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

FORM 10–Q
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2011

Commission File Number 1-4422

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

Delaware
(State or other jurisdiction of incorporation or organization)

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

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

30324
(Zip Code)

(404) 888-2000
(Registrant’s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☑

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☑
Non-accelerated filer ☑ Smaller reporting company ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☑ No ☑

Rollins, Inc. had 146,904,390 shares of its $1 par value Common Stock outstanding as of July 15, 2011.

Table of Contents

ROLLINS, INC. AND SUBSIDIARIES

Table of Contents

PART 1
FINANCIAL INFORMATION

ITEM 1. Financial Statements
Condensed Consolidated Statements of Financial Position as of June 30, 2011 (unaudited) and December 31, 2010.
Condensed Consolidated Statements of Income (unaudited) for the Three Months and Six Months Ended June 30, 2011 and 2010.
Notes to Consolidated Financial Statements

ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk.

Page No.
3
3
4
5
6
12
16
PART II
OTHER INFORMATION

Item 1. Legal Proceedings

Item 1A. Risk Factors

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Item 6. Exhibits

Signatures

Exhibit Index

EX-31.1: CERTIFICATION
EX-31.2: CERTIFICATION
EX-32.1: CERTIFICATION

Table of Contents

ROLLINS, INC. AND SUBSIDIARIES
PART 1 FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2011 AND DECEMBER 31, 2010
(in thousands except share data)

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2011</th>
<th>December 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$25,820</td>
<td>$20,913</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>$71,457</td>
<td>59,389</td>
</tr>
<tr>
<td>Financed receivables</td>
<td>$12,068</td>
<td>11,044</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>$12,305</td>
<td>11,899</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>$27,628</td>
<td>27,396</td>
</tr>
<tr>
<td>Other current assets</td>
<td>$20,198</td>
<td>20,380</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>$169,476</td>
<td>151,021</td>
</tr>
<tr>
<td>Equipment and property</td>
<td>$74,026</td>
<td>74,013</td>
</tr>
<tr>
<td>Goodwill</td>
<td>$213,705</td>
<td>210,779</td>
</tr>
<tr>
<td>Customer contracts</td>
<td>$144,947</td>
<td>147,556</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>$13,156</td>
<td>15,106</td>
</tr>
<tr>
<td>Deferred receivables</td>
<td>$11,319</td>
<td>10,193</td>
</tr>
<tr>
<td>Other assets</td>
<td>$10,503</td>
<td>10,346</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$637,132</td>
<td>$619,014</td>
</tr>
</tbody>
</table>

| LIABILITIES             |               |                   |
| Accounts payable        | $31,853       | 25,940            |
| Accrued insurance       | $20,580       | 18,652            |
| Accrued compensation    | $60,951       | 61,817            |
| Unearned revenues       | $93,387       | 85,489            |
| Line of credit          | $10,000       | 26,000            |
| Other current liabilities| $32,478        | 28,543            |
| Total current liabilities| $249,249      | 246,441           |
| Accrued insurance, less current portion | $26,830 | $27,221 |
| Accrued pension         | $8,253        | 12,515            |
| Long-term accrued liabilities | $39,617 | $34,867 |
| Total Liabilities       | $323,949      | 321,044           |

| COMMITMENTS AND CONTINGENCIES |               |                   |
| Stockholders' Equity        |               |                   |
| Preferred stock, without par value; 500,000 authorized, zero shares issued | —               | —                   |
| Common stock, par value $1 per share; 170,000,000 shares authorized, 146,904,390 and 147,181,472 shares issued, respectively | $146,904       | 147,181             |
| Paid in capital             | $28,252       | 27,816            |
| Accumulated other comprehensive loss | $(32,131)    | $(32,490)          |
| Retained earnings           | $170,158      | 155,463           |
| Total Stockholders' Equity  | $313,183      | 297,970           |
| Total Liabilities and Stockholders' Equity | $637,132 | $619,014 |

The accompanying notes are an integral part of these condensed consolidated financial statements.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(unaudited)

Three Months Ended
June 30, 2011  2010
REVENUES
Customer services $ 320,436 $ 298,803

COSTS AND EXPENSES
Cost of services provided 159,645 148,428
Depreciation and amortization 9,288 8,967
Sales, general and administrative 101,757 96,963
Interest expense, net 178 66
INCOME BEFORE INCOME TAXES 49,568 44,379
PROVISION FOR INCOME TAXES 18,507 16,679
NET INCOME $ 31,061 $ 27,700
NET INCOME PER SHARE - BASIC $ 0.21 $ 0.19
NET INCOME PER SHARE - DILUTED $ 0.21 $ 0.19
DIVIDENDS PAID PER SHARE $ 0.07 $ 0.06

Weighted average participating shares outstanding - basic 147,245 148,566
Dilutive effect of stock options 69 232
Weighted average participating shares outstanding — assuming dilution 147,314 148,798

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(inaudited)

Six Months Ended
June 30, 2011  2010
OPERATING ACTIVITIES
Net Income $ 49,701 $ 45,283
Adjustments to reconcile net income to net cash provided by operating activities:
Depreciation and amortization 18,488 17,967
Provision for deferred income taxes 1,423 232
Provision for bad debts 3,080 2,197
Stock based compensation expense 3,764 4,221
Excess tax benefits from share-based payments (138) (448)
Other, net (419) (183)
Changes in operating assets and liabilities (1,559) (10,232)
Net cash provided by operating activities 74,340 59,037

