

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2005.

OR

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

For the transition period from _____ to _____

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 is an accelerated filer (as defined in rule 12b-2 of the Exchange Act). Yes No

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 68,313,181 shares of its \$1 par value Common Stock outstanding as of October 14, 2005.

<TABLE>
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ROLLINS, INC. AND SUBSIDIARIES

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PART I FINANCIAL INFORMATION
Item 1. Financial Statements.

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ROLLINS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In thousands except share and per share data)

December 31,	September 30,	
2004	2005	
-----	-----	
ASSETS	(Unaudited)	
<S>	<C>	<C>
Cash and Cash Equivalents	\$	\$
56,737	79,489	
Trade Receivables, Short Term, Net of Allowance for Doubtful Accounts of \$4,159 and \$3,712, respectively	48,954	
45,469		
Materials and Supplies	7,358	
8,876		
Deferred Income Taxes	30,389	
28,355		
Other Current Assets	9,359	
7,368		
-----	-----	
Current Assets	175,549	
146,805		
Equipment and Property, Net	57,928	
49,163		
Goodwill	121,054	
120,768		
Customer Contracts and Other Intangible Assets, Net	68,839	
74,702		
Deferred Income Taxes	17,441	
13,328		
Trade Receivables, Long Term, Net of Allowance for Doubtful Accounts of \$1,699 and \$1,589, respectively	9,866	
9,755		
Other Assets	4,221	
4,259		
-----	-----	
Total Assets	\$ 454,898	\$
418,780		
=====	=====	
LIABILITIES		
Accounts Payable	\$ 14,901	\$
15,438		
Accrued Insurance	16,516	
14,963		
Accrued Compensation and Related Liabilities	38,816	
38,453		
Unearned Revenue	91,341	
81,195		

Accrual for Termite Contracts	11,415	
11,992		
Other Current Liabilities	28,413	
25,939		

Current Liabilities	201,402	
187,980		
Accrued Insurance, Less Current Portion	18,630	
22,667		
Accrual for Termite Contracts, Less Current Portion	12,633	
13,319		
Accrued Pension	27,291	
10,579		
Long-Term Accrued Liabilities	16,259	
16,686		

Total Liabilities	276,215	
251,231		

Commitments and Contingencies		
STOCKHOLDERS' EQUITY		
Common Stock, par value \$1 per share; 99,500,000 shares authorized; 70,003,306 and 69,060,112 shares issued, respectively	70,003	
69,060		
Treasury Stock, par value \$1 per share; 1,620,333 shares at September 30, 2005 and 556,000 shares at December 31, 2004	(1,620)	
(556)		
Additional Paid-In Capital	14,514	
10,659		
Accumulated Other Comprehensive Loss	(26,132)	
(16,066)		
Unearned Compensation	(6,242)	
(3,475)		
Retained Earnings	128,160	
107,927		

Total Stockholders' Equity	178,683	
167,549		

Total Liabilities and Stockholders' Equity	\$ 454,898	\$
418,780		
=====		

<FN>
The accompanying notes are an integral part of these consolidated financial statements.

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ROLLINS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In thousands except per share data)
(Unaudited)

Months Ended	Three months ended		Nine
	September 30,		
	2005	2004	2005

2004			
-			
REVENUES			
<S>	<C>	<C>	<C>
<C>			
Customer Services	\$ 209,346	\$ 203,925	\$ 607,587
\$ 567,066			
COSTS AND EXPENSES			
Cost of Services Provided	106,398	105,035	315,630
295,585			
Depreciation and Amortization	5,800	6,249	17,808
16,670			

Sales, General & Administrative	72,258	70,080	203,835
193,411			
Gain on Sale of Assets	---	(315)	(544)
(14,457)			
Pension Curtailment	---	---	(4,176)

Interest Income	(489)	(68)	(1,305)
(265)			

	183,967	180,981	531,248
490,944			

INCOME BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	25,379	22,944	76,339
76,122			

