

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): February 15, 2006

**ROLLINS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation)

**1-4422**  
(Commission File Number)

**51-0068479**  
(I.R.S. Employer Identification No.)

**2170 Piedmont Road, N.E., Atlanta, Georgia 30324**  
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: **(404) 888-2000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## ITEM 2.02. Results of Operations and Financial Condition

The information provided pursuant to this Item 2.02 is to be considered "filed" under the Securities Exchange Act of 1934 ("Exchange Act") and incorporated by reference into those filings of Rollins, Inc (the "Company") that provide for the incorporation of all reports and documents filed by the Company under the Exchange Act.

On February 15, 2006, the Company issued a press release announcing its results for the quarter and year ended December 31, 2005. The Company hereby incorporates by reference herein the information set forth in its Press Release dated February 15, 2006, a copy of which is attached hereto as Exhibit 99.1. Except as otherwise provided in the press release, the press release speaks only as of the date of such press release and such press release shall not create any implication that the affairs of the Company have continued unchanged since such date.

Except for the historical information contained in this report, the statements made by the Company are forward-looking statements that involve risks and uncertainties. All such statements are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. The Company's future financial performance could differ significantly from the expectations of management and from results expressed or implied in the Press Release. See the risk factors contained in the Press Release for a discussion of certain risks and uncertainties that may impact such forward-looking statements. For further information on other risk factors, please refer to the "Risk Factors" contained in the Company's Form 10-K filed March 11, 2005 with the Securities and Exchange Commission. The Company disclaims any obligation or duty to update or modify these forward-looking statements.

Included in Exhibit 99.1, as attached, are the following non-GAAP financial measures:

- Revenue for fourth quarter 2005, excluding revenue attributable to the Industrial Fumigant Company.\*
- Revenue for the full year 2005, excluding revenue attributable to Western Pest Services, the Industrial Fumigant Company, Rollins Supply and Dettelbach.\*
- Adjusted income and earnings per share for the fourth quarter of 2005 and 2004, which exclude gains on sale of assets.\*\*
- Adjusted income and earnings per share for the full year 2005, which exclude adjustments arising from pension plan curtailment, cumulative effect of accounting principle and gains on sale of assets.\*\*

\* Revenue, excluding that attributable to Western Pest Services, the Industrial Fumigant Company, Rollins Supply and Dettelbach, is presented and deemed useful by management in order to present the Company's 2005 results as more readily comparable to its 2004 results. The Company's 2004 numbers do not include revenue attributable to the Western operations prior to April 30, 2004, the date it was acquired, the Industrial Fumigant Company which was acquired October 1, 2005, and include revenue attributable to Rollins Supply, which was partially divested during the third quarter 2004 and Dettelbach, which was divested during the third quarter of 2004.

\*\* Adjusted income and earnings per share are presented and deemed useful by management in order to present the Company's 2005 results as more readily comparable to its 2004 results.

The reconciliation is included at Exhibit 99.1.

## ITEM 9.01. Financial Statements and Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release Dated February 15, 2006

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, Rollins, Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ROLLINS, INC.**

Date: February 15, 2006

By: /s/Harry J. Cynkus  
Name: Harry J. Cynkus  
Title: Chief Financial Officer and Treasurer



For Further Information Contact  
Harry J. Cynkus  
(404) 888-2922

FOR IMMEDIATE RELEASE

**ROLLINS, INC. REPORTS FOURTH QUARTER AND  
FULL-YEAR FINANCIAL RESULTS**

ATLANTA, GEORGIA, February 15, 2006: Rollins, Inc. (NYSE:ROL), a premier North American consumer and commercial services company, today reported revenues for the fourth quarter ended December 31, 2005 grew 6.0% to \$194.8 million compared to \$183.8 million for the fourth quarter ended December 31, 2004.

The Company recorded net income of \$8.9 million or \$0.13 per diluted share for the fourth quarter ended December 31, 2005, compared to \$13.9 million or \$0.20 per diluted share for the fourth quarter ended December 31, 2004. Net income for the fourth quarter of 2004 included gains from the sale of assets, net of taxes, of \$6.3 million or \$0.09 per diluted share. Adjusted income for fourth quarter 2005 excluding gain on sale of assets was \$8.6 million, compared to \$7.6 million for fourth quarter 2004, a 13.6% increase.

Rollins's revenues for full year 2005 grew 6.9% to \$802.4 million compared to \$750.9 million for full year of 2004. Net income for the twelve months of 2005 grew 4.3% to \$54.3 million or \$0.78 per diluted share, compared to \$52.1 million or \$0.74 per diluted share for the twelve months of 2004. Net income for the full year excluding pension curtailment, gain on sale of assets and cumulative effect of change in accounting principle was \$51.2 million, or \$0.74 per share, compared to net income of \$43.7 million for 2004, a 17.2% increase.

