

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
ANNUAL REPORT

(Mark One)

/X/ Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

[FEE REQUIRED]

For the fiscal year ended December 31, 1995

// Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

[NO FEE REQUIRED]

For the transition period from to

COMMISSION FILE NO. 1-4422

ROLLINS, INC.

INCORPORATED I.R.S. EMPLOYER
IN IDENTIFICATION NUMBER
DELAWARE 51-0068479

2170 PIEDMONT ROAD, N.E., ATLANTA, GEORGIA 30324

TELEPHONE NUMBER -- (404) 888-2000

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, \$1 Par Value	The New York Stock Exchange The Pacific Stock Exchange

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 if disclosure of delinquent filers pursuant to item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. /X/

The aggregate market value of Rollins, Inc. common stock, held by non-affiliates on February 29, 1996 was \$450,466,016, based on the closing price on the New York Stock Exchange on such date of \$22 per share.

Rollins, Inc. had 35,926,726 shares of common stock outstanding (excluding 5,505,088 Treasury shares) as of February 29, 1996.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Rollins, Inc.'s Annual Report to Stockholders for the calendar year ended December 31, 1995 are incorporated by reference into Part I, Item 1(b) and 1(c), Part II, Items 5-8, and Part IV, Item 14.

Portions of the Proxy Statement for the 1996 Annual Meeting of Stockholders of Rollins, Inc. are incorporated by reference into Part III, Items 10, 11, 12 and 13.

PART I

ITEM 1. BUSINESS

(a) GENERAL DEVELOPMENT OF BUSINESS.

Since the beginning of the calendar year, Rollins, Inc. and its subsidiaries have continued to operate and grow in the same principal services for homes and businesses.

(b) FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS.

The response to Item 1.(b) is incorporated by reference from the table under the caption "Business Segment Information," on page 22 of the 1995 Annual Report to Stockholders.

(c) NARRATIVE DESCRIPTION OF BUSINESS.

(1)(i) The Registrant is a national company with headquarters located in Atlanta, Georgia, providing services to both residential and commercial customers. The four primary services provided are termite and pest control, protective services, lawn care and plantscaping. Additionally, the revenues by business segment are incorporated by reference to the table under the caption "Business Segment Information" on page 22 of the 1995 Annual Report to Stockholders.

Orkin Exterminating Company, Inc., a wholly owned subsidiary (Orkin), founded in 1901, is one of the world's largest termite and pest control companies. It provides customized services to approximately 1.6 million customers through a network of 386 branches serving customers in 49 states, the District of Columbia, the Bahamas, Canada, Mexico, and Puerto Rico. It provides customized pest control services to homes and businesses, including hotels, food service establishments, dairy farms and transportation companies. Orkin's continuous regular service provides protection against household pests, rodents and termites. Orkin's Lawn Care Division provides fertilization, weed and insect control, seeding, aeration of lawns, and tree and shrub care from 23 branches serving customers in nine states. Orkin's Plantscaping Division designs, installs and maintains green and flowering plants from ten branches and services customers in 21 states and the District of Columbia. It provides services to hotels, shopping malls, restaurants, and office buildings.

Rollins Protective Services, a division of the Registrant, was established in 1969. Services are provided from 51 branches serving customers in 41 states and the District of Columbia. A pioneer in developing customized wired and wireless electronic security systems, it provides full-service capabilities from system design and installation to maintenance and monitoring services. Full-service includes guaranteed maintenance programs, 24-hour emergency repairs, and 24-hour alarm monitoring services.

(ii) The Registrant has made no announcement of, nor did any information become public about, a new line of business or product requiring the investment of a material amount of the Registrant's total assets.

(iii) Sources and availability of raw materials present no particular problem to the Registrant, since its businesses are primarily in service-related industries.

(iv) Governmental licenses, patents, trademarks and franchises are of minor importance to the Registrant's service operations. Local licenses and permits are required in order for the Registrant to conduct its termite and pest control, protective services, lawn care and plantscaping operations in certain localities. In view of the widespread operations of the Registrant's service operations, the failure of a few local governments to license a facility would not have a material adverse effect on the results of operations of the Registrant.

(v) The business of the Registrant is affected by the seasonal nature of the Registrant's termite and pest control, lawn care and plantscaping service operations (Orkin Exterminating Company, Inc.). The metamorphosis of termites in the spring and summer (the occurrence of which is determined by the timing of the change in seasons) has historically resulted in an increase in the revenue and income of the Registrant's termite and pest control operations during such period. Lawn care services are seasonal and coincide with

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the growing seasons of lawns. Plantscaping operations experience seasonal increases in revenues and operating income generated by the division's Exterior Color and Holiday programs offered during the spring and late fall.

(vi) Inapplicable.

(vii) The Registrant and its subsidiaries do not have a material part of their business that is dependent upon a single customer or a few customers, the loss of which would have a material effect on the business of the Registrant.

(viii) The dollar amount of service contracts and backlog orders as of the end of the Registrant's 1995 and 1994 calendar years was approximately \$15,508,000 and \$16,063,000, respectively. Backlog services and orders are usually provided within the month following the month of receipt, except in the area of prepaid pest control and alarm monitoring where services are usually provided within twelve months of receipt.

(ix) Inapplicable.

(x) The Registrant believes that each of its businesses competes favorably

with competitors within its respective area. Orkin Exterminating Company, Inc. is one of the world's largest termite and pest control companies. Rollins Protective Services is a pioneer and one of the leaders in residential and commercial security. Orkin Lawn Care is one of the largest lawn care companies. Orkin Landscaping is the industry's second largest company with operations in ten major markets.

The principal methods of competition in the Registrant's termite and pest control business are service and guarantees, including the money-back guarantee on termite and pest control, and the termite retreatment and damage repair guarantee to qualified homeowners. Competition in the landscaping and lawn care businesses is based on providing customized services together with guarantees, with the Registrant offering the same money-back guarantee for the services. The principal method of competition in the residential protection business of the Registrant is the provision of customized emergency protection services to meet the particular needs of each customer.

(xi) Expenditures by the Registrant on research activities relating to the development of new products or services are not significant. Some of the new and improved service methods and products are researched, developed and produced by unaffiliated universities and companies. Also a portion of these methods and products are produced to the specifications provided by the Registrant.

(xii) The capital expenditures, earnings and competitive position of the Registrant and its subsidiaries are not materially affected by compliance with Federal, state and local provisions which have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment.

(xiii) The number of persons employed by the Registrant and its subsidiaries as of the end of 1995 was 8,956.

(d) FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS AND EXPORT SALES.

Inapplicable.

ITEM 2. PROPERTIES.

The Registrant's administrative headquarters and central warehouse, both of which are owned by the Registrant, are located at 2170 Piedmont Road, N.E., Atlanta, Georgia 30324. The Registrant owns or leases several hundred branch offices and operating facilities used in its businesses. None of the branch offices, individually considered, represents a materially important physical property of the Registrant. The facilities are suitable and adequate to meet the current and reasonably anticipated future needs of the Registrant.

ITEM 3. LEGAL PROCEEDINGS.

During November 1995, Orkin and the Attorney General of Missouri and private plaintiffs reached an agreement in settlement of a class action regarding treatments for termites for residential customers with basement homes contracted for between January 1, 1987 and May 15, 1993. The Attorney General and the

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private plaintiffs raised concerns that Orkin's initial termite protection treatment for these customers was incomplete. Orkin maintains that its customers have received treatment consistent with industry practices. In order to best serve its customers and to avoid the continued expense of litigation, Orkin has agreed to reinspect the basement homes of all applicable customers and apply additional termiticide, if needed. In the event a customer covered by this agreement has suffered termite damage as a result of insufficient termiticide, Orkin has agreed to repair the customer's basement home. The presiding judge of the Circuit Court of the City of St. Louis approved the settlement on December 13, 1995. The resolution does not constitute an admission of wrongdoing by the Company and did not have a material adverse effect on the Company's financial position, results of operations, or liquidity.

In the normal course of business, the Company is a defendant in a number of lawsuits which allege that plaintiffs have been damaged as a result of the rendering of services by Company personnel and equipment. The Company is actively contesting these actions. It is the opinion of Management that the outcome of these actions will not have a material adverse effect on the Company's financial position, results of operations, or liquidity.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Inapplicable.

ITEM 4.A. EXECUTIVE OFFICERS OF THE REGISTRANT.

