Rollins, Inc. Reports First Quarter 2011 Financial Results

ATLANTA, April 27, 2011 /PRNewswire/ -- Rollins, Inc. (NYSE: ROL), a premier North American consumer and commercial services company, today reported strong unaudited financial results for its first quarter ended March 31, 2011.

The Company recorded first quarter revenues of $271.6 million, an increase of 7.4% over the prior year's first quarter revenue of $253.0 million. Net income increased 6.0% to $18.6 million or $0.13 per diluted share for the first quarter ended March 31, 2011, compared to $17.6 million or $0.12 per diluted share for the same period in 2010.

On January 25, 2011, Rollins increased its regular quarterly cash dividend to shareholders 16.7 percent to $0.07 per share. The Company also repurchased 256,284 shares at a weighted average price of $18.90 per share during the first quarter. In total, 2,281,962 additional shares may be purchased under the share repurchase program.

Gary W. Rollins, President and Chief Executive Officer of Rollins, Inc. stated, "We are pleased to report our strongest increase in revenue for a first quarter in more than five years, we are understandably pleased with our solid start of 2011."

Mr. Rollins concluded, "Our opportunities for this year are exciting and we believe that each of our businesses is well positioned to contribute. We remain committed to growing our revenue, improving earnings, generating strong cash flows and maintaining a strong balance sheet. We are clearly focused on achieving our goals."


CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

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 statements about the Company's belief that the Company's opportunities in 2011 are exciting; that each of the Company's businesses is well positioned to contribute; and that the Company remains committed to growing its revenue, improving earnings, generating solid cash flow and maintaining a strong balance sheet. 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 the Company's business; the degree of success of the Company's pest and termite process, 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; the Company's ability to attract and retain skilled workers, and 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, 2010.

ROLLINS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands)

At March 31, (unaudited) 2011 2010

ASSETS

Cash and cash equivalents $ 23,340 $ 14,149
Trade receivables, short-term 69,524 62,937
Materials and supplies 12,680 10,957
Deferred income taxes 27,178 25,760
Other current assets 14,522 11,842
Total Current Assets 147,244 125,645
Equipment and property, net 73,444 72,203
Goodwill 212,130 189,925
Customer Contracts and Other Intangible assets 146,742 141,705
Deferred income taxes 14,336 17,644
Trade receivables, long-term 9,786 9,021
Other assets 10,523 9,190
Total Assets $ 614,205 $ 565,333
LIABILITIES

Accounts payable $ 23,081 $ 20,671
Accrued insurance 19,918 16,754
Accrued compensation and related liabilities 51,697 47,865
Unearned revenue 92,193 89,604
Line of Credit 25,000 15,000
Other current liabilities 30,027 34,969
Total Current Liabilities 241,916 224,863
Accrued insurance 25,969 26,054
Accrued pension 8,390 14,731
Long-term accrued liabilities 36,710 28,022
Total Liabilities 312,985 293,670

STOCKHOLDERS’ EQUITY

Common stock 147,428 149,004
Retained earnings and other equity 153,792 122,659
Total Stockholders’ Equity 301,220 271,663
Total Liabilities and Stockholders’ Equity $ 614,205 $ 565,333

ROLLINS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands except per share data)

(unaudited)

First Quarter Ended
March 31,
2011 2010

REVENUES
Customer services $ 271,643 $ 253,041

COSTS AND EXPENSES

Cost of services provided 140,898 130,975
Depreciation and amortization 9,200 9,000
Sales, general and administrative 91,498 84,915
Interest Expense 192 99
241,788 224,989

INCOME BEFORE TAXES 29,855 28,052

PROVISION FOR INCOME TAXES 11,215 10,469

NET INCOME $ 18,640 $ 17,583

NET INCOME PER SHARE - BASIC $ 0.13 $ 0.12

NET INCOME PER SHARE - DILUTED $ 0.13 $ 0.12

Weighted average shares outstanding - basic 147,473 148,810
Weighted average shares outstanding - diluted 147,570 149,089

CONFERENCE CALL ANNOUNCEMENT

Rollins, Inc.
(NYSE: ROL)

Management will hold a conference call to discuss
First Quarter results on:

Wednesday, April 27, 2011 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 877-941-8631 domestic;
480-629-9818 international
at least 5 minutes before start time.

REPLAY: available through May 4, 2011
Please dial 800-406-7325/303-590-3000, Passcode: 4432545
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

For Further Information Contact
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SOURCE Rollins, Inc.