INVESTING ACTIVITIES
Cash used for acquisitions of companies, net of cash acquired (7,986) (2,173)
Purchases of equipment and property (7,600) (4,522)
Other 212 131
Net cash used in investing activities (15,374) (6,564)

FINANCING ACTIVITIES
Repayments, under line of credit agreement, net (16,000) (5,000)
Cash paid for common stock purchased (18,133) (21,323)
Dividends paid (20,626) (17,856)
Changes in cash overdraft position 500 1,000
Proceeds received upon exercise of stock options 11 251
Principal payments on capital lease obligations (38) (157)
Excess tax benefits from share-based payments 138 448
Net cash used in financing activities (54,148) (42,637)
Effect of exchange rate changes on cash 89 (54)
Net increase in cash and cash equivalents 4,907 9,782
Cash and cash equivalents at beginning of period 20,913 9,504
Cash and cash equivalents at end of period $ 25,820 $ 19,286

The accompanying notes are an integral part of these condensed consolidated financial statements.
The preparation of interim financial statements requires management to make estimates and assumptions for the amounts reported in the condensed consolidated financial statements. Specifically, the Company makes estimates in its interim consolidated financial statements for the termite accrual which includes future costs including termite life expectancy and government regulations, the insurance accrual which includes self insurance and worker’s compensation, inventory adjustments, discounts and volume incentives earned, among others.

In the opinion of management, all adjustments necessary for a fair presentation of the Company’s financial results for the interim periods have been made. These adjustments are of a normal recurring nature. The results of operations for the three and six month periods ended June 30, 2011 are not necessarily indicative of results for the entire year.

The Company has only one reportable segment, its pest and termite control business. The Company’s results of operations and its financial condition are not reliant upon any single customer, a few customers, or the Company’s foreign operations.

NOTE 2. COMPREHENSIVE INCOME

The components of comprehensive income for the applicable periods are as follows:

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Three Months Ended</th>
<th></th>
<th></th>
<th>Six Months Ended</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehenssive income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$31,061</td>
<td>$27,700</td>
<td></td>
<td>$49,701</td>
<td>$45,283</td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>(328)</td>
<td>(424)</td>
<td></td>
<td>359</td>
<td>(22)</td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>$30,733</td>
<td>$27,276</td>
<td></td>
<td>$50,060</td>
<td>$45,261</td>
<td></td>
</tr>
</tbody>
</table>

NOTE 3. RECENT ACCOUNTING PRONOUNCEMENTS

New Accounting Standards

Recently issued accounting standards to be adopted in 2012

In June 2011, the FASB issued guidance on the presentation of comprehensive income. This guidance eliminates the current option to report other comprehensive income and its components in the statement of changes in equity. The guidance allows two presentation alternatives: (1) present items of net income and other comprehensive income in one continuous statement, referred to as the statement of comprehensive income; or (2) in two separate, but consecutive, statements of net income and other comprehensive income. This guidance is effective as of the beginning of a fiscal year that begins after December 15, 2011. Early adoption is permitted, but full retrospective application is required under both sets of accounting standards. The Company is currently evaluating which presentation alternative it will utilize.

Recently adopted accounting standards

In October 2009, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2009-13, Multiple-Deliverable Revenue Arrangements, or “ASU 2009-13.” ASU 2009-13 establishes the accounting and reporting guidance for arrangements that include multiple revenue-generating activities, and provides amendments to the criteria for separating deliverables, and measuring and allocating arrangement consideration to one or more units of accounting. The amendments in ASU 2009-13 also establish a hierarchy for determining the selling price of a deliverable. Enhanced

Table of Contents

disclosures are also required to provide information about a vendor’s multiple-deliverable revenue arrangements, including information about the nature and terms of the arrangement, significant deliverables, and the vendor’s performance within arrangements. The amendments also require providing information about the significant judgments made and changes to those judgments and about how the application of the relative selling-price method affects the timing or amount of revenue recognition. The amendments in ASU 2009-13 are effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, or January 1, 2011 for us. The adoption of ASU 2009-13 did not have a material impact on our financial position or results of operations.

In January 2010, the FASB issued ASU 2010-06, “Fair Value Measurements and Disclosures,” which amends the disclosure requirements related to recurring and nonrecurring fair value measurements. The guidance requires disclosure of transfers of assets and liabilities between Level 1 and Level 2 of the fair value measurement hierarchy, including the reasons and the timing of the transfers and information on purchases, sales, issuance, and settlements on a gross basis in the reconciliation of the assets and liabilities measured under Level 3 of the fair value measurement hierarchy. The guidance is effective for annual and interim reporting periods beginning after December 15, 2009, except for Level 3 reconciliation disclosures which are effective for annual and interim periods beginning after December 15, 2010. The Company adopted the amendments for Levels 1 and 2 in the first quarter of 2010 and the adoption did not have a material impact on the disclosures of (in) the Company’s consolidated financial statements. The adoption of the amendment for Level 3 did not have a material impact on our financial position or results of operations.

Other new pronouncements issued but not effective until after January 1, 2011 are not expected to have a significant effect on the Company’s financial position or results of operations.