Each of the executive officers of the Registrant was elected by the Board of Directors to serve until the Board of Directors' meeting immediately following the next annual meeting of stockholders or until his earlier removal by the Board of Directors or his resignation. The following table lists the executive

officers of the Registrant and their ages, offices with the Registrant, and the dates from which they have continually served in their present offices with the Registrant.

<TABLE>
<CAPTION>

NAME	AGE	OFFICE WITH REGISTRANT	DATE FIRST ELECTED TO PRESENT OFFICE
<S>	<C>	<C>	<C>
R. Randall Rollins (1).....	64	Chairman of the Board and Chief Executive Officer	10/22/91
Gary W. Rollins (1).....	51	President and Chief Operating Officer	1/24/84
Gene L. Smith (2).....	50	Chief Financial Officer, Secretary, and Treasurer	1/22/91 1/26/93

</TABLE>

(1) R. Randall Rollins and Gary W. Rollins are brothers.

(2) Gene L. Smith served as the Registrant's Vice President of Finance for the period 12/30/85 to 1/21/91.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Information containing dividends and stock prices on page 12 and the principal markets on which common shares are traded on page 25 of the 1995 Annual Report to Stockholders are incorporated herein by reference. The number of stockholders of record on December 31, 1995 was 3,764.

ITEM 6. SELECTED FINANCIAL DATA.

Selected Financial Data on pages 10 and 11 of the 1995 Annual Report to Stockholders is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Management's Discussion and Analysis of Financial Condition and Results of Operations included on pages 13 through 15 of the 1995 Annual Report to Stockholders is incorporated herein by reference. The effects of inflation on operations were not material for the periods being reported.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The following consolidated financial statements and supplementary data of the Registrant and its consolidated subsidiaries, included in the 1995 Annual Report to Stockholders, are incorporated herein by reference.

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Financial Statements:

Statements of Income for each of the three years in the period ended December 31, 1995, page 17.

Statements of Earnings Retained for each of the three years in the period ended December 31, 1995, page 17.

Statements of Financial Position as of December 31, 1995 and 1994, page 16.

Statements of Cash Flows for each of the three years in the period ended December 31, 1995, page 18.

Notes to Financial Statements, pages 19 through 23.

Report of Independent Auditors, page 24.

Supplementary Data:

Quarterly Information, page 12.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Inapplicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The response to Item 10, applicable to the Directors of the Registrant, is

incorporated herein by reference to the information set forth under the caption "Election of Directors" in the Proxy Statement for the Annual Meeting of Stockholders to be held April 23, 1996. Additional information concerning executive officers is included in Part I, Item 4.A. of this Form 10-K.

Based solely on its review of copies of forms received by it pursuant to Section 16(a) of the Securities Exchange Act of 1934, as amended, or written representations from certain reporting persons, Registrant believes that during the fiscal year ended December 31, 1995 all filing requirements applicable to its officers, directors, and greater than 10% stockholders were complied with.

ITEM 11. EXECUTIVE COMPENSATION.

The response to Item 11 is incorporated herein by reference to the information set forth under the caption "Executive Compensation" in the Proxy Statement for the Annual Meeting of Stockholders to be held April 23, 1996.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The response to Item 12 is incorporated herein by reference to the information set forth under the captions "Capital Stock" and "Election of Directors" in the Proxy Statement for the Annual Meeting of Stockholders to be held April 23, 1996.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The section entitled "Compensation Committee Interlocks and Insider Participation" and "Executive Compensation" in the Proxy Statement for the Annual Meeting of Stockholders to be held April 23, 1996, and related footnotes and information are incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

The following are filed as part of this report:

(a) 1. Financial Statements

The following financial statements are incorporated herein by reference to portions of the 1995 Annual Report to Stockholders included with this Form 10-K:

Statements of Income for each of the three years in the period ended December 31, 1995, page 17.

Statements of Earnings Retained for each of the three years in the period ended December 31, 1995, page 17.

Statements of Financial Position as of December 31, 1995 and 1994, page 16.

Statement of Cash Flows for each of the three years in the period ended December 31, 1995, page 18.

Notes to Financial Statements, pages 19 through 23.

Report of Independent Auditors, page 24.

(a) 2. Financial Statement Schedule

II Valuation and Qualifying Accounts

Schedules not listed above have been omitted as either not applicable, immaterial or disclosed in the financial statements or notes thereto.

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(a) 3. Exhibits

(3) (i) The Company's Certificate of Incorporation is incorporated herein by reference to Exhibit (3) (a) as filed with its Form 10-K for the year ended December 31, 1992.

(ii) By-laws of Rollins, Inc. are incorporated herein by reference to Exhibit 3(b) as filed with its Form 10-K for the year ended December 31, 1993.

(10) Rollins, Inc. 1984 Employee Incentive Stock Option Plan is incorporated herein by reference to Exhibit (10) filed with the Company's Form 10-K for the year ended December 31, 1991.

Rollins, Inc. 1994 Employee Stock Incentive Plan is incorporated herein by reference to Exhibit A of the March 18, 1994 Proxy Statement for the Annual Meeting of Stockholders held on April 26, 1994.

(13) Portions of the Annual Report to Stockholders for the year

ended December 31, 1995 which are specifically incorporated herein by reference.

- (21) Subsidiaries of Registrant.
- (23) Consent of Independent Public Accountants.
- (24) Powers of Attorney for Directors.
- (27) Financial Data Schedule.

(b) No reports on Form 8-K were required to be filed by the Company for the quarter ended December 31, 1995.

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SIGNATURES

Pursuant to the requirements of Section 13 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.

By: /s/ R. RANDALL ROLLINS

R. Randall Rollins
Chairman of the Board of Directors
(Principal Executive Officer)
March 27, 1996

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BY THE FOLLOWING PERSONS ON BEHALF OF THE REGISTRANT AND IN THE CAPACITIES AND ON THE DATES INDICATED.

<TABLE>	
<S>	<C>
/s/ R. RANDALL ROLLINS	/s/ GENE L. SMITH
-----	-----
R. Randall Rollins Chairman of the Board of Directors (Principal Executive Officer) March 27, 1996	Gene L. Smith Chief Financial Officer, Secretary, and Treasurer (Principal Financial and Accounting Officer) March 27, 1996
</TABLE>	

The Directors of Rollins, Inc. (listed below) executed a power of attorney appointing Gary W. Rollins their attorney-in-fact, empowering him to sign this report on their behalf.

Wilton Looney, Director
John W. Rollins, Director
Henry B. Tippie, Director
James B. Williams, Director
Bill J. Dismuke, Director

/s/ GARY W. ROLLINS

Gary W. Rollins, As
Attorney-in-Fact
& Director, President and
Chief Operating Officer
March 27, 1996

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ROLLINS, INC. AND SUBSIDIARIES
INDEX TO FINANCIAL STATEMENTS AND SCHEDULE

CONSOLIDATED FINANCIAL STATEMENTS OF ROLLINS, INC. AND SUBSIDIARIES:

The Registrant's 1995 Annual Report to Stockholders, portions of which are filed with this Form 10-K, contains on pages 16 through 24 the consolidated financial statements for the years ended December 31, 1995, 1994 and 1993 and the report of Arthur Andersen LLP on the financial statements for the years then ended. These financial statements and the report of Arthur Andersen LLP are incorporated herein by reference. The financial statements include the following:

Statements of Income for each of the three years in the period ended December 31, 1995.

Statements of Earnings Retained for each of the three years in the period ended December 31, 1995.

Statements of Financial Position as of December 31, 1995 and 1994.

Statements of Cash Flows for each of the three years in the period ended December 31, 1995.

Notes to Financial Statements.

REPORT OF INDEPENDENT AUDITORS ON FINANCIAL STATEMENT SCHEDULE, Page 9.
SCHEDULE

<TABLE>
<CAPTION>
SCHEDULE
NUMBER

<S> <C>
 II Valuation and Qualifying Accounts, Page 10.
</TABLE>

Schedules not listed above have been omitted as either not applicable, immaterial or disclosed in the financial statements or notes thereto.