PROVISION FOR INCOME TAXES			
Current	9,108	9,502	28,833
24,413			
Deferred	1,171	(191)	2,085
7,319			

	10,279	9,311	30,918
31,732			
INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	15,100	13,633	45,421
44,390			
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET OF TAXES OF \$4,017	---	---	---
(6,204)			

NET INCOME	\$ 15,100	\$ 13,633	\$ 45,421
\$ 38,186			
=====			
INCOME PER SHARE - BASIC			
Income Before Cumulative Effect of Change in Accounting Principle	0.22	0.20	0.67
0.65			
Cumulative Effect of Change in Accounting Principle (0.09)	---	---	---
(0.09)			

Net Income Per Share - Basic	\$ 0.22	\$ 0.20	\$ 0.67
\$ 0.56			
=====			
INCOME PER SHARE - DILUTED			
Income Before Cumulative Effect of Change in Accounting Principle	0.22	0.19	0.65
0.63			
Cumulative Effect of Change in Accounting Principle (0.09)	---	---	---
(0.09)			

Net Income Per Share - Diluted	\$ 0.22	\$ 0.19	\$ 0.65
\$ 0.54			
=====			
Weighted Average Shares Outstanding - Basic	68,117	68,224	67,999
68,101			
Weighted Average Shares Outstanding - Diluted	70,042	70,197	70,046
70,113			
DIVIDENDS PAID PER SHARE	\$ 0.05	\$ 0.04	\$ 0.15
\$ 0.12			
=====			

<FN>

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

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(Unaudited)

Nine Months Ended
September 30,

		2005	
2004			
OPERATING ACTIVITIES			
<S>		<C>	<C>
38,186	Net Income	\$	\$ 45,421
	Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
6,204	Change in Accounting Principle, Net		---
16,670	Depreciation and Amortization		17,808
---	Pension Curtailment		(4,176)
7,319	Provision for Deferred Income Taxes		2,085
(14,457)	Gain on Sale of Assets		(544)
335	Other, Net		(800)
	(Increase) Decrease in Assets:		
(7,980)	Trade Receivables		(3,212)
500	Materials and Supplies		1,536
(3,420)	Other Current Assets		(2,059)
(1,787)	Other Non-Current Assets		233
	Increase (Decrease) in Liabilities:		
13,334	Accounts Payable and Accrued Expenses		6,417
13,201	Unearned Revenue		10,147
(3,103)	Accrued Insurance		(2,484)
(2,826)	Accrual for Termite Contracts		(1,263)
(2,196)	Long-Term Accrued Liabilities		(424)
59,980	Net Cash Provided by Operating Activities		68,685
=====			
INVESTING ACTIVITIES			
(6,707)	Purchases of Equipment and Property		(16,999)
(103,415)	Acquisitions/Dispositions of Companies, Net		(3,022)
21,866	Marketable Securities, Net		---
15,473	Proceeds from Sale of Assets		752
(72,783)	Net Cash Used in Investing Activities		(19,269)
=====			
FINANCING ACTIVITIES			
(8,187)	Dividends Paid		(10,304)
---	Common Stock Purchased		(21,313)
1,734	Common Stock Options Exercised		3,229
676	Other		979
(5,777)	Net Cash Used in Financing Activities		(27,409)
=====			
	Effect of Exchange Rate Changes on Cash		745

Foreign Currency Translation Adjustments (1)										2,408	
2,408											
NSO Stock Options										131	
131											
Unrealized Gain on Investments										64	
64											

Other Comprehensive Income/(Loss)										(15,752)	(15,752)

Comprehensive Income										\$ 36,303	

Cash Dividends											
(10,924) (10,924)											
Common Stock Purchased			(38)	(38)	(899)						
(937)											
Issuance of 401(k) Company Match			83	83	2,052						
2,135											
Three-for-Two Stock Split-2005	234	234	22	22							
(256)	--										
Unearned Compensation	152	152			3,701						(3,368)
485											
Other	318	318	(2)	(2)	1,397						
1,713											