NOTE 4. EARNINGS PER SHARE

The Company follows ASC 260, Earnings Per Share (ASC 260) that requires the reporting of both basic and diluted earnings (loss) per share. Basic earnings (loss) per share is computed by dividing net income available to participating common stockholders by the weighted average number of participating common shares outstanding for the period. The calculation of diluted earnings (loss) per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. In accordance with ASC 260, any anti-dilutive effects on net earnings (loss) per share are excluded of which there were none at June 30, 2011 or June 30, 2010. All prior period share and per share data throughout this document have been restated for the stock split effective December 10, 2010.

Basic and diluted earnings per share attributable to common and restricted shares of common stock for the period were as follows:
The allowance for doubtful accounts related to financing receivables were as follows:

Information derived from competitive benchmarking.

General reserve, which is determined based on a percentage of the financing receivables balance, and a specific reserve, which is established for certain accounts with

Rollins establishes an allowance for doubtful accounts to insure financing receivables are not overstated due to uncollectability. The allowance balance is comprised of a

wholly-owned subsidiary, Orkin, Inc., and the repurchase price of the franchise are currently estimated and have historically been well above the receivable due from the

June 30, 2011, there were no accounts on a non-accrual status, and no financing receivables greater than 180 days past due.

In certain circumstances, such as when delinquency is deemed to be of an administrative nature, accounts may still accrue interest when they reach 180 days past due. As of

no significant changes have been made to the policy during the periods reported. Management considers the charge-off policy when evaluating the appropriateness of the

deemed uncollectable or when 180 days have elapsed since the date of the last full contractual payment. The Company’s charge-off policy has been consistently applied and

if necessary. Additionally, the Company and a subsidiary, The Industrial Fumigant Company, LLC, are named defendants in Severn Peanut Co. and Meherrin Agriculture &

Chemical Co. v. Industrial Fumigant Co., et al. The Severn lawsuit, a matter related to a fumigation service, has been filed in the Northern Division of the United States

District Court for the Eastern District of North Carolina. The plaintiffs are seeking damages for breach of contract and negligence. The Company believes the lawsuit to be

Without merit and intends to defend itself vigorously through trial, if necessary. The Company does not believe that any pending claim, proceeding or litigation, either alone

Orkin, LLC is involved in certain environmental matters primarily arising in the normal course of business. In the opinion of management, the Company’s liability under any

of these matters would not and did not materially affect its financial condition, results of operations or liquidity.

NOTE 6. FINANCING RECEIVABLES

Rollins manages its financing receivables on an aggregate basis when assessing and monitoring credit risks. The Company’s credit risk is generally low with a large number of

entities comprising Rollins’ customer base and dispersion across many different geographical regions. The credit quality of a potential obligor is evaluated at the

contracts inception based on their credit worthiness, while delinquencies of accounts are monitored closely. Rollins requires potential obligators to have good credit

worthiness with low risk before entering into a contract.

Total financed receivables, net were $23.4 million and $21.2 million at June 30, 2011 and December 31, 2010, respectively. Financed receivables are charged-off when it is

deemed uncollectible or when 180 days have elapsed since the date of the last full contractual payment. The Company’s charge-off policy has been consistently applied and

no significant changes have been made to the policy during the periods reported. Management considers the charge-off policy when evaluating the appropriateness of the

allowance for doubtful accounts. Charge-offs as a percentage of average financing receivables were 1.8%, 2.3% and 4.0% for the six months ended June 30, 2011 and June

30, 2010, respectively and the twelve months ended December 31, 2010. Due to the low percentage of charge-off receivables and the high credit worthiness of the potential

obligor, the entire Rollins, Inc. financing receivables portfolio has a low credit risk.

In certain circumstances, such as when delinquency is deemed to be of an administrative nature, accounts may still accrue interest when they reach 180 days past due. As of

June 30, 2011, there were no accounts on a non-accrual status, and no financing receivables greater than 180 days past due.

Included in financing receivables are notes receivable from franchise owners. These notes are low risk as the repurchase of these franchises is guaranteed by the Company’s

wholly-owned subsidiary, Orkin, Inc., and the repurchase price of the franchise are currently estimated and have historically been well above the receivable due from the

franchise owner.

Rollins establishes an allowance for doubtful accounts to insure financing receivables are not overstated due to uncollectability. The allowance balance is comprised of a

general reserve, which is determined based on a percentage of the financing receivables balance, and a specific reserve, which is established for certain accounts with

identified exposures, such as customer default, bankruptcy or other events, that make it unlikely that Rollins will recover its investment. The general reserve percentages are

based on several factors, which include consideration of historical credit losses and portfolio delinquencies, trends in overall weighted-average risk rating of the portfolio and

information derived from competitive benchmarking.

The allowance for doubtful accounts related to financing receivables were as follows:

<table>
<thead>
<tr>
<th>Table of Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of period</td>
</tr>
<tr>
<td>Additions to allowance</td>
</tr>
<tr>
<td>Deductions, net of recoveries</td>
</tr>
</tbody>
</table>
The following is a summary of the past due financing receivables as of:

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>June 30, 2011</th>
<th>December 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-60 days past due</td>
<td>$ 505</td>
<td>$ 833</td>
</tr>
<tr>
<td>61-90 days past due</td>
<td>167</td>
<td>382</td>
</tr>
<tr>
<td>91 days or more past due</td>
<td>376</td>
<td>370</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,048</td>
<td>$ 1,585</td>
</tr>
</tbody>
</table>

Percentage of period-end gross financing receivables

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2011</th>
<th>December 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>96.0%</td>
<td>93.4%</td>
</tr>
<tr>
<td>30-60 days past due</td>
<td>1.9%</td>
<td>3.5%</td>
</tr>
<tr>
<td>61-90 days past due</td>
<td>0.7%</td>
<td>1.5%</td>
</tr>
<tr>
<td>91 days or more past due</td>
<td>1.4%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

NOTE 7.  FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company’s financial instruments consist of cash and cash equivalents, short-term investments, trade and notes receivables, accounts payable and other short-term liabilities. The carrying amounts of these financial instruments approximate their fair values. The Company has a Revolving Credit Agreement with SunTrust Bank and Bank of America, N.A. for an unsecured line of credit of up to $175.0 million, which includes a $75.0 million letter of credit subfacility and a $10.0 million swingline subfacility.

