

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): October 25, 2006

ROLLINS, INC.

(Exact name of registrant as specified in its charter)

Delaware	1-4422	51-0068479
(State or other jurisdiction of incorporation)	(Commission File Number)	(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))
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Item 2.02. Results of Operations and Financial Condition.

On October 25, 2006, the Company issued a press release announcing its results for the quarter ended September 30, 2006. The Company hereby incorporates by reference herein the information set forth in its Press Release dated October 25, 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 for the year ended December 31, 2005 filed 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 are the following non-GAAP financial measures:

- Growth in revenue for third quarter 2006, excluding revenue attributable to the Industrial Fumigant Company.
- Increase in the Company's net income excluding the impact of the pension curtailment gain in 2005.

Growth in revenue, excluding that attributable to the Industrial Fumigant Company, is presented and deemed useful by management in order to present the Company's results for the quarter ended September 30, 2006 as more readily comparable to its results for the quarter ended September 30, 2005. The Company's 2005 results do not include revenue attributable to the Industrial Fumigant Company prior to October 1, 2005, the date it was acquired.

Increase in the Company's net income, excluding the impact of the pension curtailment gain in 2005, is presented and deemed useful by management in order to present the Company's results for the nine months ended September 30, 2006 as more readily comparable to its results for the nine months ended September 30, 2005. The Company's results for the nine months ended September 30, 2005 include a \$2.5 million pension curtailment gain, net of taxes, in connection with freezing the Company's defined benefit pension plan which was recorded in accordance with GAAP. There is no comparable gain for the nine months ended September 30, 2006.

Management of the Company believes that these non-GAAP measures provide both management and investors with a more complete understanding of the Company's underlying operating results and operating trends. Management uses these non-GAAP financial measures to analyze and forecast the Company's operating results and trends, especially when comparing such results to the Company's prior periods and forecasts. Because the excluded items do not exhibit the same growth pattern or variances as other factors affecting the Company's revenues and net income, management believes that the non-GAAP measures are useful for trend analysis. However, the usefulness of the non-GAAP measures is limited because the measures alone do not give a complete assessment of historical financial position, operating results or cash flows. These are reflected in the U.S. GAAP financial statements, including the Company's consolidated statement of income. The non-GAAP financial information that the Company provides may also differ from the financial information provided by other companies. Therefore, the Company only uses the non-GAAP financial measures in the context of a complete disclosure of operating results. Investors should only consider the non-GAAP measures as part of the overall analysis of the Company's financial results and trends.

The reconciliation of the non-GAAP financial measures to their corresponding GAAP measure 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 October 25, 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: October 25, 2006

By: /s/ Harry J. Cynkus
Name: Harry J. Cynkus
Title: Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)



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

FOR IMMEDIATE RELEASE

ROLLINS, INC. REPORTS THIRD QUARTER FINANCIAL RESULTS

Revenues Rise 8.8% over Previous Year's Third Quarter; Net income up 12.8%

ATLANTA, GEORGIA, October 25, 2006: Rollins, Inc. (NYSE:ROL), a premier North American consumer and commercial services company, today reported that revenues rose 8.8% for the third quarter ended September 30, 2006 to \$227.8 million, compared to revenues of \$209.3 million for the third quarter ended September 30, 2005. Excluding revenues resulting from the Company's October 1, 2005 acquisition of the Industrial Fumigant Company, revenues grew 4.6%. See attached detailed reconciliation.

Rollins recorded net income of \$17.0 million, or \$0.25 per diluted share for the third quarter ended September 30, 2006, compared to \$15.1 million, or \$0.22 per diluted share for the third quarter ended September 30, 2005.

Rollins recorded net income of \$47.3 million, or \$0.69 per diluted share for the nine months ended September 30, 2006, compared to \$45.4 million, or \$0.65 per diluted share for the nine months ended September 30, 2005. Included in the first nine months of last years results was a \$2.5 million gain, net of taxes, or \$0.04 per diluted share, as the Company curtailed Rollins, Inc.'s pension plan effective June 30, 2005. Excluding the impact of the pension curtailment gain in 2005, the Company's earnings increased 10.1% or \$.08 per diluted share compared to the same period last year. See attached detailed reconciliation.

Rollins' balance sheet remains strong with total assets of \$454.2 million and stockholders' equity increasing to \$198.9 million. In the third quarter, the Company announced that it repurchased 127,306 shares of common stock with a total of 1,006,680 shares repurchased year to date. In total, approximately 2.3 million additional shares may be purchased under programs previously approved by the Board of Directors.