Balance at December 31, 2004	69,060	\$69,060	(556)	\$ (556)	\$ 10,659	\$	--	\$ (16,066)	\$		(3,475)
\$107,927	\$167,549										

Net Income										45,421	
45,421	45,421										
Other Comprehensive Income, Net of Tax											
Minimum Pension Liability Adjustment										(10,680)	
(10,680)											
Foreign Currency Translation Adjustments										745	
745											
NSO Stock Options										(131)	
(131)											

Other Comprehensive Income/(Loss)										(10,066)	(10,066)

Comprehensive Income										\$ 35,355	

Cash Dividends											
(10,304) (10,304)											
Common Stock Purchased			(990)	(990)	(5,349)						
(14,974) (21,313)											
Issuance of 401(k) Company Match			90	90	2,109						
2,199											
Three-for-Two Stock Split-2005	68	68	(164)	(164)	30						
95	29										
Unearned Compensation	150	150			3,544						(2,767)
(5)	922										
Common Stock Options Exercised	725	725			2,504						
3,229											
Tax Benefit from Non-Qualified Stock Options					1,017						
1,017											

Balance at September 30, 2005	70,003	\$70,003	(1,620)	\$ (1,620)	\$ 14,514	\$	--	\$ (26,132)	\$		(6,242)
\$128,160	\$178,683										

- <FN>
- (1) Includes translation adjustment (net of tax) of \$1,683,000 relating to non-current assets as of December 31, 2003.
- (2) \$14,974,000 charge to Retained Earnings is from purchases of the Company's Common Stock.

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

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</TABLE>

NOTE 1. BASIS OF PREPARATION AND OTHER

Basis of Preparation - The consolidated financial statements included herein have been prepared by Rollins, Inc. (the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission applicable to quarterly reporting on Form 10-Q. These consolidated financial statements have been prepared in accordance with Statement of Financial Accounting Standard No. 94, Consolidation of All Majority-Owned Subsidiaries ("SFAS 94") and Rule 3A-02(a) of Regulation S-X. In accordance with SFAS 94 and with Rule 3A-02(a) of Regulation S-X, the Company's policy is to consolidate all subsidiaries and investees where it has voting control. The Company does not have any subsidiaries or investees where it has less than a 100% equity interest or less than 100% voting control, nor does it have any interest in other investees, joint ventures, or other variable interest entities that require consolidation under FASB interpretation No. 46, Consolidation of Variable Interest Entities (FIN 46).

Footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted as permitted by such rules and regulations. These consolidated financial statements should be read in conjunction with the financial statements and related notes contained in the Company's annual report on Form 10-K for the year ended December 31, 2004.

In the opinion of management, the consolidated financial statements included herein contain all adjustments necessary to present fairly the financial position of the Company as of September 30, 2005 and December 31, 2004, the results of its operations for the three and nine months ended September 30, 2005 and 2004 and cash flows for the nine months ended September 30, 2005 and 2004. All such adjustments are of a normal recurring nature. Operating results for the nine months ended September 30, 2005 are not necessarily indicative of the results that may be expected for the year ending December 31, 2005.

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 or a few customers or the Company's foreign operations.

The Board of Directors, at its quarterly meeting on January 25, 2005, authorized a three-for-two stock split by the issuance on March 10, 2005 of one additional common share for each two common shares held of record on February 10, 2005. Accordingly, the par value for additional shares issued was adjusted to common stock, and fractional shares resulting from the stock split were settled in cash. All share and per share data appearing throughout this Form 10-Q have been retroactively adjusted for this stock split.

Estimates Used in the Preparation of Consolidated Financial Statements--The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires Management to make estimates and assumptions that affect the amounts reported in the accompanying notes and financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents--The Company considers all investments with an original maturity of three months or less to be cash equivalents. Short-term investments, all of which are cash equivalents, are stated at cost, which approximates fair market value.

Marketable Securities--From time to time, the Company maintains investments held by several large, well-capitalized financial institutions. The Company's investment policy does not allow investment in any securities rated less than "investment grade" by national rating services.