At June 30, 2011, the fair value of outstanding borrowings was approximately $10.0 million.

NOTE 8.  STOCKHOLDERS’ EQUITY

A total of $20.6 million was paid in cash dividends ($0.14 per share) during the first six months of 2011, compared to $17.9 million or ($0.12 per share) during the same period in 2010. During the second quarter ended June 30, 2011, the Company repurchased 533,012 shares of its $1 par value common stock at a weighted average price of $19.37 per share compared to 1,135,242 shares purchased at a weighted average price of $14.14 during the same period in 2010. During the six months ended June 30, 2011, the Company repurchased 789,296 shares of its $1 par value common stock at a weighted average price of $19.22 per share compared to 1,330,392 shares purchased at a weighted average price of $13.95 during the same period in 2010. Rollins, Inc. has had a buyback program in place for a number of years and has routinely purchased shares when it felt the opportunity was desirable. The Board authorized the purchase of 7.5 million additional shares of the Company’s common stock in October 2008. This authorization enables the Company to continue the purchase of Rollins, Inc. common stock when appropriate, which is an important benefit, resulting from the Company’s strong cash flows. The stock buy-back program has no expiration date. In total, 1.7 million additional shares may be purchased under its share repurchase program.

As more fully discussed in Note 12 of the Company’s notes to the consolidated financial statements in its 2010 Annual Report on Form 10-K stock options, time lapse restricted shares (TLRS’s) and restricted stock units have been issued to officers and other management employees under the Company’s Employee Stock Incentive Plans. The stock options generally vest over a five-year period and expire ten years from the issuance date.

During the second quarter ended June 30, 2011, approximately 43,000 shares of common stock were issued upon exercise of stock options by employees compared to approximately 1,600 shares for the prior year quarter. In total for the six months ended June 30, 2011, approximately 53,000 shares of common stock were issued upon exercise of stock options by employees.

The following table summarizes the components of the Company’s stock-based compensation programs recorded as expense:

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Three Months Ended</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2011</td>
<td>June 30, 2010</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Time lapse restricted stock:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-tax compensation expense</td>
<td>$ 1,822</td>
<td>$ 2,346</td>
</tr>
<tr>
<td>Tax benefit</td>
<td>(725)</td>
<td>(903)</td>
</tr>
<tr>
<td>Restricted stock expense, net of tax</td>
<td>$ 1,157</td>
<td>$ 1,443</td>
</tr>
<tr>
<td>Options activity outstanding under the Company’s stock option plan as of June 30, 2011 and changes during the six months ended June 30, 2011, were as follows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares</td>
<td>Weighted-Average Exercise Price</td>
<td>Weighted-Average Remaining Contractual Term (in years)</td>
</tr>
<tr>
<td>Outstanding at December 31, 2010</td>
<td>136</td>
<td>$ 4.66</td>
</tr>
<tr>
<td>Exercised</td>
<td>(53)</td>
<td>4.20</td>
</tr>
<tr>
<td>Outstanding at June 30, 2011</td>
<td>83</td>
<td>4.96</td>
</tr>
<tr>
<td>Exercisable at June 30, 2011</td>
<td>83</td>
<td>4.96</td>
</tr>
</tbody>
</table>

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the difference between the Company’s closing stock price on the last trading day of the second quarter ended June 30, 2011 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on June 30, 2011. The amount of aggregate intrinsic value will change based on the fair market value of the Company’s stock.

The aggregate intrinsic value of options exercised during the six months ended June 30, 2011 and June 30, 2010 was $0.2 million and $2.4 million, respectively. Exercise of options for the second quarter ended June 30, 2011 and 2010 resulted in cash receipts of $11 thousand and $0.3 million, respectively. The Company recognized tax benefits of approximately $68 thousand during the quarter ended June 30, 2011, and $59 thousand for the quarter ended June 30, 2010, which have been recorded as increases to paid-in
The following table summarizes information on unvested restricted stock outstanding as of June 30, 2011:

<table>
<thead>
<tr>
<th>(in thousands except per share data)</th>
<th>Number of Shares</th>
<th>Weighted-Average Grant-Date Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unvested Restricted Stock Units at December 31, 2010</td>
<td>2,664</td>
<td>$ 11.09</td>
</tr>
<tr>
<td>Forfeited</td>
<td>(48)</td>
<td>12.55</td>
</tr>
<tr>
<td>Vested</td>
<td>(572)</td>
<td>10.08</td>
</tr>
<tr>
<td>Granted</td>
<td>670</td>
<td>19.30</td>
</tr>
<tr>
<td>Unvested Restricted Stock Units at June 30, 2011</td>
<td>2,714</td>
<td>$ 13.31</td>
</tr>
</tbody>
</table>

Table of Contents

At June 30, 2011 and December 31, 2010, the Company had $26.0 million and $20.0 million of total unrecognized compensation cost, respectively, related to time-lapse restricted shares that are expected to be recognized over weighted average periods of approximately 4.3 years and 3.9 years, respectively.