Gary W. Rollins, President and Chief Executive Officer of Rollins, Inc. stated, "We are pleased with the progress we are making increasing our revenue and growing our customer base. Additionally, we are focused on providing our customers a positive experience from the first service rendered through the entire customer relationship. Our commitment to extraordinary service has been recognized through recent industry acknowledgement. Orkin received the "Best in Class Customer Service" award from PCT Magazine and Syngenta, a leading pesticide manufacturer. We were recognized in the class of pest control companies with over \$6.0 million in revenue, which includes a large number of exceptional competitors."

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, Panama and Costa Rica 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.

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 effect of various operational initiatives and the dedication of the Company's employees to further increase the Company's business put the Company on track year-to-date to meet the Company's financial goals for 2006 and the Company's expectation that 2006 will be another notable year 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, 2005.

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

At September 30,	2006 (unaudited)	2005 (unaudited)
ASSETS		
Cash and cash equivalents	\$ 53,787	\$ 79,489
Trade receivables, short-term	57,817	48,954
Materials and supplies	8,398	7,358
Deferred income taxes	21,053	30,389
Other current assets	8,975	8,097
Total Current Assets	<u>150,030</u>	<u>174,287</u>
Equipment and property, net	72,090	57,928
Goodwill and other intangible assets	201,556	189,893
Deferred income taxes	16,867	17,441
Trade receivables, long-term	9,111	9,866
Other assets	4,531	4,221
Total Assets	<u>\$ 454,185</u>	<u>\$ 453,636</u>
LIABILITIES		
Capital leases	\$ 623	\$ -
Accounts payable	14,092	14,901
Accrued insurance	16,633	16,516
Accrued compensation and related liabilities	42,813	38,816
Unearned revenue	88,945	90,080
Other current liabilities	31,759	39,827
Total Current Liabilities	<u>194,865</u>	<u>200,140</u>
Capital leases, less current portion	197	-
Accrued pension	15,651	27,291
Long-term accrued liabilities	44,593	47,522
Total Liabilities	<u>255,306</u>	<u>274,953</u>
STOCKHOLDERS' EQUITY		
Common stock	67,783	68,383
Retained earnings and other equity	131,096	110,300
Total Stockholders' Equity	<u>198,879</u>	<u>178,683</u>
Total Liabilities and Stockholders' Equity	<u>\$ 454,185</u>	<u>\$ 453,636</u>

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

	Third Quarter September 30		Nine months ended September 30	
	2006	2005	2006	2005
REVENUES				
Customer services	\$ 227,816	\$ 209,346	\$ 654,225	\$ 607,587
COSTS AND EXPENSES				
Cost of services provided	119,206	110,083	345,255	324,626
Depreciation and amortization	6,662	5,800	20,400	17,808
Sales, general and administrative	74,472	68,574	211,340	194,839
Pension curtailment gain	-	-	-	(4,176)
Gain sales of assets	(17)	(1)	(15)	(544)
Interest income	(332)	(489)	(968)	(1,305)
	<u>199,991</u>	<u>183,967</u>	<u>576,012</u>	<u>531,248</u>
INCOME BEFORE TAXES	<u>27,825</u>	<u>25,379</u>	<u>78,213</u>	<u>76,339</u>
PROVISION FOR INCOME TAXES	<u>10,788</u>	<u>10,279</u>	<u>30,943</u>	<u>30,918</u>
NET INCOME	<u>\$ 17,037</u>	<u>\$ 15,100</u>	<u>\$ 47,270</u>	<u>\$ 45,421</u>
NET INCOME PER SHARE - BASIC	<u>\$ 0.25</u>	<u>\$ 0.22</u>	<u>\$ 0.70</u>	<u>\$ 0.67</u>
NET INCOME PER SHARE - DILUTED	<u>\$ 0.25</u>	<u>\$ 0.22</u>	<u>\$ 0.69</u>	<u>\$ 0.65</u>
Weighted average shares outstanding – basic	67,068	68,117	67,184	67,999
Weighted average shares outstanding – diluted	68,700	70,042	68,926	70,046

ROLLINS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30,
(in thousands)