Management determines the appropriate classification of debt securities at the time of purchase and re-evaluates such designations as of each balance sheet date. Debt securities are classified as available-for-sale because the Company does not have the intent to hold the securities to maturity. Available-for-sale securities are stated at their fair values, with the unrealized gains and losses, net of tax, reported as a separate component of stockholders' equity. Realized gains and losses and declines in value judged to be other than temporary on available-for-sale securities are included in interest income. In the first quarter of 2004, the Company sold the balance of its marketable securities, the proceeds of which were used to pay the primary portion of the Western Industries, Inc. acquisition completed in the second quarter of 2004. The cost of securities sold is based on the specific identification method. Interest and dividends on

securities classified as available-for-sale are included in interest income. The Company's marketable securities generally consist of United States government, corporate and municipal debt securities.

Comprehensive Income (Loss)--Other Comprehensive Income (Loss) results from foreign currency translations, unrealized gain/losses on marketable securities and changes in the minimum pension liability.

New Accounting Standards-- In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment" ("SFAS 123R"), which replaces SFAS No. 123, "Accounting for Stock-Based Compensation," ("SFAS 123") and supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees." SFAS 123R, as modified by rule of the Securities and Exchange Commission, requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values beginning with the next fiscal year that begins after September 15, 2005, with early adoption encouraged. The pro forma disclosures previously permitted under SFAS 123 no longer will be an alternative to financial statement recognition. The Company is required to adopt SFAS 123R in the first quarter of fiscal 2006, beginning January 1, 2006. Under SFAS 123R, the Company must determine the appropriate fair value model to be used for valuing share-based payments, the amortization method for compensation cost and the transition method to be used at date of adoption. The transition methods include prospective and retrospective adoption options. Under the retrospective option, prior periods may be restated either as of the beginning of the year of adoption or for all periods presented. The prospective method requires that compensation expense be recorded for all unvested stock options and restricted stock at the beginning of the second quarter of adoption of SFAS 123R, while the retrospective methods would record compensation expense for all unvested stock options and restricted stock beginning with the first period restated. The Company is evaluating the requirements of SFAS 123R and expects that the adoption of SFAS 123R will not have a material impact on Rollins' consolidated results of operations and earnings per share. The Company has not yet determined the method of adoption or the effect of adopting SFAS 123R, and it has not determined whether the adoption will result in amounts that are similar to the current pro forma disclosures under SFAS 123.

In May 2005, the FASB issued FASB Statement No. 154, "Accounting Changes and Error Corrections" ("SFAS 154") which replaces APB Opinion No. 20, Accounting Changes, and FASB Statement No. 3, "Reporting Accounting Changes in Interim Financial Statements". Among other changes, SFAS 154 requires that voluntary change in accounting principle or a change required by a new accounting pronouncement that does not include specific transition provisions be applied retrospectively with all prior period financial statements presented on the new accounting principle, unless it is impracticable to do so. SFAS 154 also provides that (1) a change in method of depreciating or amortizing a long-lived non-financial asset be accounted for as a change in estimate (prospectively) that was effected by a change in accounting principle, and (2) correction of errors in previously issued financial statements should be termed a "restatement." SFAS 154 is effective for accounting changes and correction of errors made in fiscal years beginning after June 15, 2005. Accordingly, the Company is required to adopt the provisions of SFAS 154 in the first quarter of fiscal 2006, beginning on January 1, 2006. The Company is currently evaluating the effect that the adoption of SFAS 154 will have on its consolidated results of operations and financial condition but does not expect SFAS 154 to have a material impact.