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REPORT OF INDEPENDENT AUDITORS ON FINANCIAL STATEMENT SCHEDULE

To the Directors and the Stockholders of Rollins Inc.:

We have audited, in accordance with generally accepted auditing standards, the financial statements included in Rollins, Inc.'s annual report to stockholders incorporated by reference in this Form 10-K, and have issued our report thereon dated February 12, 1996. Our audits were made for the purpose of forming an opinion on those statements taken as a whole. The schedule listed in Item 14 of this Form 10-K is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Atlanta, Georgia
February 12, 1996

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ROLLINS, INC. AND SUBSIDIARIES
SCHEDULE II-VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993
(IN THOUSANDS OF DOLLARS)

<TABLE>
<CAPTION>

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS		DEDUCTIONS (1)	BALANCE AT END OF PERIOD
		CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS		
Year ended December 31, 1995 --					
Allowance for doubtful accounts.....	\$ 5,944	\$ 22,101 (2)	\$ --	\$ 18,054	\$ 9,991
Year ended December 31, 1994 --					
Allowance for doubtful accounts.....	\$ 4,548	\$ 7,823	\$ --	\$ 6,427	\$ 5,944
Year ended December 31, 1993 --					
Allowance for doubtful accounts.....	\$ 2,948	\$ 6,734	\$ --	\$ 5,134	\$ 4,548

</TABLE>

NOTE: (1) Deductions represent the write-off of uncollectible receivables, net of recoveries.

(2) Includes a Special Charge of \$12,000,000 (\$7,440,000 after tax benefit or \$.21 per share) relating to the write off of doubtful accounts at September 30, 1995, in the consumer finance operation, Rollins Acceptance Company.

EXHIBITS

EXHIBIT INDEX

<TABLE>
<CAPTION>

Exhibit Number

- - - - -

<S>	<C>
(3) (i)	The Certificate of Incorporation of Rollins, Inc. is incorporated herein by reference to Exhibit (3) (a) as filed with its Form 10-K for the year ended December 31, 1992.
(ii)	By-laws of Rollins, Inc. are incorporated herein by reference to Exhibit (3) (b) as filed with its form 10-K for the year ended December 31, 1993.
(10)	Rollins, Inc. 1984 Employee Incentive Stock Option Plan is incorporated herein by reference to Exhibit (10) filed with the Company's Form 10-K for the year ended December 31, 1991.
	Rollins, Inc. 1994 Employee Stock Incentive Plan is incorporated herein by reference to Exhibit A to the March 18, 1994 Proxy Statement for the Annual Meeting of Stockholders held on April 26, 1994.
(13)	Portions of the Annual Report to Stockholders for the year ended December 31, 1995 which are specifically incorporated herein by reference.
(21)	Subsidiaries of Registrant.
(23)	Consent of Independent Public Accountants.
(24)	Powers of Attorney for Directors.
(27)	Financial Data Schedule.

</TABLE>

EXHIBIT (13)

<TABLE>
<CAPTION>

TEN - YEAR FINANCIAL SUMMARY
Rollins, Inc. and Subsidiaries

	1987	1986	1995	1994	1993	1992	1991	1990	1989	1988
<S>			<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>										
OPERATIONS SUMMARY (In thousands except per share data)										
Revenues	\$354,303	\$320,030	\$620,435	\$605,327	\$575,802	\$527,666	\$475,555	\$436,398	\$402,324	\$380,834
Cost of Services Provided	180,513	158,216	325,889	311,315	293,499	271,518	247,994	230,107	211,604	193,829
Depreciation and Amortization	6,935	6,388	7,950	8,130	8,310	7,966	7,806	7,482	7,509	7,013
Special Charge	-	-	12,000	-	-	-	-	-	-	-
Sales, General and Administrative	126,355	119,079	216,234	208,289	203,483	187,238	169,825	155,904	146,658	140,158
Interest Expense (Income), Net	(781)	257	(4,988)	(2,994)	(2,390)	(1,870)	(2,134)	(2,460)	(2,215)	(1,693)
Income Before Income Taxes	41,281	36,090	63,350(1)	80,587	72,900	62,814	52,064	45,365	38,768	41,527
Income Taxes	19,177	18,095	24,073	31,026	28,431	24,812	20,565	17,919	15,236	16,819
Net Income	22,104	\$ 17,995	\$ 39,277(1)	\$ 49,561	\$ 44,469	\$ 38,002	\$ 31,499	\$ 27,446	\$ 23,532	\$ 24,708
Earnings per Share	.63	\$.51	\$ 1.10(1)	\$ 1.39	\$ 1.25	\$ 1.07	\$.89	\$.77	\$.67	\$.70
Dividends per Share	.33	\$.32	\$.56	\$.50	\$.44	\$.40	\$.39	\$.37	\$.36	\$.34
Cash Provided by Operations	29,852	\$ 28,695	\$ 46,910	\$ 39,340	\$ 40,034	\$ 33,319	\$ 31,987	\$ 36,350	\$ 31,955	\$ 24,323
Capital Expenditures	8,864	\$ 5,940	\$ 18,026	\$ 8,368	\$ 7,727	\$ 7,042	\$ 8,536	\$ 8,929	\$ 9,747	\$ 7,825
Total Assets	\$130,953	\$112,477	\$314,925	\$295,265	\$267,194	\$236,291	\$204,577	\$177,961	\$160,121	\$146,526
Long-Term Debt	-	-	-	-	-	-	-	-	-	-
Stockholders' Equity			\$214,318	\$193,633	\$160,508	\$129,899	\$105,137	\$ 86,718	\$72,228	\$ 61,082

48,455 \$ 39,074

SELECTED RATIO ANALYSIS
(As a % of revenues except
return on average equity)

Cost of Services Provided	52.5%	51.5%	51.0%	51.5%	52.1%	52.7%	52.6%	50.9%
50.9%	49.4%							
Sales, General and Administrative	34.9	34.4	35.3	35.5	35.7	35.7	36.5	36.8
35.7	37.2							
Net Income	6.3(1)	8.2	7.7	7.2	6.6	6.3	5.8	6.5
6.2	5.6							
Net Income without Special Charge	7.5	8.2	7.7	7.2	6.6	6.3	5.8	6.5
6.2	5.6							
Return on Average Equity	19.3	28.0	30.6	32.3	32.8	34.5	35.3	45.1
50.5	50.9							

SHARES OUTSTANDING
(In thousands)

Average	35,849	35,770	35,638	35,569	35,510	35,465	35,438	35,418
35,232	34,929							
At Year End	35,858	35,826	35,673	35,592	35,532	35,478	35,453	35,426
35,412	34,968							

</TABLE>

(1) INCLUDES A SPECIAL CHARGE OF \$12,000,000 (\$7,440,000 AFTER TAX BENEFIT OR
\$.21 PER SHARE) AT SEPTEMBER 30, 1995.

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QUARTERLY INFORMATION

<TABLE>
<CAPTION>

STOCK PRICES AND DIVIDENDS
(Rounded to the nearest 1/8)

	Stock Prices		Dividends
	High	Low	Paid
<S>	<C>	<C>	<C>
1995			
First Quarter	\$ 27 1/2	\$ 22	\$.14
Second Quarter	28 5/8	22 1/8	.14
Third Quarter	25 1/4	23	.14
Fourth Quarter	25	18 7/8	.14
1994			
First Quarter	\$ 30 3/4	\$ 26 3/4	\$.12 1/2
Second Quarter	28 3/8	24 3/8	.12 1/2
Third Quarter	26 1/8	23 1/4	.12 1/2
Fourth Quarter	25 1/2	22 1/8	.12 1/2

</TABLE>

THE NUMBER OF STOCKHOLDERS OF RECORD AS OF DECEMBER 31, 1995 WAS 3,764.

