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 26, 2005

ROLLINS, INC.
(Exact name of registrant as specified in its charter)

| Delaware | 1-4422 | 51-0068479 |
| :---: | :---: | :---: |
| (State or other jurisdiction | (Commission File Number) | (I.R.S. Employer |
| of incorporation) |  | 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


#### Abstract

Check the appropriate box below if the Form $8-\mathrm{K}$ 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 $14 a-12$ under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule $14 \mathrm{~d}-2(\mathrm{~b})$ 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 October 26,2005 , the Company issued a press release announcing its results for the quarter ended September 30, 2005. The Company hereby incorporates by reference herein the information set forth in its Press Release dated October 26, 2005, 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.

ITEM 9.01. Financial Statements and Exhibits
Exhibit No. Description
99.1 Press Release Dated October 26, 2005

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 26, 2005
By:/s/Harry J. Cynkus
: Harry J. Cynkus
Name: Harry J. Cynkus
Title: Chief Financial Officer and Treasurer

## FOR IMMEDIATE RELEASE

ROLLINS, INC. REPORTS CONTINUED IMPROVEMENT IN QUARTERLY PERFORMANCE

Highlights
23rd consecutive quarter of improved performance
Diluted Earnings per share rose $15.8 \%$ to $\$ 0.22$
Net income rose $10.8 \%$ to $\$ 15.1$ million compared to $\$ 13.6$ million for the same period in 2004.

ATLANTA, GEORGIA, October 26, 2005: Rollins, Inc. (NYSE:ROL), a premier North American consumer and commercial services company, today reported net income grew $10.8 \%$ to $\$ 15.1$ million or $\$ 0.22$ per diluted share for the third quarter ended September 30, 2005, compared to $\$ 13.6$ million or $\$ 0.19$ per diluted share for the third quarter ended September 30, 2004. Revenues for the third quarter grew $2.7 \%$ to $\$ 209.3$ million compared to $\$ 203.9$ million for the third quarter ended September 30, 2004.

Rollins's net income for the first nine months of 2005 grew $18.9 \%$ to $\$ 45.4$ million or $\$ 0.65$ per diluted share, compared to $\$ 38.2$ million or $\$ 0.54$ per diluted share for the first nine months of 2004. Revenues for the first nine months of 2005 grew $7.1 \%$ to $\$ 607.6$ million compared to $\$ 567.1$ million for the first nine months of 2004 .

Rollins' balance sheet remains strong with total assets of $\$ 454.9$ million and stockholders' equity increasing to $\$ 178.7$ million. Total cash and cash equivalents rose to $\$ 79.5$ million.

Commenting on the Company's results, Gary W. Rollins, President and Chief Executive Officer of Rollins, Inc. said, "We are pleased to report our 23rd quarter of improved performance.* During the quarter, revenues were negatively impacted by approximately $\$ 1$ million as a result of the effect of hurricanes Katrina and Rita impacting some of our branches in Alabama, Louisiana, Mississippi and Texas. Currently, it is difficult to estimate exactly when we will begin to reverse these shortfalls since the ultimate status of many impacted customer homes is uncertain at this time. Some branches will recover sooner than others. As a result we expect to see an impact on our fourth quarter. On a positive note, all of our 246 employees who were affected by the hurricanes are safe and we are providing all employment either in this area or other parts of the company.
"On October 4, we announced that we have completed the acquisition of the Industrial Fumigant Company, (IFC). Prior to the acquisition, IFC had revenues in excess of $\$ 24$ million and was the 24 th largest company in the pest
control industry. They have over 130 employees, 25 offices nationwide and 17 warehouses. IFC is an exemplary company and we expect their leadership position in the food and commodity pest management segment to make a significant contribution to the growth of our commercial operations. We look forward to working with this talented group of professionals."

Mr. Rollins concluded, "We continue to focus on growing our commercial and residential businesses through providing excellent pest services to our customers and acquiring other pest control companies where beneficial."

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 and Mexico from over 400 locations. You can learn more about Orkin 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.

* See Rollins's Form 8-K dated July 27, 2005, for details regarding improvements in the quarter ended June 30, 2005.

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 impact of hurricanes Katrina and Rita and 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


|  | Accounts Payable | \$ | 14,901 | \$ |
| :---: | :---: | :---: | :---: | :---: |
| 14,321 |  |  |  |  |
|  | Accrued Insurance |  | 16,516 |  |
| 13,049 |  |  |  |  |
|  | Accrued Payroll |  | 38,816 |  |
| 38,741 |  |  |  |  |
|  | Unearned Revenue |  | 91,341 |  |
| 91,245 |  |  |  |  |
|  | Other Current Liabilities |  | 39,828 |  |
| 40,840 |  |  |  |  |