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Cumulative Effect of Change in Accounting Principle - Prior to 2004, traditional termite treatments were recognized as revenue at the renewal date and an accrual was established for estimated costs of reapplications and repairs to be incurred. Beginning fourth quarter 2004, the Company adopted a new accounting method under which the revenue received 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 and no longer accrued. For noticed claims, an estimate is made of the costs to be incurred (including legal costs) based upon current factors and 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. The newly adopted accounting principle eliminates the need to obtain actuarial estimates of the claim costs to be incurred and management's estimates of reapplication costs. Also, management believes the newly adopted accounting method more closely conforms to the current pattern under which revenues are earned and expenses are incurred, and conforms the accounting methodology of Orkin and its recently acquired subsidiary, Western Pest Services. 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.

Due to this change, the Company recorded a cumulative effect adjustment of

\$6.2 million (net of income taxes) during the fourth quarter of 2004.

The amounts for the quarter and nine months ended September 30, 2004 reported herein have been restated to reflect the effect of this accounting change as if it had occurred on January 1, 2004. A reconciliation of the restatement due to the change in accounting principle is as follows:

<TABLE>
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ROLLINS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(in thousands except per share data)
(Unaudited)

Restated 30,	Previously Reported September 30, 2004	Three months ended Effect of Accounting Change	As September 2004

<S> Revenues 203,925	<C> \$ 202,257	<C> \$ 1,668	<C> \$

Costs & Expenses			
Cost of Services Provided 105,035	106,748	(1,713)	
Depreciation & Amortization 6,249	6,249	-	
Sales General & Administrative 70,080	70,080	-	
Gain on Sales of Assets (315)	(315)	-	
Interest (Income)/Expense (68)	(68)	-	

Total Cost & Expenses 180,981	\$ 182,694	\$ (1,713)	\$
Income Before Taxes 22,944	19,563	3,381	
Provision for Income Taxes 9,311	7,925	1,386	

Net Income 13,633	\$ 11,638	\$ 1,995	\$
=====			

</TABLE>

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<TABLE>
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ROLLINS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(in thousands except per share data)
(Unaudited)

Restated 30,	Previously Reported September 30, 2004	Nine months ended Effect of Accounting Change	As September 2004

<S> Revenues 567,066	<C> \$ 568,647	<C> \$ (1,581)	<C> \$

Costs & Expenses			
Cost of Services Provided 295,585	297,547	(1,962)	
Depreciation & Amortization 16,670	16,670	-	
Sales General & Administrative 193,411	193,410	1	

Gain on Sales of Assets (14,457)		(14,457)		-
Interest (Income)/Expense (265)		(265)		-

Total Cost & Expenses 490,944	\$	492,905	\$	(1,961) \$
Income Before Taxes 76,122		75,742		380
Provision for Income Taxes 31,732		31,576		156

Cumulative effect of change in accounting principle, net (6,204)		---		(6,204)
Net Income 38,186	\$	44,166	\$	(5,980) \$
=====				

</TABLE>

Franchising Program - Orkin had 57 franchises as of September 30, 2005, including international franchises in Mexico, established in 2000, and Panama, established in 2003. Transactions with franchises involve sales of customer contracts to establish new franchises, initial franchise fees and royalties. The customer contracts and initial franchise fees are typically sold for a combination of cash and notes due over periods ranging up to 5 years. Notes receivable from franchises aggregated \$5.9 million, \$5.2 million, and \$5.5 million as of September 30, 2005, December 31, 2004, and September 30, 2004, respectively. The Company recognizes gains from the sale of customer contracts at the time they are sold to franchises and collection on the notes is reasonably assured. The Company had a net gain of approximately \$0.5 million in the third quarter of 2005 compared to a \$0.9 million gain in the third quarter of 2004, and was \$1.6 million for the nine months ended September 30, 2005 compared to \$1.8 million for the nine months ended September 30, 2004, and is included as revenues in the accompanying Consolidated Statements of Income. Initial franchise fees are deferred for the duration of the initial contract period and are included as unearned revenue in the Consolidated Statements of Financial Position. Deferred franchise fees amounted to \$1.9 million, \$1.6 million, and \$1.6 million at September 30, 2005, December 31, 2004, and September 30, 2004, respectively. Royalties from franchises are accrued and recognized as revenues as earned on a monthly basis. Revenues from royalties were \$549,000 in the third quarter of 2005 compared to \$483,000 in the third quarter of 2004 and were \$1.6 million for the nine months ended September 30, 2005 compared to \$1.3 million for the nine months ended September 30, 2004. The Company's maximum exposure to loss relating to the franchises aggregated \$4.0 million, \$3.6 million, and \$3.9 million at September 30, 2005, December 31, 2004 and September 30, 2004, respectively.