<TABLE>
<CAPTION>

PROFIT AND LOSS INFORMATION

(In thousands except per share data)	First	Second	Third	Fourth
<S>	<C>	<C>	<C>	<C>
1995				
Revenues	\$ 142,654	\$175,350	\$ 162,333	\$ 140,098
Operating Income	14,901	35,217	6,842 (1)	13,233
Net Income	7,807	21,102	3,454 (1)	6,914
Earnings per share	.22	.59	.09 (1)	.20

1994				
Revenues	\$ 136,443	\$171,874	\$ 158,002	\$ 139,008
Operating Income	13,755	36,285	22,906	15,984
Net Income	6,888	21,066	13,011	8,596
Earnings per share	.19	.59	.36	.25
1993				
Revenues	\$ 127,295	\$163,248	\$ 151,808	\$ 133,451
Operating Income	11,872	32,708	21,228	15,312
Net Income	5,867	19,071	11,688	7,843
Earnings per share	.16	.54	.33	.22

</TABLE>

(1) INCLUDES A SPECIAL CHARGE OF \$12,000,000 (\$7,440,000 AFTER TAX BENEFIT OR \$.21 PER SHARE) AT SEPTEMBER 30, 1995.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

<TABLE>
<CAPTION>

(In thousands)	SELECTED INDUSTRY SEGMENT DATA			% CHANGE FROM PRIOR YEAR increase/ (decrease)	
	1995 ----	1994 ----	1993 ----	1995 ----	1994 ----
<S>	<C>	<C>	<C>	<C>	<C>
REVENUES					
Orkin	\$547,797	\$530,099	\$506,399	3.3%	4.7%
Rollins Protective	59,233	61,692	57,698	(4.0)	6.9
Other	13,405	13,536	11,705	(1.0)	15.6
	-----	-----	-----		
	\$620,435	\$605,327	\$575,802	2.5	5.1
	-----	-----	-----		
	-----	-----	-----		
OPERATING INCOME					
Orkin	\$ 76,754	\$ 78,711	\$ 70,720	(2.5)	11.3
Rollins Protective	4,476	6,579	5,896	(32.0)	11.6
Other	(11,037)	3,640	4,504	N/M	(19.2)
	-----	-----	-----		
	\$ 70,193	\$ 88,930	\$ 81,120	(21.1)%	9.6%
	-----	-----	-----		
	-----	-----	-----		

</TABLE>

GENERAL OPERATING COMMENTS

The 1995 operating income and profit margin results were a reflection of the Company's decision to support major business investments in all areas of operations. Competition and current business conditions support the Company's decision to make major investments in marketing, customer service, and division operations, in order to increase market share and profits. Due to the decrease in normal revenue growth rates, expense control opportunities were identified in all segments during the year. Improvement measures were implemented in the fourth quarter, including the reduction of certain home office and field administrative/managerial functions.

Earnings were also negatively impacted by a one-time Special Charge of \$12.0 million (\$7.4 million after-tax or \$.21 per share) relating to the write off of doubtful accounts receivable in the consumer finance operation, Rollins Acceptance Company (RAC). The charge was a result of management's actions and assessment of the estimated realizable value of the financed receivables portfolio versus the carrying amount at September 30, 1995. To more effectively manage the financed receivables portfolio, the Company expanded RAC's physical facility, acquired new computers and phone dialing equipment, and increased the staffing of collectors. Exclusive of the Special Charge, 1995 earnings per share would have been \$1.31 compared to \$1.39 in 1994 and \$1.25 in 1993.

Rollins, Inc.'s consolidated revenues of \$620.4 million were 2.5% higher than in 1994. Operating income decreased \$18.7 million or 21.1% over the prior year. As a result of the Special Charge, increased business investment activity, and not reducing expenses to match the revenue growth rate decreases, operating margins declined 23.1% (9.8% without the Special Charge) over 1994 compared to 1994's improvement over 1993 of 4.3%.

Orkin revenues increased 3.3% to \$547.8 million with operating income and operating margins decreasing 2.5% and 5.4%, respectively, over the prior year. This compares to a 5.7% margin improvement from 1994 over 1993. Rollins Protective Services' revenues declined 4.0%, along with operating income 32.0% lower, while operating margins deteriorated 29.0% from 1994. This compares to a 4.9% margin improvement from 1994 over 1993.

ORKIN 1995 VERSUS 1994

Orkin increased its pest control and termite sales dollars and customer base, despite a second consecutive year of an unusual cold and wet spring that negatively impacted the seasonal termite business. Orkin continues to be encouraged by the positive results in its core business, monthly recurring pest control. Residential pest control leads and sales, and termite renewals were up over last year. The growing pest control business involves a coordinated emphasis on commercial opportunities. This includes more focused leadership via the creation of a Director of Commercial Pest Control, who will be

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identifying opportunities and strategies to expand this business.

Orkin's 1995 strategic investments in the pest control business include increases in sales and service personnel, training, and value marketing programs. The million dollar Rollins Customer Service Center (RCSC) was opened during the first quarter. The RCSC is designed to centrally and proactively monitor customer service quality and to generate additional sales by cross-marketing our approximately 1.7 million customers. These investments will be ongoing, with a primary focus on the following business fundamentals: Increase Employee Sales and Service Staffing, Enhance Training, Target Marketing Efforts, and Improve Customer Satisfaction. Additional future growth will come from internal and external expansion, with a plan to double the number of new, company-owned branch openings in 1996, expansion of the Franchise program, a growing presence in Canada, and increasing acquisition activity.

In 1995, Orkin Landscaping continued its "back to basics" program and reviewed its fundamental operating practices. Technical training opportunities were identified to improve sales and retain current customers. A major training initiative to include all sales and service personnel will be implemented in 1996. In addition, a veteran senior Orkin executive took over the Division in the fourth quarter.

After the December 1994 sale of the eleven Northern locations, Lawn Care restructured its business, including management's span of control and sales and service staffing, to fit a smaller, more tightly focused geographic market. On a comparable unit basis, Orkin Lawn Care had revenue and customer base growth and expects this positive momentum to carry forward into 1996 with increasing revenue and profitability. The primary focus will be improving sales generation activity and converting the increasing number of new customer leads, received by the Rollins Customer Service Center.

ORKIN 1994 VERSUS 1993

Orkin revenues increased 4.7% to \$530.1 million and operating income increased 11.3% to \$78.7 million for the year ended December 31, 1994, compared to the same period last year. Orkin experienced a disappointing pest season, unlike any in its history; however Pest Control and Termite services increased their sales dollars and customer base for the year. Orkin maintained its commitment to expanding existing operations by entering new geographic markets with the opening of nine new branches.

The fundamentals and financial position of the Pest Control business remained very strong. Orkin was motivated to take full advantage of market opportunities through alternative services such as the Agribusiness service, which produced strong revenue gains in 1994. Success with other new marketing and service programs also contributed to revenue and operating income improvements. These programs included the introduction of a 24 hour 1-800-800-ORKIN service and a neighborhood solicitation campaign. The neighborhood campaign was expanded during the summer of 1994 in selected markets and exceeded sales expectations. Orkin utilized its telemarketing program to make customer quality assurance calls which provided customer satisfaction confirmation and the expansion of Orkin services. Additionally, sales benefits of cross-marketing other Rollins' services were achieved.

Orkin Landscaping focused on sales and service basics in 1994, including

formalizing sales proposals, developing new sales brochures, and managing the quality and selection of plant inventory. To address a soft year, Landscaping concentrated on training employees to better address the customer needs and improve creative sales skills.

ROLLINS PROTECTIVE SERVICES (RPS) 1995 VERSUS 1994

RPS continues its investments in strategic programs that include customer service and product development. In addition, the consolidation of the three separate central alarm monitoring stations, and the customer support functions, into a single, state-of-the-art, integrated, National Customer Support Center was completed during the third quarter 1995. RPS continued to experience difficulty in achieving an appropriate product sales mix; however, the recurring revenue customer base continues to grow through customer service programs and acquisitions. RPS completed seven modest acquisitions during the year which allowed for the expansion of its services in existing markets, while providing their customers continued access to quality service.

Future growth is planned to occur through the introduction of the new System VII product, continuing business development activities, and enhancing the RPS National Customer Support Center (consolidated customer service/alarm monitoring center). System VII testing and technical training was completed and introduced to the market in the fourth quarter 1995. Business development activities will include additional acquisitions and

investigating possible strategic partnerships and alliances in response to the ever-changing technological options and advancements in the industry.

ROLLINS PROTECTIVE SERVICES (RPS) 1994 VERSUS 1993

RPS had 1994 revenues of \$61.7 million, an increase of 6.9%, and operating income improved 11.6% to \$6.6 million. Revenue growth in 1994 was driven by the expansion of the commercial and National Accounts programs and the opening of two new locations. RPS enjoyed one of the highest customer retention rates in the industry. RPS secured several large National Accounts, including Blockbuster and Discovery Zone, and enhanced relationships with existing key account customers.

OTHER 1995 VERSUS 1994

Other businesses revenue decreased 1.0% due to revisions of the Company's credit and internal operating policies within the consumer finance area (RAC). The volume of Company financed sales is slightly lower than last year, as the revised policies redirected marketing efforts toward stronger customer demographics in conjunction with the lower than anticipated termite demand. In addition, the Special Charge, discussed in further detail under "General Operating Comments", negatively impacted Operating Income.