$\qquad$
STOCKHOLDERS' EQUITY


| </TABLE> |  |
| :---: | :---: |
| <TABLE> |  |
| <CAPTION> |  |
|  | ROLLINS, INC. AND SUBSIDIARIES |
|  | CONSOLIDATED STATEMENTS OF INCOME |
|  | FOR THE THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30 (In thousands except per share data) |

## Months

----------

2004
(Unaudited)
---------
<S> REVENUE

567,066
----------
COSTS AND EXPENSES

| Cost of Services Provided | 106,398 | 105,035 | 315,630 |
| :---: | :---: | :---: | :---: |
| 295,585 |  |  |  |
| Depreciation and Amortization | 5,800 | 6,249 | 17,808 |
| 16,670 |  |  |  |
| Sales, General and Administrative | 72,258 | 70,080 | 203,835 |
| 193,411 |  |  |  |
| (Gain)/Loss on Sales of Assets | - | (315) | (544) |
| $(14,457)$ |  |  |  |
| Pension Curtailment | - | - | $(4,176)$ |
| - Pension Curailmer |  |  |  |
| Interest Income | (489) | (68) | $(1,305)$ |
| (265) |  |  |  |
| TOTAL COSTS AND EXPENSES | 183,967 | 180,981 | 531,248 |
| 490,944 |  |  |  |

INCOME BEFORE INCOME TAXES
76,122
PROVISION FOR INCOME TAXES

```
31,732
```

INCOME BEFORE CUMULATIVE EFFECT CHANGE IN ACCOUNTING PRINCIPLE 44,390

CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET $(6,204)$
$\qquad$
NET INCOME
38,186
$=============$

NET INCOME PER COMMON SHARE-BASIC: INCOME BEFORE CUMULATIVE EFFECT CHANGE IN ACCOUNTING PRINCIPLE
0.65

CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET (0.09)
----------

NET INCOME PER COMMON SHARE-BASIC 0.56
=============

NET INCOME PER COMMON SHARE-DILUTED:
INCOME BEFORE CUMULATIVE EFFECT CHANGE
IN ACCOUNTING PRINCIPLE
0.63

CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET (0.09)
----------
0.54 NET Income per common share-diluted
0.54
$===========$
AVERAGE SHARES OUTSTANDING - BASIC
68,101
AVERAGE SHARES OUTSTANDING - DILUTED
70,113
</TABLE>
<TABLE>
<CAPTION>
ROLLINS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30
(In thousands)

|  | 2005 |  |  |
| :---: | :---: | :---: | :---: |
| 2004 |  |  |  |
|  | Unaudited |  |  |
| Unaudited |  |  |  |
| Operating Activities |  |  |  |
| <S> | <C> |  | <C> |
| Net Income | \$ | 45,421 | \$ |
| 38,186 |  |  |  |
| Adjustments to Reconcile Net Income to Net Cash |  |  |  |
| Provided by Operating Activities: |  |  |  |
| Change in Accounting Principle, Net |  | - |  |
| 6,204 |  |  |  |
| Depreciation and Amortization |  | 17,808 |  |
| 16,670 |  |  |  |
| Pension Curtailment |  | $(4,176)$ |  |
| Provision for Deferred Income Taxes |  | 2,085 |  |

```
7,319
    Other, Net
3 3 5
    Gain on Sale of Assets
    (14,457)
        (Increase) Decrease in Assets:
        Trade Receivables
            (3,212)
    (7,980)
        Materials and Supplies
        1,536
    5 0 0
            Other Current Assets
            (2,059)
    (3,420)
            Other Non-Current Assets
        2 3 3
    (1,787)
        Increase (Decrease) in Liabilities:
            Accounts Payable and Accrued Expenses 6,417
13,334
            Unearned Revenue
            10,147
13,201
            Accrued Insurance
            (2,484)
    (3,103)
            Accrual for Termite Contracts
            (1,263)
                            (424)
-----------------1
68,685
(103,415)
    Sales of Marketable Securities, Net
21,866
```



```
15,473
    Net Cash Used In Investing Activities
(72,783)
-------------
Financing Activities
    Dividends Paid
(8,187)
    Common Stock Purchased
-
    Common Stock Options Exercised
        3,229
1,734
    Other
6 7 6
    Net Cash Used in Financing Activities
(5,777)
    Effect of Exchange Rate Changes on Cash
(66)
------------
Net Increase/(Decrease) in Cash and Cash Equivalents \((18,646)\)
Cash and Cash Equivalents at Beginning of Year 59,540
```

$\qquad$

```
Cash and Cash Equivalents at End of Period 40,894
```


## </TABLE>

```

> CONFERENCE CALL Rollins, Inc. (NYSE: ROL)
Management will hold a conference call to discuss third quarter results on:

REPLAY: available through November 2, 2005
Please dial 800-405-2236/303-590-3000, Passcode: 11041188 THIS CALL CAN ALSO BE ACCESSED THROUGH THE INTERNET AT www.viavid.net```