NOTE 9. PENSION AND POST RETIREMENT BENEFIT PLANS

The following represents the net periodic pension benefit costs and related components in accordance with FASB ASC 715 "Compensation - Retirement Benefits”:

During the six months ended June 30, 2011, the Company made contributions of $4.2 million to its defined benefit retirement plans (the “Plans”). The Company and management are considering making further contributions to the Plans of approximately $1.0 million during the fiscal year ending December 31, 2011.

NOTE 10. ACQUISITIONS

The Company made several acquisitions during the six month periods ended June 30, 2011 and 2010, none of which are considered material in nature individually or in total.

Goodwill from acquisitions represents the excess of the purchase price over the fair value of net assets of businesses acquired. The carrying amount of goodwill was $213.7 million at June 30, 2011 and $210.8 million at December 31, 2010. Goodwill generally changes due to acquisitions, finalization of allocation of purchase prices of previous acquisitions and foreign currency translations. The carrying amount of goodwill in foreign countries was $10.0 million at June 30, 2011 and $9.4 million at December 31, 2010.

The Company has not had a triggering event to test for impairment of goodwill since its most recent impairment analysis on September 30, 2010.

The Company continues its solid financial performance generating $74.3 million in cash from operations year to date. The Company repurchased 533,012 shares of common stock at a weighted average price of $19.37 per share during the second quarter. In total, approximately 1.7 million additional shares may be repurchased under the Company’s share purchase program.

The Board of Directors, at its quarterly meeting on January 25, 2011, approved a 16.7% increase in the Company’s quarterly cash dividend of $0.07 per share. This marked the eighth consecutive year the Board has increased its dividend a minimum of 12% or greater.
Revenues for the second quarter ended June 30, 2011 increased $21.6 million to $320.4 million or 7.2% compared to $298.8 million for the quarter ended June 30, 2010.

Commercial pest control revenues, which approximate 41% of the Company’s revenues during the second quarter ended June 30, 2011, grew 8.1% for the quarter compared to the quarter ended June 30, 2010. The Company’s commercial revenues were impacted favorably by an increase in selling price, while benefiting from an improvement in customer retention. The Company’s commercial fumigations service, which is included in total commercial pest control, was down 0.9% compared to the same period in 2010.

Residential pest control service revenues, which represent approximately 39% of Rollins’ revenues during the second quarter ended June 30, 2011, increased 8.9% compared to the same period in 2010.

Termite service revenues, which is approximately 20% of Rollins’ business for the second quarter ended June 30, 2011, increased 2.6% compared to the same period in 2010. Termite service is more dependent on new sales versus pest control, as approximately half of its revenues are recurring, coming from renewals and monitoring.

Foreign operations accounted for approximately 8% of total revenues during the second quarter of 2011 and 8% for the same period in 2010.

The revenues of the Company are impacted by the seasonal nature of the Company’s pest and termite control services. The increase in pest pressure and activity, as well as the metamorphosis of termites in the spring and summer (the occurrence of

| Table of Contents |

which is determined by the change in seasons), has historically resulted in an increase in the Company’s revenues as evidenced by the following chart:

<table>
<thead>
<tr>
<th>Consolidated Net Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in thousands)</td>
</tr>
<tr>
<td>2011</td>
</tr>
<tr>
<td>First Quarter</td>
</tr>
<tr>
<td>Second Quarter</td>
</tr>
<tr>
<td>Third Quarter</td>
</tr>
<tr>
<td>Fourth Quarter</td>
</tr>
<tr>
<td>Year ended December 31,</td>
</tr>
</tbody>
</table>

Cost of Services provided for the second quarter ended June 30, 2011 increased $11.2 million or 7.6%, compared to the quarter ended June 30, 2010. Gross margin for the quarter decreased to 50.2% for the second quarter versus 50.3 % in the prior year due to increase in cost of fuel. The Company experienced unfavorable claim development in both casualty and termite, which was partially offset by favorable claim experience in medical.

Depreciation and amortization expenses for the second quarter ended June 30, 2011 increased $0.3 million, an increase of 3.6% due to depreciation and amortization related to acquisitions that occurred in the third and fourth quarters of 2010.

Sales, general and administrative expenses for the second quarter ended June 30, 2011 increased $4.8 million or 4.9%, to 31.8% of revenues, decreasing from 32.5% for the second quarter ended June 30, 2010. The increase in dollars is due primarily to two acquisitions made in the third and fourth quarters of 2010. The decrease in costs as a percent of revenues is due to growth in revenue as most costs other than fuel remained level, leveraging the Company’s Sales, General and Administrative expenses in the businesses existing before the 2010 acquisitions.

Interest expense, net for the second quarter ended June 30, 2011 increased to $178 thousand compared to $66 thousand for the second quarter ended June 30, 2010. Interest expense is comprised primarily of interest on the Company’s debt related to the April 2008 acquisition of HomeTeam.

Income Taxes for the second quarter ended June 30, 2011 increased to $18.5 million, an 11.0% increase from $16.7 million reported for the second quarter 2010, and reflects increased pre-tax income over the prior year period. The effective tax rate was 37.3% for the second quarter ended June 30, 2011 versus 37.6% for the second quarter ended June 30, 2010, primarily due to differences in state tax rates.