OTHER 1994 VERSUS 1993

Other business' revenue increased 15.6% while operating income decreased 19.2%. During the fourth quarter 1994, management performed a major evaluation of the Company's credit and internal operating policies within the credit service center. Management instituted a revision of these credit policies which refines marketing efforts toward stronger customer demographics, while providing a higher average contract price. The objectives of these changes were to increase our average dollar sales unit purchased, and reduce doubtful account exposure.

FINANCIAL CONDITION

<TABLE>
<CAPTION>

(Dollars in thousands)	1995	1994	1993	% CHANGE FROM PRIOR YEAR increase/(decrease)	
				1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Cash and Short-Term Investments	\$ 33,623	\$ 31,917	\$ 18,102		
Marketable Securities	65,743	51,820	50,991		
	\$ 99,366	\$ 83,737	\$ 69,093	18.7%	21.2%
Working Capital	\$151,756	\$148,010	\$117,528	2.5%	25.9%
Current Ratio	3.1	3.2	2.8	(3.1)%	14.3%
Cash Provided by Operations	\$ 46,910	\$ 39,340	\$ 40,034	19.2%	(1.7)%

</TABLE>

Rollins, Inc.'s financial position remained solid. The Company's operations have historically provided a strong positive cash flow which represents the Company's principal source of funds. Interest income increased 66.6% due to the increase in average funds invested in short-term investments and marketable securities, coupled with the increase in the average rate of return.

Net trade receivables decreased \$13.4 million or 13.1% compared with December 31, 1994. Trade receivables include installment receivables which are due subsequent to one year from the balance sheet date. These amounts were approximately \$26.2 million and \$33.8 at the end of 1995 and 1994, respectively. The decrease in receivables is primarily the result of the amounts written off as doubtful accounts, including the Special Charge and the effect of the revisions to the Company's credit and internal operating policies within the consumer finance area.

During 1995, the Company invested \$22.2 million in capital expenditures and acquisitions compared to \$9.0 million in 1994. Also, \$20.1 million was paid out in cash dividends. The Company maintains a \$40.0 million unused line of credit. This source of funds has not been used, but is available for future acquisitions and growth, if needed.

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<TABLE>
<CAPTION>

STATEMENTS OF FINANCIAL POSITION
Rollins, Inc. and Subsidiaries

	At December 31, (In thousands except share data)	1995	1994
<S>		<C>	<C>
ASSETS			
Cash and Short-Term Investments		\$ 33,623	\$ 31,917
Marketable Securities		65,743	51,820
Trade Receivables, Net		88,542	101,900
Materials and Supplies		13,924	16,250
Deferred Income Taxes		7,447	4,445
Other Current Assets		13,486	8,567
Current Assets		222,765	214,899
Equipment and Property, Net		37,799	27,989
Intangible Assets		42,013	42,092
Other Assets		12,348	10,285
Total Assets		\$ 314,925	\$ 295,265
LIABILITIES			
Capital Lease Obligation		\$ 1,314	\$ -
Accounts Payable		13,334	12,002
Accrued Insurance Expenses		14,314	14,258
Accrued Payroll		12,028	12,700
Unearned Revenue		14,695	15,567
Other Expenses		15,324	12,362
Current Liabilities		71,009	66,889
Capital Lease Obligation		7,422	-
Long-Term Accrued Liabilities		15,936	22,538
Deferred Income Taxes		6,240	12,205
Total Liabilities		100,607	101,632
Commitments and Contingencies			
STOCKHOLDERS' EQUITY			
Common Stock, par value \$1 per share; authorized 99,500,000 shares; 41,431,814 shares issued		41,432	41,432
Earnings Retained		224,009	203,582
		265,441	245,014
Less--Common Stock in Treasury, at Cost, 5,573,589 shares in 1995; 5,605,412 shares in 1994		51,123	51,381
Total Stockholders' Equity		214,318	193,633
Total Liabilities and Stockholders' Equity		\$ 314,925	\$ 295,265

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

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<TABLE>
<CAPTION>

STATEMENTS OF INCOME
Rollins, Inc. and Subsidiaries

Years Ended December 31, (In thousands except per share data)	1995	1994	1993
<S>	<C>	<C>	<C>
REVENUES			
Customer Services	\$ 620,435	\$ 605,327	\$ 575,802
COSTS AND EXPENSES			
Cost of Services Provided	325,889	311,315	293,499
Depreciation and Amortization	7,950	8,130	8,310
Special Charge	12,000	-	-
Sales, General and Administrative Expenses	216,234	208,289	203,483
Interest Income	(4,988)	(2,994)	(2,390)
	557,085	524,740	502,902
INCOME BEFORE INCOME TAXES	63,350	80,587	72,900
PROVISION (CREDIT) FOR INCOME TAXES			
Current	31,919	30,201	30,339
Deferred	(7,846)	825	(1,908)
	24,073	31,026	28,431
NET INCOME	\$ 39,277	\$ 49,561	\$ 44,469
EARNINGS PER SHARE	\$ 1.10	\$ 1.39	\$ 1.25
AVERAGE SHARES OUTSTANDING	35,849	35,770	35,638

</TABLE>

STATEMENTS OF EARNINGS RETAINED
Rollins, Inc. and Subsidiaries

<TABLE>
<CAPTION>

Years Ended December 31, (In thousands except per share data)	1995	1994	1993
<S>	<C>	<C>	<C>
Balance at Beginning of Year	\$ 203,582	\$ 171,862	\$ 141,999
Net Income	39,277	49,561	44,469
Cash Dividends	(20,076)	(17,887)	(15,680)
Other	1,226	46	1,074
Balance at End of Year	\$ 224,009	\$ 203,582	\$ 171,862
DIVIDENDS PER SHARE	\$ 0.56	\$ 0.50	\$ 0.44

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

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STATEMENTS OF CASH FLOWS
Rollins, Inc. and Subsidiaries

<TABLE>
<CAPTION>

Years Ended December 31, (In thousands)	1995	1994	1993
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net Income	\$ 39,277	\$ 49,561	\$ 44,469
Noncash Charges (Credits) to Earnings:			
Special Charge	12,000	-	-
Depreciation and Amortization	7,950	8,130	8,310
Deferred Income Taxes	(7,846)	825	(1,908)
Other, Net	4,461	2,382	3,152
(Increase) Decrease in Assets:			
Trade Receivables	1,476	(14,257)	(20,474)
Materials and Supplies	2,422	(421)	1,477
Other Current Assets	(622)	(3,183)	3,473
Other Non-Current Assets	(1,167)	(533)	(612)
Increase (Decrease) in Liabilities:			
Accounts Payable and Accrued Expenses	3,681	(2,676)	924
Unearned Revenue	(1,040)	2,713	3,347
Long-Term Accrued Liabilities	(6,602)	(4,277)	3,643
Non-Current Deferred Income Taxes	(7,080)	1,076	(5,767)
Net Cash Provided by Operating Activities	46,910	39,340	40,034
INVESTING ACTIVITIES			
Purchases of Equipment and Property	(9,080)	(8,256)	(7,690)
Net Cash Used for Acquisition of Companies	(4,373)	(740)	(397)
Marketable Securities, Net	(12,463)	(1,910)	(20,334)
Proceeds from Sale of Equipment and Property	215	1,152	288
Net Cash Used in Investing Activities	(25,701)	(9,754)	(28,133)
FINANCING ACTIVITIES			
Dividends Paid	(20,076)	(17,887)	(15,680)
Treasury Stock Issued to Benefit Plans	573	2,116	1,820
Net Cash Used in Financing Activities	(19,503)	(15,771)	(13,860)
Net Increase (Decrease) in Cash and Short-Term Investments	1,706	13,815	(1,959)
Cash and Short-Term Investments at Beginning of Year	31,917	18,102	20,061
Cash and Short-Term Investments at End of Year	\$ 33,623	\$ 31,917	\$ 18,102

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1995, 1994, AND 1993, ROLLINS, INC. AND SUBSIDIARIES

1. SIGNIFICANT ACCOUNTING POLICIES

BUSINESS DESCRIPTION - Rollins, Inc. is a national company with headquarters located in Atlanta, Georgia, providing services to both residential and commercial customers. The four primary services provided are termite and pest control, protective services, lawn care, and landscaping.