Fair Value of Financial Instruments--The Company's financial instruments consist of cash, short-term investments, marketable securities, trade and notes receivables, accounts payable and other short-term liabilities. The carrying amounts of these financial instruments approximate their fair values.

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Seasonality-- The business of the Company is affected 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 which is determined by the timing of the change in seasons), has historically resulted in an increase in the revenue of the Company's pest and termite control operations during such periods as evidenced by the following chart. In addition, revenues were favorably impacted in 2004 after the acquisition of Western Pest Services on April 30, 2004.

	Total Net Revenues		
(in thousands)	2005	2004	2003
First Quarter	\$ 183,915	\$ 160,416*	\$ 155,122
Second Quarter	214,326	202,725*	185,105
Third Quarter	209,346	203,925*	178,262
Fourth Quarter	N/A	183,818	158,524

* Restated for change in accounting principle.

NOTE 2. EARNINGS PER SHARE

In accordance with SFAS No. 128, Earnings Per Share ("EPS"), the Company presents basic EPS and diluted EPS. Basic EPS is computed on the basis of weighted-average shares outstanding. Diluted EPS is computed on the basis of weighted-average shares outstanding plus common stock options outstanding and unvested restricted stock awards during the period which, if exercised, would have a dilutive effect on EPS. Basic and diluted EPS have been restated for the March 10, 2005, three-for-two stock split for all periods presented (See Note 1). A reconciliation of the number of weighted-average shares used in computing basic and diluted EPS is as follows:

ended	Three months ended		Nine months
30,	September 30,		September
(in thousands except per share data amounts)	2005	2004	2005
Net Income available to stockholders	<C>	<C>	<C>
(numerator for basic and diluted earnings per share):	\$15,100	\$13,633	\$45,421
Shares (denominator):			
Weighted-average shares outstanding (denominator for basic earnings per share)	68,117	68,224	67,999
Effect of Dilutive securities: Employee Stock Options and Restricted Stock Awards	1,925	1,973	2,046
Adjusted Weighted-Average Shares (adjusted to reflect assumed exercises) (denominator for diluted earnings per share)	70,042	70,197	70,046
Per share amounts:			
Basic earnings per common share	\$0.22	\$ 0.20	\$0.67
Diluted earnings per common share	\$0.22	\$ 0.19	\$0.65

The Company bought back 536,597 shares of the Company's common stock in the third quarter of 2005 under its authorized repurchase program. Rollins has had a buyback program in place for a number of years and has routinely purchased shares when it felt the opportunity was desirable. With approximately 276,000 shares left under the current program, the Board authorized the purchase of 4 million additional shares of the Company's common stock at its quarterly meeting on April 26, 2005. This authorization enables the Company to continue the purchase of Rollins, Inc. shares when appropriate, which is an important benefit resulting from the Company's strong cash flows. Accordingly, 3,713,231 shares remain authorized for purchase. The stock buy-back program has no expiration date.

NOTE 3. CONTINGENCIES

Orkin, one of the Company's subsidiaries, is a named defendant in Mark and Christine Butland et al. v. Orkin Exterminating Company, Inc., et al. pending in the Circuit Court of Hillsborough County, Tampa, Florida. The plaintiffs filed suit in March of 1999 and are seeking monetary damages and injunctive relief. The Court ruled in early April 2002, certifying the class action lawsuit against Orkin. Orkin appealed this ruling to the

Florida Second District Court of Appeals, which remanded the case back to the trial court for further findings. In December 2004 the Court issued a new ruling certifying the class action. Orkin has appealed this new ruling to the Florida Second District Court of Appeals. Orkin believes this case to be without merit and intends to defend itself vigorously through trial, if necessary. At this time, the final outcome of the litigation cannot be determined. However, in the opinion of Management, the ultimate resolution

of this action will not have a material adverse effect on the Company's financial position, results of operations or liquidity.