SIX MONTHS ENDED JUNE 30, 2011 COMPARED TO SIX MONTHS ENDED JUNE 30, 2010

Revenues for the six month period ended June 30, 2011, increased to $592.1 million or 7.6% compared to $551.8 million for the period ended June 30, 2010.

Commercial pest control revenues amounted to approximately 42% of the Company’s revenues during the first six months ended June 30, 2011 and increased 8.2% compared to the same period 2010. The Company expanded it sales staff in the first quarter and has been favorably impacted with local sales increases and improvements in national account revenues.

Residential pest control revenues, which represents approximately 39% of the Company’s revenues during the first six months ended June 30, 2011, increased 8.9% compared to the same period in 2010. The fundamentals for growth in residential revenue, leads, pricing and retention are all up for the year.

Termite service revenues, which is approximately 19% of the Company’s business for the first six months ended June 30, 2011, increased 2.7% compared to the same period in 2010.

Foreign operations accounted for approximately 8% of total revenues for the first six months of 2011 and 8% for the same period in 2010.

Cost of services provided for the six months ended June 30, 2011, increased $21.1, or 7.6% compared to the six months ended June 30, 2010. Gross margins year-to-date decreased to 49.2 % from the prior year gross margin of 49.4%. Favorable

| Table of Contents |
experience in administrative salaries, health care cost and material and supply cost did not offset the almost 60 basis point increase in cost of fuel.

Depreciation and amortization expenses for the six months ended June 30, 2011, increased $0.5 million to $18.5 million, an increase of 2.9%, due to depreciation and amortization related to acquisitions that occurred in the third and fourth quarters of 2010.

Sales, general and administrative expenses for the six months ended June 30, 2011, increased $11.4 million, or 6.3% to 32.6% of revenues, decreasing from 33.0% in the prior year period due leverage gained in the second quarter of the year.

Interest expense, net for the period ended June 30, 2011 was $370 thousand, an increase of $205 thousand from $165 thousand for the period ended June 30, 2010.

Income Taxes for the six months ended June 30, 2011 increased to $29.7 million, a 9.5% increase from $27.1 million reported for the same period in 2010, and reflect increased pre-tax income over the prior year period. The effective tax rate was 37.4% for the six months ended June 30, 2011 versus 37.5% for the six month ended June 30, 2010 primarily due to differences in state tax rates.

Liquidity and Capital Resources

The Company believes its current cash and cash equivalents balances, future cash flows expected to be generated from operating activities and available borrowings under its $175.0 million credit facility will be sufficient to finance its current operations and obligations, and fund expansion of the business for the foreseeable future. The Company’s operating activities generated net cash of $74.3 million for the six months ended June 30, 2011, compared with cash provided by operating activities of $59.0 million for the same period in 2010.

The Company made contributions of $4.2 million to its defined benefit retirement plan (the “Plan”) during the six months ended June 30, 2011. In the opinion of management, Plan contributions will not have a material effect on the Company’s financial position, results of operations or liquidity.

The Company invested approximately $7.6 million in capital expenditures during the first six months ended June 30, 2011, compared to $4.5 million during the same period in 2010, and expects to invest approximately $8.0 million for the remainder of 2011. Capital expenditures for the first six months consisted primarily of the purchase of equipment replacements and technology related projects. During the first six months ended June 30, 2011, the Company made expenditures for acquisitions totaling $8.0 million, compared to $2.2 million during the same period in 2010. Cash on hand and borrowings under a senior unsecured revolving credit facility primarily funded these expenditures for acquisitions. A total of $20.6 million was paid in cash dividends ($0.14 per share) during the first six months of 2011, compared to $17.9 million or ($0.12 per share) during the same period in 2010. The Company repurchased 0.8 million shares during the first six months of 2011 of its $1 par value common stock at a weighted average price of $19.22. The capital expenditures, share repurchases and cash dividends were funded through existing cash balances, operating activities and borrowings under a senior unsecured revolving credit facility. In total, approximately 1.7 million additional shares may be repurchased under the Company’s share purchase program.

Rollins’ balance sheet as of June 30, 2011, includes short-term unearned revenues of $93.4 million dollars, representing over 8% of our annual revenue. This represents cash paid to the Company by its customers in advance of services that will be recognized over the next twelve months.

Table of Contents

The Company’s $25.8 million of total cash at June 30, 2011, includes approximately $0.4 million invested in various money market funds. The remaining $25.4 million of cash at June 30, 2011 is primarily cash held at various banking institutions. Approximately $14.2 million is held in cash accounts at international bank institutions and the remaining $11.2 million is primarily held in non-interest-bearing accounts at various domestic banks. In July 2010, President Obama signed into law the Dodd-Frank Act, which again led to changes in FDIC deposit guarantees. Beginning January 1, 2011 and lasting through December 31, 2012, all funds held in noninterest-bearing transaction accounts at insured depository institutions will automatically be fully insured, without limit. This applies to all of our domestic accounts where we have balances.

On March 28, 2008, the Company entered into a Revolving Credit Agreement with SunTrust Bank and Bank of America, N.A. for an unsecured line of credit of up to $175.0 million, which includes a $75 million letter of credit subfacility, and a $10 million swingline subfacility. The Company had $10 million outstanding under this credit facility as of June 30, 2011. The Company remained in compliance with applicable debt covenants through the date of this filing and expects to maintain compliance through 2011.