PRINCIPLES OF CONSOLIDATION - The consolidated financial statements include the accounts of Rollins, Inc. (the Company) and its subsidiaries. All significant intercompany transactions and balances have been eliminated.

ESTIMATES USED IN THE PREPARATION OF FINANCIAL STATEMENTS - The preparation of the financial statements in conformity with generally accepted accounting

principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

REVENUES - Revenue is recognized at the time services are performed.

CASH AND SHORT-TERM INVESTMENTS - The Company considers all investments with a maturity of three months or less to be cash equivalents. Short-term investments are stated at cost which approximates fair value.

MARKETABLE SECURITIES - Effective January 1, 1994, the Company adopted Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Under this statement, the Company's marketable securities are classified as "available for sale" and have been recorded at current market value with an offsetting adjustment to stockholders' equity. The adoption of this statement did not have a material effect on the Company's financial position.

MATERIALS AND SUPPLIES - Materials and supplies are recorded at the lower of cost (first-in, first-out basis) or market.

EQUIPMENT AND PROPERTY - Depreciation and amortization are provided principally on a straight-line basis over the estimated useful lives of the related assets. Annual provisions for depreciation are computed using the following asset lives: buildings, 10 to 40 years; and furniture, fixtures, and operating equipment, 3 to 10 years. The cost of assets retired or otherwise disposed of and the related accumulated depreciation and amortization are eliminated from the accounts in the year of disposal with the resulting gain or loss credited or charged to income. Expenditures for additions, major renewals and betterments are capitalized and expenditures for maintenance and repairs are expensed as incurred.

INSURANCE - The Company self-insures, up to specified limits, certain risks related to general liability, workers' compensation and vehicle liability. The estimated costs of existing and future claims under the self-insurance program are accrued based upon historical trends as incidents occur, whether reported or unreported (although actual settlement of the claims may not be made until future periods) and may be subsequently revised based on developments relating to such claims. The non-current portion of these estimated outstanding claims comprises most of the long-term accrued liabilities balance shown on the Statements of Financial Position.

ADVERTISING - Advertising expenses are charged to income during the year in which they are incurred. The total advertising costs were approximately \$27,292,000, \$25,834,000, and \$23,517,000 in 1995, 1994, and 1993, respectively.

INCOME TAXES - The Company follows the practice of providing for income taxes based on Statement of Financial Accounting Standards No. 109 (SFAS 109), "Accounting for Income Taxes". SFAS 109 requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns.

COMMON STOCK - Earnings per share is computed on the basis of weighted-average shares outstanding. Stock options outstanding do not have a significant dilutive effect.

2. SPECIAL CHARGE

A special charge of \$12,000,000 (\$7,440,000 after tax benefit or \$.21 per share) was recorded in the third quarter 1995 to write off doubtful accounts receivable in the consumer finance operation, Rollins Acceptance Company, (RAC), as a result of management's actions and assessment of the estimated realizable value of the financed receivables portfolio at September 30, 1995.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1995, 1994, AND 1993, ROLLINS, INC. AND SUBSIDIARIES

3. TRADE RECEIVABLES

Trade receivables, net, at December 31, 1995, totalling \$88,542,000 and at December 31, 1994, totalling \$101,900,000 are net of allowances for doubtful accounts of \$9,991,000 and \$5,944,000, respectively. Trade receivables include installment receivable amounts which are due subsequent to one year from the balance sheet dates. These amounts were approximately \$26,209,000 and \$33,849,000 at the end of 1995 and 1994, respectively. The carrying amount of installment receivables approximates fair value because the interest rates

approximate market rates.

4. EQUIPMENT AND PROPERTY

Equipment and property are presented at cost less accumulated depreciation and are detailed as follows:

<TABLE>
<CAPTION>

(In thousands)	1995	1994

<S>	<C>	<C>
Buildings	\$ 9,238	\$ 9,014
Operating equipment	55,339	59,168
Furniture and fixtures	12,018	10,688
Computer equipment under Capital lease	8,736	-
	-----	-----
	85,331	78,870
Less - accumulated depreciation	50,715	54,016
	-----	-----
	34,616	24,854
Land	3,183	3,135
	-----	-----
	\$ 37,799	\$ 27,989
	-----	-----

</TABLE>

5. INTANGIBLE ASSETS

Intangible assets represent goodwill arising from acquisitions and are stated at cost less accumulated amortization. Intangibles which arose from acquisitions prior to November, 1970 are not being amortized for financial statement purposes, since, in the opinion of management, there has been no decrease in the value of the acquired businesses. Intangibles arising from acquisitions since November, 1970 are being amortized over forty years.

6. INCOME TAXES

Effective January 1, 1993, the Company adopted Statement of Financial Accounting Standards No. 109 (SFAS 109), "Accounting for Income Taxes". SFAS 109 requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial and tax basis using enacted tax rates in effect for the year in which the differences are expected to reverse. These differences are more inclusive in nature than differences determined under previously applicable accounting principles.

A reconciliation between taxes computed at the statutory rate on the income before income taxes and the provision for income taxes is as follows:

<TABLE>
<CAPTION>

(In thousands)	1995	1994	1993

<S>	<C>	<C>	<C>
Federal income taxes at statutory rate	\$ 22,172	\$28,205	\$25,515
State income taxes (net of federal benefit)	3,015	3,286	3,137
Other	(1,114)	(465)	(221)
	-----	-----	-----
	\$ 24,073	\$31,026	\$28,431
	-----	-----	-----

</TABLE>

The provision for income taxes was based on a 38.0%, 38.5%, and 39.0% estimated effective income tax rate on income before income taxes for the years ended December 31, 1995, 1994, and 1993, respectively. The effective income tax rate differs from the annual federal statutory tax rate primarily because of state income taxes.

Income taxes remitted were \$37,708,000, \$33,915,000, and \$25,796,000 for

the years ended December 31, 1995, 1994, and 1993, respectively.

The tax effect of the temporary differences which comprise the current and non-current deferred income tax debits (credits) amounts is as follows:

<TABLE>
<CAPTION>

(In thousands)	1995	1994
<S>	<C>	<C>
Deferred Tax Assets (Liabilities)		
Insurance reserves	\$ 11,925	\$ 13,801
Safe harbor lease	(16,374)	(16,955)
Bad debts	2,268	1,592
Other	3,388	(6,198)
	-----	-----
	\$ 1,207	\$ (7,760)
	-----	-----
	-----	-----

</TABLE>

During 1982, the Company entered into a twenty-year "Safe Harbor" lease agreement under the Economic Recovery Tax Act of 1981 for the purchase of federal income tax benefits. The Company has invested \$29,096,000 in the lease. The investment in tax benefits from the safe harbor lease agreement has been allocated between investment tax credit benefits and tax deduction timing benefits. The investment amount has been reflected as a reduction in non-current deferred income taxes. Amortization of timing benefits into expense is computed at a constant rate of return.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1995, 1994, AND 1993, ROLLINS, INC. AND SUBSIDIARIES

7. COMMITMENTS AND CONTINGENCIES

The Company has a capitalized lease obligation and several operating leases. The minimum lease payments under the capital lease and non-cancelable operating leases with terms in excess of one year, in effect at December 31, 1995, are summarized as follows:

<TABLE>
<CAPTION>

(In thousands)	Capitalized Lease	Operating Leases
<S>	<C>	<C>
1996	\$ 1,687	\$18,262
1997	2,024	13,997
1998	2,024	9,582
1999	2,024	6,947
2000	2,024	5,569
Thereafter	337	39,957
	-----	-----
	\$10,120	\$94,314
	-----	-----
Amount representing interest	(1,384)	

Present value of obligation	8,736	
Portion due within one year	(1,314)	

Long-term obligation	\$ 7,422	

</TABLE>

Total rental expense under operating leases charged to operations was \$25,701,000, \$24,867,000, and \$24,274,000 for the years ended December 31, 1995, 1994, and 1993, respectively.

During November 1995, Orkin and the Attorney General of Missouri and private plaintiffs reached an agreement in settlement of a class action regarding treatments for termites for residential customers with basement homes

contracted for between January 1, 1987 and May 15, 1993. The presiding judge of the Circuit Court of the City of St. Louis approved the settlement on December 13, 1995. The resolution does not constitute an admission of wrongdoing by the Company and did not have a material adverse effect on the Company's financial position, results of operations, or liquidity.