Rollins' balance sheet remains strong with total assets of \$438.5 million and stockholders' equity increasing to \$178.5 million. Earlier this year, the Company announced that during the fourth quarter it repurchased 447,907 shares of common stock at a weighted average price of \$19.36 per share. Total share repurchases for 2005 totaled 1,652,202 shares at a weighted average price of \$18.30 per share.

Commenting on the Company's results, Gary W. Rollins, President and Chief Executive Officer of Rollins, Inc. said, "We are particularly pleased to report that we reached a milestone in 2005, having achieved over \$800 million in revenues for the year. We are deeply appreciative of our employees and customers that made this possible. At the same time we recorded our 24<sup>th</sup> quarter of improved performance."

Mr. Rollins continued, "The Industrial Fumigant Company, our most recent acquisition is already contributing to our success, and their leadership and expertise will be invaluable to us as we look to further expand our commercial services division."

Mr. Rollins concluded, "We recognize that there is much to be done in 2006 as we make major investments in our businesses in order to gain more customers and provide them with ever improving pest and termite control services. In 2005 we began several initiatives that will accelerate and help us achieve these goals. As an example this year we will be adding approximately 100 new sales persons over the course of the year. We are optimistic about Rollins prospects and look forward to reporting to you on our progress throughout the year."

Rollins, Inc. is a premier North American consumer and commercial services company. Through its wholly owned subsidiaries, Orkin, Inc., 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 and Panama from over 400 locations. You can learn more about our subsidiaries by visiting our Web sites at [www.orkin.com](http://www.orkin.com), [www.westernpest.com](http://www.westernpest.com), [www.indfumco.com](http://www.indfumco.com) and [www.rollins.com](http://www.rollins.com). You can also find this and other news releases at [www.rollins.com](http://www.rollins.com) by accessing the news releases button.

**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 include statements regarding the future impact of IFC's leadership expertise, of our investments in our businesses, and our new sales people, the success of 2005 for the Company and its shareholders. 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, 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, 2004.*

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

At December 31	2005 (Unaudited)	2004
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 43,065	\$ 56,737
Trade Receivables Short-Term, Net	47,705	45,469
Materials and Supplies	9,082	8,876
Deferred Income Taxes	27,536	28,355
Other Current Assets	10,599	7,368
<b>Current Assets</b>	<b>137,987</b>	<b>146,805</b>
Equipment and Property, Net	65,932	49,163
Goodwill and Other Intangible Assets	205,584	195,470
Trade Receivables Long-Term, Net	9,368	9,755
Deferred Income Taxes	14,538	13,328
Other Assets	5,123	4,259
<b>Total Assets</b>	<b>\$ 438,532</b>	<b>\$ 418,780</b>
<b>LIABILITIES</b>		
Accounts Payable	\$ 17,204	\$ 15,438
Accrued Insurance	17,605	14,963
Accrued Payroll	41,888	38,453
Unearned Revenue	81,207	81,195
Other Current Liabilities	33,587	37,931
<b>Current Liabilities</b>	<b>191,491</b>	<b>187,980</b>
Capital Leases	560	-
Accrued Pension	20,651	10,579
Long-Term Accrued Liabilities	47,358	52,672
<b>Total Liabilities</b>	<b>260,060</b>	<b>251,231</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common Stock	68,011	68,504
Retained Earnings and Other Equity	110,461	99,045
<b>Total Stockholders' Equity</b>	<b>178,472</b>	<b>167,549</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 438,532</b>	<b>\$ 418,780</b>