Orkin, one of the Company’s subsidiaries, is aggressively defending or had dismissed the following lawsuits in which the plaintiffs are seeking class certification: John Maciel v. Orkin, Inc., et al. (pending in the Superior Court of Los Angeles County, California); Douglas F. Bracho v. Orkin, Inc., et al. (pending in the Superior Court of Orange County, California); Khan v. Orkin, Inc., et al. (pending in the United States District Court for the Northern District of California); John Urbino v. Orkin Services of California, Inc., et al. (pending in the Superior Court of Orange County, California); and Salazar v. Orkin Exterminating Company, Inc. (originally filed in the Superior Court of Orange County, California, but removed to the United States District Court for the Central District of California). In the Maciel v. Orkin case, a date for a class certification hearing has not been scheduled. The Bracho case has not been scheduled for a class certification hearing. The Khan case has not been scheduled for a class certification hearing. The Urbino lawsuit was voluntarily dismissed on June 13, 2011, and is no longer pending. The Salazar case has not been scheduled for a class certification hearing. Western, another of the Company’s subsidiaries, is aggressively defending the Jennifer Thompson and Janet Flood v. Philadelphia Management Company, Parkway Associated, Parkway House Apartments, Barbara Williams, and Western Pest Services lawsuit (pending in the Court of Common Pleas of Philadelphia County, Pennsylvania) in which the plaintiffs are seeking class certification. The Flood lawsuit has not been scheduled for a class certification hearing. Additionally, the Company and a subsidiary, The Industrial Fumigant Company, LLC, have been served as named defendants in Severn Peanut Co. and Meherrin Agriculture & Chemical Co. v. Industrial Fumigant Co., et al (pending in the Northern Division of the United States District Court for the Eastern District of North Carolina). The Company intends to defend itself vigorously through trial, if necessary. Other lawsuits against Orkin, Western and other subsidiaries of the Company, and in some instances the Company, are also being vigorously defended. For further discussion, see Note 5 to the accompanying financial statements.

Critical Accounting Policies

Revenue Recognition—The Company’s revenue recognition policies are designed to recognize revenues at the time services are performed. For certain revenue types, because of the timing of billing and the receipt of cash versus the timing of performing services, certain accounting estimates are utilized. Residential and commercial pest control
services are primarily recurring in nature on a monthly, bi-monthly or quarterly basis, while certain types of commercial customers may receive multiple treatments within a given month. In general, pest control customers sign an initial one-year contract, and revenues are recognized at the time services are performed. For pest control customers, the Company offers a discount for those customers who prepay for a full year of services. The Company defers recognition of these advance payments and recognizes the revenue as the services are rendered. The Company classifies the discounts related to the advance payments as a reduction in revenues. Termite baiting revenues are recognized based on the delivery of the individual units of accounting. At the inception of a new baiting services contract upon quality control review of the installation, the Company recognizes revenue for the installation of the monitoring stations, initial directed liquid termiticide treatment and servicing of the monitoring services. A portion of the contract amount is deferred for the undelivered monitoring element. This portion is recognized as income on a straight-line basis over the remaining contract term, which results in recognition of revenue in a pattern that approximates the timing of performing monitoring visits. The allocation of the purchase price to the two deliverables is based on the relative selling price. Baiting renewal revenue is deferred and recognized over the annual contract period on a straight-line basis that approximates the timing of performing the required monitoring visits.

Revenue received for termite renewals is deferred and recognized on a straight-line basis over the remaining contract term; and, the cost of reinspections, reapplications and repairs and associated labor and chemicals are expensed as incurred. For outstanding claims, an estimate is made of the costs to be incurred (including legal costs) based upon current factors and

---

**Table of Contents**

historical information. The performance of reinspections tends to be close to the contract renewal date and while reapplications and repairs involve an insubstantial number of the contracts, these costs are incurred over the contract term. As the revenue is being deferred, the future cost of reinspections, reapplications and repairs and associated labor and chemicals applicable to the deferred revenue are expensed as incurred. The Company accrues for noticed claims. The costs of providing termite services upon renewal are compared to the expected revenue to be received and a provision is made for any expected losses.

There has been no other changes to the Company’s critical accounting policies since the filing of its Form 10-K for the period ended December 31, 2010.

**New Accounting Standards**

See Note 3 of the Notes to Condensed Consolidated Financial Statements for a description of recent accounting pronouncements, including the expected dates of adoption and estimated effects on results of operations and financial condition.

**Forward-Looking Statements**

This Quarterly Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, without limitation, the effect of the future adoption of recent accounting pronouncements on the Company’s financial statements; statements regarding management’s expectation regarding the effect of the ultimate resolution of pending legal actions on the Company’s financial position, results of operation and liquidity; management’s belief that future costs of the Company for environmental matters will not be material to the Company's financial condition, operating results, and liquidity; the Company’s belief that its current cash and cash equivalent balances, future cash flows expected to be generated from operating activities and available borrowings will be sufficient to finance its current operations and obligations, and fund planned investments for expansion of the business for the foreseeable future; possible defined benefit retirement plan contributions and their effect on the Company’s financial position, results of operations and liquidity; estimated 2011 capital expenditures; the Company’s expectation to maintain compliance with debt covenants; and the Company’s belief that interest rate exposure and foreign exchange rate risk will not have a material effect on the Company’s results of operations going forward. 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, the possibility of an adverse ruling against the Company in pending litigation; general economic conditions; market risk; changes in industry practices or technologies; the degree of success of the Company’s termite process and pest control selling and treatment methods; the Company’s ability to identify and integrate potential acquisitions; climate and weather conditions; competitive factors and pricing practices; our ability to attract and retain skilled workers, and potential increases in labor costs; 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. The Company does not undertake to update its forward looking statements.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