In the normal course of business, the Company is a defendant in a number of lawsuits which allege that plaintiffs have been damaged as a result of the rendering of services by Company personnel and equipment. The Company is actively contesting these actions. It is the opinion of Management that the outcome of these actions will not have a material adverse effect on the Company's financial position, results of operations, or liquidity.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1995, 1994, AND 1993, ROLLINS, INC. AND SUBSIDIARIES

8. BUSINESS SEGMENT INFORMATION

The Company operates two major business segments. Certain information with respect to the Company's business segments is as follows:

<TABLE>
<CAPTION>

(In thousands)	1995	1994	1993
<S>	<C>	<C>	<C>
REVENUES			
Orkin	\$547,797	\$530,099	\$506,399
Rollins Protective	59,233	61,692	57,698
Other	13,405	13,536	11,705
	-----	-----	-----
	\$620,435	\$605,327	\$575,802
	-----	-----	-----
OPERATING INCOME			
Orkin	\$ 76,754	\$ 78,711	\$ 70,720
Rollins Protective	4,476	6,579	5,896
Other	(11,037) (1)	3,640	4,504
	-----	-----	-----
	70,193	88,930	81,120
OTHER			
Corporate expenses, net	(11,831)	(11,337)	(10,610)
Interest income	4,988	2,994	2,390
	-----	-----	-----
Income before income taxes	\$ 63,350 (1)	\$ 80,587	\$ 72,900
	-----	-----	-----
IDENTIFIABLE ASSETS			
Orkin	\$167,037	\$169,750	\$161,850
Rollins Protective	22,618	21,236	18,420
Other	125,270	104,279	86,924
	-----	-----	-----
	\$314,925	\$295,265	\$267,194
	-----	-----	-----
DEPRECIATION AND AMORTIZATION EXPENSE			
Orkin	\$ 6,154	\$ 6,654	\$ 6,992
Rollins Protective	634	448	433
Other	1,162	1,028	885
	-----	-----	-----
	\$ 7,950	\$ 8,130	\$ 8,310
	-----	-----	-----
CAPITAL EXPENDITURES			
Orkin	\$ 14,413	\$ 6,530	\$ 5,919
Rollins Protective	1,923	466	413
Other	1,690	1,372	1,395
	-----	-----	-----
	\$ 18,026	\$ 8,368	\$ 7,727
	-----	-----	-----

</TABLE>

(1) INCLUDES A SPECIAL CHARGE OF \$12,000,000 (\$7,440,000 AFTER TAX BENEFIT OR \$.21 PER SHARE) AT SEPTEMBER 30, 1995.

9. EMPLOYEE BENEFIT PLANS

The Company maintains a noncontributory tax-qualified defined benefit retirement plan covering all employees meeting certain age and service requirements. The qualified plan provides benefits based on the average compensation for the highest five years during the last ten years of credited service (as defined) in which compensation was received, and the average anticipated Social Security covered earnings. The Company funds the Plan with at least the minimum amount required by ERISA.

The Company's net pension expense for the past three years is summarized as follows:

<TABLE>
<CAPTION>

(In thousands)	1995	1994	1993
<S>	<C>	<C>	<C>
Service cost-benefits earned during the period	\$ 2,844	\$ 2,749	\$ 2,345
Interest cost on projected benefit obligation	3,958	3,524	3,248
Actual return on plan assets	(9,236)	1,445	(4,218)
Net amortization of transition asset	(1,181)	(1,181)	(1,099)
Deferral of net investment gain (loss)	4,778	(5,718)	227
Net pension expense	\$ 1,163	\$ 819	\$ 503

</TABLE>

The funded status of the Plan is summarized as follows at December 31:

<TABLE>
<CAPTION>

(In thousands)	1995	1994
<S>	<C>	<C>
Actuarial present value of benefit obligations:		
Accumulated benefit obligation including vested benefits of \$41,850 in 1995 and \$32,261 in 1994	\$ (45,553)	\$ (34,994)
Effect of projected future compensation levels	(9,131)	(8,412)
Projected benefit obligation	(54,684)	(43,406)
Plan assets at fair value	52,056	44,837
Plan assets in excess of (less than) projected obligation	(2,628)	1,431
Unrecognized net loss	6,204	4,489
Unrecognized net asset at transition being amortized over 10 years	(1,725)	(2,876)
Unrecognized prior service cost	(325)	(355)
Prepaid pension expense included in other assets	\$ 1,526	\$ 2,689

</TABLE>

the Plan were shares of Rollins common stock with a market value of \$6,697,000. The expected long-term rate of return on plan assets was 9.5% in 1995, 1994, and 1993. The weighted-average discount rate used in determining the projected benefit obligation was increased from 8.0% in 1993 to 8.5% in 1994, and decreased to 7.5% in 1995 to more closely approximate rates on high-quality, long-term obligations. The assumed growth rate of compensation was 5.5% in 1993 and 1994, and 4.5% in 1995.

The Company sponsors a deferred compensation 401(k) plan that is available to substantially all employees with six months of service. The charges to expense for the Company match were \$1,627,000 in 1995, \$1,465,000 in 1994, and \$1,379,000 in 1993.

The Company has an Employee Incentive Stock Option Plan (1984 Plan), adopted in October, 1984, under which 1,200,000 shares of common stock were subject to options to be granted during the ten-year period ended October, 1994. The options were granted at the fair market value of the shares on the date of the grant and expire ten years from the date of the grant, if not exercised. No additional options will be granted under this Plan.

Option transactions during the last three years for the 1984 Plan are summarized as follows:

<TABLE>
<CAPTION>

(Number of shares)	1995	1994	1993
<S>	<C>	<C>	<C>
Outstanding at January 1,	73,857	114,206	117,781
Granted	-	-	9,900
Exercised	(6,696)	(36,009)	(9,965)
Cancelled	(4,550)	(4,340)	(3,510)
	-----	-----	-----
Outstanding at December 31,	62,611	73,857	114,206
Exercisable at December 31,	50,501	46,857	70,976
	-----	-----	-----
Option price ranges per share:			
Granted	\$ -	\$ -	\$ 25.50
Exercised	7.00-19.08	5.92-25.50	5.92-13.25
Cancelled	11.25-25.50	5.92-25.50	13.58-25.50
Outstanding	8.50-25.50	7.00-25.50	5.92-25.50

</TABLE>

On January 25, 1994, the Company adopted a new Employee Stock Incentive Plan (1994 Plan) under which 1,200,000 shares of common stock are subject to grants through January 25, 2004 under various stock incentive programs. The options were granted at the fair market value of the shares on the date of the grant and expire ten years from the date of the grant, if not exercised.

Grant and option transactions during the last two years for the 1994 Plan are summarized as follows:

<TABLE>
<CAPTION>

(Number of shares)	1995	1994
<S>	<C>	<C>
Outstanding at January 1,	193,100	-
Granted	17,000	200,900
Exercised	-	-
Cancelled	(15,100)	(7,800)
	-----	-----
Outstanding at December 31,	195,000	193,100
Exercisable at December 31,	21,140	-
	-----	-----
Option price ranges per share:		
Granted	\$ 24.25	\$ 28.38
Exercised	--	--
Cancelled	24.25-28.38	28.38
Outstanding	24.25-28.38	28.38

</TABLE>

REPORT OF MANAGEMENT

To the Stockholders of Rollins, Inc.:

We have prepared the accompanying financial statements and related information included herein for the years ended December 31, 1995, 1994 and 1993. The opinion of Arthur Andersen LLP, the Company's independent auditors, on those financial statements is included herein. The primary responsibility for the integrity of the financial information included in this annual report rests with management. Such information was prepared in accordance with generally accepted accounting principles, appropriate in the circumstances, based on our best estimates and judgements and giving due consideration to materiality.

Rollins, Inc. maintains internal accounting control systems which are adequate to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and which produce records adequate for preparation of financial information. The system and controls and compliance therewith are reviewed by an extensive program of internal audits and by our independent auditors. There are limits inherent in all systems of internal accounting control based on the recognition that the cost of such a system should not exceed the benefits to be derived. We believe the Company's system provides this appropriate balance.