**ROLLINS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED DECEMBER 31**  
(In thousands except per share data)

	Fourth Quarter		Twelve Months	
	2005 <u>(Unaudited)</u>	2004 <u>(Unaudited)</u>	2005 <u>(Unaudited)</u>	2004
<b>REVENUES</b>	<b>\$ 194,830</b>	<b>\$ 183,818</b>	<b>\$ 802,417</b>	<b>\$ 750,884</b>
<b>COSTS AND EXPENSES</b>				
Cost of Services Provided	106,353	99,749	421,983	395,334
Depreciation and Amortization	6,472	6,364	24,280	23,034
Sales, General and Administrative	68,570	65,482	272,405	258,893
(Gain)/Loss on Sales of Assets	(438)	(10,259)	(982)	(24,716)
Pension Curtailment	-	-	(4,176)	-
Interest Income	(278)	(108)	(1,583)	(373)
<b>TOTAL COSTS AND EXPENSES</b>	<b>180,679</b>	<b>161,228</b>	<b>711,927</b>	<b>652,172</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>14,151</b>	<b>22,590</b>	<b>90,490</b>	<b>98,712</b>
<b>PROVISION FOR INCOME TAXES</b>	<b>5,278</b>	<b>8,721</b>	<b>36,196</b>	<b>40,453</b>
<b>INCOME BEFORE CUMULATIVE EFFECT CHANGE IN ACCOUNTING PRINCIPLE</b>	<b>8,873</b>	<b>13,869</b>	<b>54,294</b>	<b>58,259</b>
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,204)</b>
<b>NET INCOME</b>	<b>\$ 8,873</b>	<b>\$ 13,869</b>	<b>\$ 54,294</b>	<b>\$ 52,055</b>
<b>NET INCOME PER COMMON SHARE-BASIC:</b>				
<b>INCOME BEFORE CUMULATIVE EFFECT CHANGE IN ACCOUNTING PRINCIPLE</b>	<b>\$ 0.13</b>	<b>\$ 0.20</b>	<b>\$ 0.80</b>	<b>\$ 0.85</b>
<b>ACCOUNTING PRINCIPLE, NET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.09)</b>
<b>NET INCOME PER COMMON SHARE-BASIC</b>	<b>\$ 0.13</b>	<b>\$ 0.20</b>	<b>\$ 0.80</b>	<b>\$ 0.76</b>
<b>NET INCOME PER COMMON SHARE-DILUTED:</b>				
<b>INCOME BEFORE CUMULATIVE EFFECT CHANGE IN ACCOUNTING PRINCIPLE</b>	<b>\$ 0.13</b>	<b>\$ 0.20</b>	<b>\$ 0.78</b>	<b>\$ 0.83</b>
<b>ACCOUNTING PRINCIPLE, NET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.09)</b>
<b>NET INCOME PER COMMON SHARE-DILUTED</b>	<b>\$ 0.13</b>	<b>\$ 0.20</b>	<b>\$ 0.78</b>	<b>\$ 0.74</b>
<b>AVERAGE SHARES OUTSTANDING - BASIC</b>	<b>67,596</b>	<b>68,516</b>	<b>67,898</b>	<b>68,321</b>
<b>AVERAGE SHARES OUTSTANDING - DILUTED</b>	<b>69,344</b>	<b>70,392</b>	<b>69,775</b>	<b>70,167</b>

**ROLLINS, IN C. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31**  
(In thousands)

	2005 <u>(Unaudited)</u>	2004
<b>Operating Activities</b>		
Net Income	\$ 54,294	\$ 52,055
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Change in Accounting Principle, Net	-	6,204
Depreciation and Amortization	24,280	23,034
Pension Curtailment	(4,176)	-
Provision for Deferred Income Taxes	3,941	13,078
Other, Net	426	1,938
Gain on Sale of Assets	(982)	(24,716)
(Increase) Decrease in Assets:		
Trade Receivables	4,266	(6,088)
Materials and Supplies	2,385	2,645
Other Current Assets	394	482
Other Non-Current Assets	353	(304)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(791)	14,959
Unearned Revenue	13	5,582
Accrued Insurance	(1,029)	(3,703)
Accrual for Termite Contracts	(2,111)	(5,046)
Long-Term Accrued Liabilities	(3,874)	(8,193)
<b>Net Cash Provided by Operating Activities</b>	<b>77,389</b>	<b>71,927</b>
<b>Investing Activities</b>		
Purchases of Equipment and Property	(25,541)	(14,204)
Net Cash Used for Acquisition of Companies	(27,239)	(98,090)
Sales of Marketable Securities, Net	-	21,866
Proceeds From Sale of Assets	754	25,726
<b>Net Cash Used In Investing Activities</b>	<b>(52,026)</b>	<b>(64,702)</b>
<b>Financing Activities</b>		
Dividends Paid	(13,714)	(10,924)
Common Stock Purchased	(30,308)	(937)
Common Stock Options Exercised	3,315	2,015
Other	558	(2,590)
<b>Net Cash Used in Financing Activities</b>	<b>(40,149)</b>	<b>(12,436)</b>
Effect of Exchange Rate Changes on Cash	1,114	2,408
Net Increase/(Decrease) in Cash and Cash Equivalents	(13,672)	(2,803)
Cash and Cash Equivalents at Beginning of Year	56,737	59,540
<b>Cash and Cash Equivalents at End of Period</b>	<b>\$ 43,065</b>	<b>\$ 56,737</b>

# CONFERENCE CALL

**Rollins, Inc.**

(NYSE: ROL)



**Management will hold a conference call to discuss  
fourth quarter results on:**

**Wednesday, February 15, 2006 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;  
303-275-2170 international  
at least 5 minutes before start time.**

REPLAY: available through February 22, 2006

Please dial **800-405-2236/303-590-3000**, Passcode: 11051937

*THIS CALL CAN ALSO BE ACCESSED THROUGH THE INTERNET AT*

[www.viavid.net](http://www.viavid.net)