Additionally, in the normal course of business, Orkin is a defendant in a number of lawsuits, which allege that plaintiffs have been damaged as a result of the rendering of services by Orkin. Orkin is actively contesting these actions. Some lawsuits or arbitrations have been filed (Ernest W. Warren and Dolores G. Warren, et al. v. Orkin Exterminating Company, Inc., et al.; Francis D. Petsch, et al. v. Orkin Exterminating Company, Inc., et al.; and Cynthia Garrett v. Orkin, Inc.) in which the Plaintiffs are seeking certification of a class. The cases originate in Georgia and Florida. The Company believes these matters to be without merit and intends to vigorously contest certification and defend itself through trial or arbitration, if necessary. In the opinion of Management, the outcome of these actions will not have a material adverse effect on the Company's financial position, results of operations or liquidity.

Orkin is involved in certain environmental matters primarily arising in the normal course of business. The New York Department of Environmental Conservation filed an administrative proceeding against Orkin in March 2001, relating to reporting violations in Orkin's Annual Report to the Department. The Department is seeking the submission of additional reports and a fine. Orkin is working closely with the Department to address the violations and finalize the matter. In the opinion of Management, the Company's liability under any of these matters would not materially affect its financial condition, results of operations or liquidity.

NOTE 4. STOCKHOLDERS' EQUITY

During the third quarter ended September 30, 2005, the Company repurchased 536,597 shares for \$10.5 million under its stock repurchase program. Also, during the third quarter ended September 30, 2005, approximately 150,000 shares of common stock were issued upon exercise of stock options by employees. For the nine months ended September 30, 2005, the company has issued approximately 1.1 million shares of common stock upon exercise of stock options by employees. As permitted by SFAS No. 123, Accounting for Stock-Based Compensation, the Company accounts for employee stock compensation plans using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees. No stock-based employee compensation cost is reflected in net income, as all options granted had an exercise price equal to the market value of the underlying common stock on the date of grant. The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of FASB Statement No. 123, Accounting for Stock-Based Compensation, to stock-based employee compensation.

<TABLE>
<CAPTION>

ended	Three months ended		Nine months	
	September 30,		September 30,	
	2005	2004	2005	2004
(in thousands, except per share data)				
<S>	<C>	<C>	<C>	<C>
Net income, as reported	\$15,100	\$13,633	\$45,421	
\$38,186				
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(146)	(202)	(438)	
(606)				
Pro forma net income	\$14,954	\$13,431	44,983	
\$37,580				
Earnings per share:				
Basic-as reported	\$0.22	\$0.20	\$0.67	
\$0.56				
Basic-pro forma	\$0.22	\$0.20	\$0.66	
\$0.55				
Diluted-as reported	\$0.22	\$0.19	\$0.65	
\$0.54				
Diluted-pro forma	\$0.21	\$0.19	\$0.64	
\$0.54				

</TABLE>

NOTE 5. ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss consists of the following (in thousands):

<TABLE>
<CAPTION>

	Minimum Pension Liability	Foreign Currency Translation	Other Unrealized Gain/(Loss)	Total
<S>	<C>	<C>	<C>	<C>
Balance at December 31, 2004	\$ (18,355)	\$ 2,161	\$ 128	\$ (16,066)
Change during first nine months of 2005:				
Before-tax amount..	(17,949)	745	--	(17,204)
Tax benefit	7,269	--	(131)	7,138
	(10,680)	745	(131)	(10,066)
Balance at September 30, 2005	\$ (29,035)	\$ 2,906	\$ (3)	\$ (26,132)

</TABLE>

NOTE 6. ACCRUAL FOR TERMITE CONTRACTS

The Company maintains an accrual for termite contracts representing the estimated costs of reapplications, repair claims and associated labor, chemicals, and other costs relative to termite control services performed prior to the balance sheet date.