The Board of Directors pursues its review and oversight role for these financial statements through an Audit Committee composed of three outside directors. The Audit Committee's duties include recommending to the Board of Directors the appointment of an independent accounting firm to audit the financial statements of Rollins, Inc. The Audit Committee meets periodically with management and the Board of Directors. It also meets with representatives of the internal and independent auditors and reviews the work of each to insure that their respective responsibilities are being carried out and to discuss related matters. Both the internal and independent auditors have direct access to the Audit Committee.

R. Randall Rollins	Gene L. Smith
CHAIRMAN OF THE BOARD AND	CHIEF FINANCIAL OFFICER,
CHIEF EXECUTIVE OFFICER	SECRETARY, AND TREASURER

Atlanta, Georgia
February 12, 1996

REPORT OF INDEPENDENT AUDITORS

To the Directors and Stockholders of Rollins, Inc.:

We have audited the accompanying statements of financial position of Rollins, Inc. (a Delaware corporation) and subsidiaries as of December 31, 1995 and 1994 and the related statements of income, earnings retained and cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rollins, Inc. and subsidiaries as of December 31, 1995 and 1994 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles.

Directors, Officers and Stockholders' Information

DIRECTORS

JOHN W. ROLLINS

Chairman of the Board and Chief Executive Officer of Rollins Truck Leasing Corp. (vehicle leasing and transportation), Chairman of the Board and Chief Executive Officer of Rollins Environmental Services, Inc. (hazardous waste treatment and disposal)

HENRY B. TIPPIE+

Chairman of the Board and Chief Executive Officer of Tippie Communications, Inc. (radio stations)

R. RANDALL ROLLINS*

Chairman of the Board and Chief Executive Officer of Rollins, Inc., Chairman of the Board and Chief Executive Officer of RPC, Inc. (oil and gas field services, and boat manufacturing)

WILTON LOONEY+

Honorary Chairman of the Board of Genuine Parts Company (automotive parts distributor)

JAMES B. WILLIAMS+

Chairman of the Board and Chief Executive Officer of SunTrust Banks, Inc. (bank holding company)

GARY W. ROLLINS*

President and Chief Operating Officer of Rollins, Inc.

BILL J. DISMUKE

Retired President of Edwards Baking Company

*MEMBER OF THE EXECUTIVE COMMITTEE

+MEMBER OF THE AUDIT AND COMPENSATION COMMITTEES

OFFICERS

R. RANDALL ROLLINS

Chairman of the Board and Chief Executive Officer

GARY W. ROLLINS

President and Chief Operating Officer

GENE L. SMITH

Chief Financial Officer, Secretary, and Treasurer

STOCKHOLDERS' INFORMATION

ANNUAL MEETING

The Annual Meeting of the Stockholders will be held at 9:30 a.m. Tuesday, April 23, 1996, at the Company's corporate offices in Atlanta, Georgia.

TRANSFER AGENT AND REGISTRAR

For inquiries related to stock certificates, including changes of address, lost certificates, dividends, and tax forms, please contact:

SunTrust Bank
Stock Transfer Department
P.O. Box 4625
Atlanta, Georgia 30302
Telephone: 1-800-568-3476

STOCK EXCHANGE INFORMATION

The Common Stock of the Company is listed on the New York and Pacific Stock Exchanges and traded on the Philadelphia, Chicago and Boston Exchanges under the symbol ROL.

DIVIDEND REINVESTMENT PLAN

This Plan provides a simple, convenient, and inexpensive way for stockholders to invest cash dividends in additional Rollins, Inc. shares. For further information, contact SunTrust Bank, Atlanta at the above address or write to the Secretary at the Company's mailing address.

FORM 10-K

The Company's annual report on Form 10-K to the Securities and Exchange Commission provides certain additional information. Stockholders may obtain a

copy by contacting the Secretary at the Company's mailing address.

CORPORATE OFFICES

Rollins, Inc.
2170 Piedmont Road, N.E.
Atlanta, Georgia 30324

MAILING ADDRESS

Rollins, Inc.
P.O. Box 647
Atlanta, Georgia 30301

TELEPHONE

(404) 888-2000

EXHIBIT (21)

EXHIBIT 21

List of Subsidiaries

of

Rollins, Inc.

The following list sets forth subsidiaries of Rollins, Inc. Each corporation whose name is indented is a wholly-owned subsidiary of the corporation next above which is not indented.

Name ----	State/Country of Incorporation -----
Orkin Exterminating Company, Inc.	Delaware
Orkin Systems, Inc.	Delaware
Dettelbach Pesticide Corporation	Georgia
Kinro Advertising Company	Delaware
Orkin Expansion, Inc.	Delaware
Orkin S.A. de C.V.	Mexico
Orkin International, Inc.	Delaware
Orkin Canada, Inc.	Canada
Orkin (Bahamas) Limited	Bahamas
Rollins Continental, Inc.	New York
Rollins Expansion, Inc.	Delaware
Rollins Supply, Inc.	Delaware
Red Diamond Insurance Co.	Vermont

EXHIBIT (23)

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports, included (or incorporated by reference) in this Form 10-K, into the Company's previously filed Form S-8 Registration Statement (No. 33-6404), Form S-8 Registration Statement (No. 33-26056), Form S-8 Registration Statement (No. 33-52355), and Form S-3 Registration Statement (No. 33-15360).

ARTHUR ANDERSEN LLP

Atlanta, Georgia
March 27, 1996

EXHIBIT (24)

POWER OF ATTORNEY

Know All Men by These Presents, that the undersigned constitutes and appoints R. Randall Rollins and/or Gary W. Rollins, or either of them as his true and lawful attorney-in-fact and agent in any and all capacities to sign filings by Rollins, Inc. of Form 10-K Annual Reports and any and all amendments thereto (including post-effective amendments) and to file the same, with all exhibits, and any other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney, in the capacities indicated, as of this 12th day of February, 1996.

/s/ WILTON LOONEY

Wilton Looney, Director

Witness:

/s/ NORMA S. COOK

POWER OF ATTORNEY

Know All Men by These Presents, that the undersigned constitutes and appoints R. Randall Rollins and/or Gary W. Rollins, or either of them as his true and lawful attorney-in-fact and agent in any and all capacities to sign filings by Rollins, Inc. of Form 10-K Annual Reports and any and all amendments thereto (including post-effective amendments) and to file the same, with all exhibits, and any other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney, in the capacities indicated, as of this 12th day of February, 1996.

/s/ JOHN W. ROLLINS

John W. Rollins, Director

Witness:

/s/ CINDY ALFANO

POWER OF ATTORNEY

Know All Men by These Presents, that the undersigned constitutes and appoints R. Randall Rollins and/or Gary W. Rollins, or either of them as his true and lawful attorney-in-fact and agent in any and all capacities to sign filings by Rollins, Inc. of Form 10-K Annual Reports and any and all amendments thereto (including post-effective amendments) and to file the same, with all exhibits, and any other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney, in the capacities indicated, as of this 12th day of February, 1996.

/s/ HENRY B. TIPPIE

Henry B. Tippie, Director

Witness:

/s/ LINDA M. POTTS

POWER OF ATTORNEY

Know All Men by These Presents, that the undersigned constitutes and appoints R. Randall Rollins and/or Gary W. Rollins, or either of them as his true and lawful attorney-in-fact and agent in any and all capacities to sign filings by Rollins, Inc. of Form 10-K Annual Reports and any and all amendments thereto (including post-effective amendments) and to file the same, with all exhibits, and any other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney, in the capacities indicated, as of this 12th day of February, 1996.

/s/ JAMES B. WILLIAMS

James B. Williams, Director

Witness:

/s/ MARY A. WALDEN

POWER OF ATTORNEY

Know All Men by These Presents, that the undersigned constitutes and appoints R. Randall Rollins and/or Gary W. Rollins, or either of them as his true and lawful attorney-in-fact and agent in any and all capacities to sign filings by Rollins, Inc. of Form 10-K Annual Reports and any and all amendments thereto (including post-effective amendments) and to file the

same, with all exhibits, and any other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney, in the capacities indicated, as of this 12th day of March, 1996.

/s/ BILL J. DISMUKE

Bill J. Dismuke, Director

Witness:

/s/ DONNA S. DISMUKE

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND STATEMENTS OF INCOME AND EARNINGS RETAINED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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<FN>
<F1>Includes a Special Charge of \$12,000,000 (\$7,440,000 after tax benefit or \$.21 per share) relating to the write off of doubtful accounts at September 30, 1995, in the consumer finance operation, Rollins Acceptance Company.
</FN>

</TABLE>