	2006 Unaudited	2005 Unaudited
OPERATING ACTIVITIES		
Net Income	\$ 47,270	\$ 45,421
Adjustments to reconcile net income to net cash		
Provided by operating activities:		
Depreciation and amortization	20,400	17,808
Pension curtailment gain	-	(4,176)
Provision for deferred income taxes	5,144	2,085
Gain on sales of assets	(15)	(544)
Other, net	(1,822)	(2,590)
(Increase)/decrease in assets		
Trade receivables	(9,747)	(3,187)
Materials and supplies	685	1,536
Other current assets	138	(2,059)
Other non-current assets	735	233
Increase/(decrease) in liabilities:		
Accounts payable and accrued expenses	2,893	8,298
Unearned revenue	8,955	10,147
Accrued insurance	1,398	(2,484)
Accrual for termite contracts	(3,900)	(1,263)
Accrued Pension	(5,000)	-
Long-term accrued liabilities	(6,666)	(881)
Net cash provided by operating activities	<u>60,468</u>	<u>68,344</u>
INVESTING ACTIVITIES		
Purchase of equipment and property	(15,657)	(16,999)
Acquisitions of companies	(5,050)	(3,022)
Cash from sales of franchises	550	340
Proceeds from sales of assets	20	749
Net cash used in investing activities	<u>(20,137)</u>	<u>(18,932)</u>
FINANCING ACTIVITIES		
Dividends paid	(12,790)	(10,304)
Common stock purchased	(19,452)	(21,313)
Common stock options exercised	435	3,229
Principal payments on capital leases	(566)	-
Other	2,157	983
Net cash used in financing activities	<u>(30,216)</u>	<u>(27,405)</u>
Effect of exchange rate changes on cash	607	745
Net increase/(decrease) in cash and cash equivalents	10,722	22,752
Cash and cash equivalents at beginning of period	43,065	56,737
Cash and cash equivalents at end of period	<u>\$ 53,787</u>	<u>\$ 79,489</u>

ROLLINS, INC. AND SUBSIDIARIES
REVENUE RECONCILIATION
REVENUES EXCLUDING THE INDUSTRIAL FUMIGANT COMPANY
Third Quarter Ended
September 30,

	2006 (Unaudited)	2005 (Unaudited)	\$ Better/ (Worse)	% Better/ (Worse)
Reported net revenues	\$ 227,816	\$ 209,346	\$ 18,470	8.8 %
Less: The Industrial Fumigant Company (IFC)	8,773	-	8,773	100.0
Net revenue excluding IFC	<u>\$ 219,043</u>	<u>\$ 209,346</u>	<u>\$ 9,697</u>	<u>4.6 %</u>

ROLLINS, INC. AND SUBSIDIARIES
NET INCOME AND EARNINGS PER SHARE RECONCILIATION
EARNINGS AND EARNINGS PER SHARE EXCLUDING PENSION CURTAILMENT GAIN
Third Quarter Ended
September 30,

	2006 (Unaudited)	2005 (Unaudited)	\$ Better/ (Worse)	% Better/ (Worse)
Reported net income	\$ 47,270	\$ 45,421	\$ 1,849	4.1 %
Less: Pension Curtailment Gain (net of tax)	-	2,485	2,485	100.0
Income excluding Pension Curtailment Gain	<u>\$ 47,270</u>	<u>\$ 42,936</u>	<u>\$ 4,334</u>	<u>10.1 %</u>
Reported Earnings Per Share – Basic	\$ 0.70	\$ 0.67	\$ 0.03	4.5 %
Less: Pension Curtailment Gain (net of tax)	-	0.04	0.04	100.0
Earnings Per Share – Basic excluding Pension Curtailment Gain	<u>\$ 0.70</u>	<u>\$ 0.63</u>	<u>\$ 0.07</u>	<u>11.1 %</u>
Reported Earnings Per Share – Diluted	\$ 0.69	\$ 0.65	\$ 0.04	6.2 %
Less: Pension Curtailment Gain (net of tax)	-	0.04	0.04	100.0
Earnings Per Share – Diluted excluding Pension Curtailment Gain	<u>\$ 0.69</u>	<u>\$ 0.61</u>	<u>\$ 0.08</u>	<u>13.1 %</u>

CONFERENCE CALL ANNOUNCEMENT
Rollins, Inc.
(NYSE: ROL)



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

Wednesday, October 25, 2006 at:

9:30 a.m. Eastern

8:30 a.m. Central

7:30 a.m. Mountain

6:30 a.m. Pacific

TO PARTICIPATE:
Please dial 800-867-0448 domestic;
303-262-2140 international
at least 5 minutes before start time.

REPLAY: available through November 1, 2006
Please dial **800-405-2236/303-590-3000**, Passcode: 11073223
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@financialrelationsboard.com