**Questions?**

**Contact Janet Jazmin at FRB/Weber Shandwick at 212-827-3777**

**Or email to [jjazmin@financialrelationsboard.com](mailto:jjazmin@financialrelationsboard.com)**

**Rollins, Inc.**  
**Revenue Reconciliation**  
**Revenue Excluding The Industrial Fumigant Company**

	Fourth Quarter Ended			
	December 31,			
	2005	2004	\$B/(W)	%B/(W)
	(Unaudited)			
<b>Total Net Revenues</b>	<b>\$ 194,830</b>	<b>\$ 183,818</b>	<b>\$ 11,012</b>	<b>6.0 %</b>
Less:				
The Industrial Fumigant Company	6,275	-	6,275	
<b>Revenue Excluding the Industrial Fumigant Company</b>	<b>\$ 188,555</b>	<b>\$ 183,818</b>	<b>\$ 4,737</b>	<b>2.6 %</b>

**Rollins, Inc.**  
**Revenue Reconciliation**  
**Revenue Excluding Western Pest Services and Rollins Supply,  
Dettelbach and The Industrial Fumigant Company**

	Twelve Months Ended			
	December 31,			
	2005	2004	\$B/(W)	%B/(W)
	(Unaudited)			
<b>Total Net Revenues</b>	<b>\$ 802,417</b>	<b>\$ 750,884</b>	<b>\$ 51,533</b>	<b>6.9 %</b>
Less:				
Western Pest Services	77,842	49,150	28,692	
<b>Revenue Excluding Western Pest Services</b>	<b>\$ 724,575</b>	<b>\$ 701,734</b>	<b>\$ 22,841</b>	<b>3.3 %</b>
Less:				
The Industrial Fumigant Company	6,275	-	6,275	
<b>Revenue Excluding Western Pest Services and the Industrial Fumigant Company</b>	<b>\$ 718,300</b>	<b>\$ 701,734</b>	<b>\$ 16,566</b>	<b>2.4 %</b>
Less:				
Rollins Supply and Dettelbach	106	2,000	(1,894)	
<b>Revenue Excluding Western Pest Services, the Industrial Fumigant Company and Rollins Supply and Dettelbach</b>	<b>\$ 718,194</b>	<b>\$ 699,734</b>	<b>\$ 18,460</b>	<b>2.6 %</b>

**Reconciliation**  
**Income Before Income Taxes, Adjusted Income and Earnings Per Share,**  
**Excluding Gain on Sale of Assets**

	Fourth Quarter		\$B/(W)	%B/(W)
	2005	2004		
	(Unaudited)			
<b>Net Income</b>	<b>\$ 8,873</b>	<b>\$ 13,869</b>	<b>\$ (4,996)</b>	<b>(36.0) %</b>
Less:				
Gain on Sale of Assets	275	6,299	(6,024)	
<b>Adjusted Income, Excluding Gain on Sale of Assets</b>	<b>\$ 8,598</b>	<b>\$ 7,570</b>	<b>\$ 1,028</b>	<b>13.6 %</b>

**Reconciliation**  
**Income Before Income Taxes, Net Income and Earnings Per Share,**  
**Excluding Gain on Sale of Assets, Pension Curtailment and**  
**Cummulative Effect of Change in Accounting Principle**

	YTD		\$B/(W)	%B/(W)
	2005	2004		
	(Unaudited)			
<b>Net Income</b>	<b>\$ 54,294</b>	<b>\$ 52,055</b>	<b>\$ 2,239</b>	<b>4.3 %</b>
Less:				
Pension Curtailment	4,176	-	4,176	
Gain on Sale of Assets	982	24,716	(23,734)	
Cummulative Effect of Accounting Principle	-	(6,204)	6,204	
Provision for Income Taxes	(2,063)	(10,134)	8,071	
<b>Net Income, Excluding Pension Curtailment, Gain on Sale of Assets and Cummulative Effect of Change in Accounting Principle</b>	<b>\$ 51,199</b>	<b>\$ 43,677</b>	<b>\$ 7,522</b>	<b>17.2 %</b>
<b>Earnings Per Share - Diluted</b>	<b>0.78</b>	<b>0.74</b>	<b>0.04</b>	<b>5.4 %</b>
Less:				
Pension Curtailment	0.06	-	0.06	
Gain on Sale of Assets	0.01	0.35	(0.34)	
Cummulative Effect of Accounting Principle	-	(0.09)	0.09	
Provision for Income Taxes	(0.03)	(0.14)	0.11	
<b>Earnings Per Share - Diluted, Excluding Pension Curtailment, Gain on Sale of Assets and Cummulative Effect of Change in Accounting Principle</b>	<b>\$ 0.74</b>	<b>\$ 0.62</b>	<b>\$ 0.12</b>	<b>19.4 %</b>
Average Shares Outstanding - Diluted	69,775	70,167	(392)	