Rollins, Inc. Reports Second Quarter and Six Month 2011 Financial Results


The Company recorded second quarter revenues of $320.4 million, an increase of 7.2% over the prior year's second quarter revenue of $298.8 million. Net income increased 12.1% to $31.1 million or $0.21 per diluted share for the second quarter ended June 30, 2011, compared to $27.7 million or $0.19 per diluted share for the same period in 2010.

Rollins' revenues rose 7.3% for the first six months of 2011 to $592.1 million compared to $551.8 million for the prior year. Net income for the first six months of 2011 was $49.7 million, or $0.34 per diluted share, compared to net income of $45.3 million, or $0.30 per diluted share for the same period last year.

In the second quarter, the Company repurchased 533,012 shares at a weighted average price of $19.37 per share bringing the total number of shares repurchased year-to-date to 789,296 at a weighted average price of $19.22. In total, 1,748,950 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 with the strong financial results our Company reported for the second quarter and first six months of this year. The contributions made to our business across all our brands position us to achieve our business objectives for 2011 and beyond. Furthermore, we are seeing the benefits of the organizational changes made this year involving John Wilson heading Orkin USA, and Bob Wanzer leading the Rollins Independent Brands."

Mr. Rollins concluded, "We continue to make investments in our company and are confident that these strategies and action plans will enable us to continue to improve our margins and market share and grow at a faster pace than our industry."

Rollins, Inc. is a premier North American consumer and commercial services company. Through its wholly owned subsidiaries, Orkin, HomeTeam Pest Defense, Western Pest Services, PCO Services, The Industrial Fumigant Company, Waltham Services, Crane Pest Control, and TruTech, 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, Europe, 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.
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 contributions made to our business across all of our brands position us to achieve our business objectives for 2011 and beyond and our belief the Company's strategies and action plans with enable the Company to continue to improve its margins and market share and grow at a faster pace than the Company's industry. 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 June 30, (unaudited)  2011  2010

ASSETS

Cash and cash equivalents  $ 25,820  $ 19,286
Trade receivables, short-term  83,525  75,115
Materials and supplies  12,305  11,122
Deferred income taxes  27,628  26,190
Other current assets  20,198  14,597
Total Current Assets  169,476  146,310
Equipment and property, net  74,026  71,260
Goodwill                                       213,705    189,668
Customer Contracts and Other Intangible assets 144,947    138,390
Deferred income taxes                          13,156     17,332
Trade receivables, long-term                   11,319     10,578
Other assets                                   10,503     8,869
Total Assets                                   $ 637,132  $ 582,407

LIABILITIES
Accounts payable                               $ 31,853   $ 17,599
Accrued insurance                              20,580     15,848
Accrued compensation and related liabilities   60,951     55,966
Unearned revenue                               93,387     93,450
Line of Credit                                 10,000     25,000
Other current liabilities                      32,478     29,607
Total Current Liabilities                      249,249    237,470
Accrued insurance                              26,830     27,850
Accrued pension                                8,253      13,919
Long-term accrued liabilities                  39,617     27,598
Total Liabilities                              323,949    306,837

STOCKHOLDERS’ EQUITY
Common stock                                   146,904    148,227
Retained earnings and other equity             166,279    127,343
Total Stockholders’ Equity                    313,183    275,570
Total Liabilities and Stockholders’ Equity    $ 637,132  $ 582,407

ROLLINS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands except per share data)
## Second Quarter Ended  Six Months Ended

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer services</td>
<td>$ 320,436</td>
<td>$ 298,803</td>
<td>$ 592,079</td>
<td>$ 551,844</td>
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<tr>
<td><strong>COSTS AND EXPENSES</strong></td>
<td></td>
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<tr>
<td>Cost of services provided</td>
<td>159,645</td>
<td>148,428</td>
<td>300,543</td>
<td>279,403</td>
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<tr>
<td>Depreciation and amortization</td>
<td>9,288</td>
<td>8,967</td>
<td>18,488</td>
<td>17,967</td>
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<tr>
<td>Sales, general and administrative</td>
<td>101,757</td>
<td>96,963</td>
<td>193,255</td>
<td>181,878</td>
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<tr>
<td>Interest Expense</td>
<td>178</td>
<td>66</td>
<td>370</td>
<td>165</td>
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<tr>
<td></td>
<td>270,868</td>
<td>254,424</td>
<td>512,656</td>
<td>479,413</td>
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<tr>
<td><strong>INCOME BEFORE TAXES</strong></td>
<td>49,568</td>
<td>44,379</td>
<td>79,423</td>
<td>72,431</td>
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<tr>
<td><strong>PROVISION FOR INCOME TAXES</strong></td>
<td>18,507</td>
<td>16,679</td>
<td>29,722</td>
<td>27,148</td>
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<tr>
<td><strong>NET INCOME</strong></td>
<td>$ 31,061</td>
<td>$ 27,700</td>
<td>$ 49,701</td>
<td>$ 45,283</td>
</tr>
<tr>
<td></td>
<td>$ 0.21</td>
<td>$ 0.19</td>
<td>$ 0.34</td>
<td>$ 0.30</td>
</tr>
<tr>
<td></td>
<td>$ 0.21</td>
<td>$ 0.19</td>
<td>$ 0.34</td>
<td>$ 0.30</td>
</tr>
<tr>
<td>Weighted average shares outstanding - basic</td>
<td>147,245</td>
<td>148,566</td>
<td>147,358</td>
<td>148,687</td>
</tr>
<tr>
<td>Weighted average shares outstanding - diluted</td>
<td>147,314</td>
<td>148,798</td>
<td>147,441</td>
<td>148,943</td>
</tr>
</tbody>
</table>

## CONFERENCE CALL ANNOUNCEMENT

Rollins, Inc.

(NYSE: ROL)
Management will hold a conference call to discuss Second Quarter results on:

Wednesday, July 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 877-941-8609 domestic;
480-629-9818 international

at least 5 minutes before start time.

REPLAY: available through August 4, 2011

Please dial 800-406-7325/303-590-3030, Passcode: 4456994

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
Harry J. Cynkus (404) 888-2922

SOURCE Rollins, Inc.