |
| Other current liabilities | 29,610 | 29,294 |


| Total Current Liab | ities | 260 |  | 259,486 |
| :---: | :---: | :---: | :---: | :---: |
| Capital leases, less current <br> portion $60$ |  |  |  |  |
| Accrued pension |  |  |  | - |
| Long-term accrued liab | lities |  |  | 54,394 |
| Total Liabilities |  | 332 |  | 314,240 |
| STOCKHOLDERS' EQUITY |  |  |  |  |
| Common stock |  |  |  | 100,864 |
| Retained earnings and other |  |  |  |  |
| Total Stockholders | Equity | 253 |  | 263,061 |
| Total Liabilities and |  |  |  |  |
| ROLLINS, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME in thousands except per share data) (unaudited) |  |  |  |  |
|  | Third Quarter Ended September 30, |  | Nine Mo Septe | $\begin{aligned} & \text { Ended } \\ & 30, \end{aligned}$ |
|  | 2009 | 2008 | 2009 | 2008 |
| REVENUES |  |  |  |  |
| Customer services | \$286, 852 | \$277,911 | \$814,391 | \$772,488 |
| COSTS AND EXPENSES |  |  |  |  |
| Cost of Services |  |  |  |  |
| Depreciation |  |  |  |  |
| Sales, general <br> and administrative <br> (Gain)/loss on sales of assets | $93,233$ | $\begin{equation*} 91,440 \tag{30} \end{equation*}$ <br> (154) | $267,027$ | 254,958 $(189)$ |
| Interest <br> (income) /expense, net | 159 | 174 | 846 | (152) |
|  | 250,179 | 245,906 | 710,444 | 680,408 |
| INCOME BEFORE TAXES | 36,673 | 32,005 | 103,947 | 92,080 |
| PROVISION FOR |  |  |  |  |
| INCOME TAXES | 13,940 | 12,201 | 39,924 | 35,699 |
| NET INCOME | \$22,733 | \$19,804 | \$64,023 | \$56,381 |
| NET INCOME PER |  |  |  |  |
| SHARE - BASIC | \$0.23 | \$0.20 | \$0.64 | \$0.56 |
| NET INCOME PER |  |  |  |  |
| SHARE - DILUTED | \$0.23 | \$0.20 | \$0.64 | \$0.56 |


| Weighted average shares <br> outstanding - basic <br> Weighted average shares <br> outstanding - diluted | 99,125 | 100,882 | 99,615 | 100,905 |
| :---: | :---: | :---: | :---: | :---: |

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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 28, 2009 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 877-941-1466 domestic;
                                    480-629-9677 international
            at least 5 minutes before start time.
            REPLAY: available through November 4, 2009
            Please dial 800-406-7325/303-590-3030, Passcode: 4173072
            THIS CALL CAN ALSO BE ACCESSED THROUGH THE INTERNET AT
                            www.viavid.net
                            Questions?
Contact Samantha Alphonso at Financial Relations Board at 212-827-3746
                    Or email to salphonso@mww.com
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SOURCE Rollins, Inc.