As of June 30, 2011, the Company maintained an investment portfolio (included in cash and cash equivalents) subject to short-term interest rate risk exposure. The Company is subject to interest rate risk exposure through borrowings on its $175 million credit facility. The Company is also exposed to market risks arising from changes in foreign exchange rates. The Company believes that this foreign exchange rate risk will not have a material impact upon the Company’s results of operations going forward. There have been no material changes to the Company’s market risk exposure since the end of fiscal year 2010.

**ITEM 4. CONTROL AND PROCEDURES**

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as of June 30, 2011. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level such that the material information relating to Rollins, Inc., including our consolidated subsidiaries, and required to be included in our Securities and Exchange Commission (“SEC”).
PART II OTHER INFORMATION

Item 1. Legal Proceedings.

See Note 5 to Part I, Item 1 for discussion of certain litigation.

Item 1A. Risk Factors

See the Company’s risk factors disclosed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2010.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Shares repurchased by Rollins and affiliated purchases during the second quarter ended June 30, 2011 were as follows:

<table>
<thead>
<tr>
<th>Period</th>
<th>Total Number of shares purchased</th>
<th>Weighted-Average Price paid per Share</th>
<th>Total number of shares purchased as part of publicly announced repurchases</th>
<th>Maximum number of shares that may yet be purchased under the repurchase plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 1 to 30, 2011</td>
<td>4,995</td>
<td>$20.95</td>
<td>0</td>
<td>2,281,962</td>
</tr>
<tr>
<td>May 1 to 31, 2011</td>
<td>262,111</td>
<td>19.65</td>
<td>261,332</td>
<td>2,281,962</td>
</tr>
<tr>
<td>June 1 to 30, 2011</td>
<td>274,063</td>
<td>19.11</td>
<td>271,680</td>
<td>2,020,630</td>
</tr>
<tr>
<td>Total</td>
<td>541,169</td>
<td>$19.39</td>
<td>533,012</td>
<td>1,748,950</td>
</tr>
</tbody>
</table>


(2) These shares were repurchased under the October 2008 plan to repurchase up to 7.5 million shares of the Company’s common stock. This plan has no expiration date.

Table of Contents


(a) Exhibits

(3) (i) (A) Restated Certificate of Incorporation of Rollins, Inc. dated July 28, 1981, incorporated herein by reference to Exhibit (3)(i)(A) as filed with the registrant’s Form 10-Q filed August 1, 2006.


(C) Certificate of Change of Location of Registered Office and of Registered Agent dated March 22, 1994, incorporated herein by reference to Exhibit (3)(i)(C) filed with the registrant’s Form 10-Q filed August 1, 2006.


(ii) Amended and Restated By-laws of Rollins, Inc., incorporated herein by reference to Exhibit 3.1 as filed with the registrant’s Form 8-K dated October 23, 2007.

(4) Form of Common Stock Certificate of Rollins, Inc., incorporated herein by reference to Exhibit (4) as filed with its Form 10-K for the year ended December 31, 1998.

(31.1) Certification of Chief Executive Officer Pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

(31.2) Certification of Chief Financial Officer Pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

(32.1) Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(101.INS) XBRL Instance Document

(101.SCH) XBRL Taxonomy Extension Schema Document

(101.CAL) XBRL Taxonomy Extension Calculation Linkbase Document

(101.DEF) XBRL Taxonomy Extension Definition Linkbase Document

(101.LAB) XBRL Taxonomy Extension Label Linkbase Document

(101.PRE) XBRL Taxonomy Extension Presentation Linkbase Document
SIGNATURES

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

ROLLINS, INC.
(Registrant)

Date: July 29, 2011

By: /s/Gary W. Rollins
Gary W. Rollins
Chief Executive Officer, President
and Chief Operating Officer
(Principal Executive Officer)

Date: July 29, 2011

By: /s/Harry J. Cynkus
Harry J. Cynkus
Senior Vice President, Chief Financial
Officer and Treasurer
(Principal Financial and Accounting Officer)
I, Gary W. Rollins, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rollins, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 29, 2011

/s/Gary W. Rollins
Gary W. Rollins, Chief Executive Officer, President and Chief Operating Officer
(Principal Executive Officer)
I, Harry J. Cynkus, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rollins, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 29, 2011
/s/Harry J. Cynkus
Harry J. Cynkus
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)
CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Rollins, Inc., a Delaware corporation (the “Company”), on Form 10-Q for the period ended June 30, 2011, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned certifies, pursuant to 18 U.S.C. sec. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 29, 2011
By: /s/Gary W. Rollins
   Gary W. Rollins
   Chief Executive Officer, President
   and Chief Operating Officer
   (Principal Executive Officer)

Date: July 29, 2011
By: /s/Harry J. Cynkus
   Harry J. Cynkus
   Senior Vice President, Chief Financial Officer
   and Treasurer
   (Principal Financial and Accounting Officer)

This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.