Prior to 2004, traditional termite treatments were recognized as revenue at the renewal date and an accrual was established for estimated costs of reapplications and repairs to be incurred. Beginning fourth quarter 2004, the Company adopted a new accounting method under which, the revenue received 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 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. The newly adopted accounting principle eliminates the need to obtain actuarial estimates of the claim costs to be incurred and management's estimates of reapplication costs. Also, management believes the newly adopted accounting method more closely conforms to the current pattern under which revenues are earned and expenses are incurred, and conforms the accounting methodology of Orkin and its recently acquired subsidiary, Western Pest Services. 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.

Due to this change, the Company recorded a cumulative effect adjustment of \$6.2 million (net of income taxes) during the fourth quarter of 2004.

A reconciliation of the beginning and ending balances of the accrual for termite contracts is as follows:

(In thousands)	Nine months ended September 30,	
	2005	2004
Beginning Balance	\$ 25,311	\$ 43,873
Effect of Change in Accounting Principle	--	(17,270)
Current Period Provision	11,089	11,682
Settlements, Claims and Expenditures Made During the Period	(12,352)	(12,544)
Western Pest Acquisition	--	373
Ending Balance	\$ 24,048	\$ 26,114

NOTE 7. PENSION AND POST-RETIREMENT BENEFIT PLANS

The following represents the net periodic pension benefit costs and related components in accordance with SFAS 132 (R):

(in thousands)	Components of Net Pension Benefit Cost			
	Three months ended September 30,		Nine months ended September 30,	
	2005	2004	2005	2004
Service Cost	\$ --	\$ 1,297	\$ 2,794	\$ 3,891

Interest Cost	1,975	2,074	6,392	6,222
Expected Return on Plan Assets	(2,468)	(2,394)	(7,396)	(7,182)
Amortization of:				
Prior Service Benefit	--	(217)	(434)	(651)
Unrecognized Net Loss	1,112	845	3,440	2,535
	-----	-----	-----	-----
Net Periodic Benefit Cost	\$ 619	\$ 1,605	\$ 4,796	\$ 4,815
SFAS 88 Curtailment Gain	--	--	(4,176)	--
	-----	-----	-----	-----
Total	\$ 619	\$ 1,605	\$ 620	\$ 4,815

In June 2005, the Company recorded a \$4.2 million non-cash curtailment adjustment in accordance with SFAS No. 88, "Employer's Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits", ("SFAS No. 88") in connection with freezing the defined benefit pension plan, and using actuarial assumptions consistent with those we used at December 31, 2004. SFAS No. 88 requires curtailment accounting if an event eliminates, for a significant number of employees, the accrual of defined benefits for some or all of their future services. In the event of a curtailment, an adjustment must be recognized for the unrecognized prior service cost associated with years of service no longer expected to be rendered.

NOTE 8. RELATED PARTY TRANSACTIONS

The Board of Directors, at its quarterly meeting on January 27, 2004, approved the formation of a committee (the "Committee") made up of Messrs. Bill J. Dismuke and James B. Williams, who are independent directors, to evaluate all related party transactions. On April 28, 2004, the Company sold real estate in Okeechobee County, Florida to LOR, Inc., a company controlled by R. Randall Rollins, Chairman of the Board of Rollins, Inc. and Gary W. Rollins, Chief Executive Officer, President and Chief Operating Officer of Rollins, Inc. for \$16.6 million in cash. The sale resulted in a net gain after tax of \$8.1 million or \$0.11 per share since the real estate had appreciated over approximately 30 years it had been owned by the Company. The real estate was under a lease agreement with annual rentals of \$131,939 that would have expired September 30, 2007. On May 28, 2004, the Company sold real estate in Sussex County, Delaware to LOR, Inc. for \$111,000 in cash. The sale resulted in an immaterial net gain after tax. In addition, the Company on October 22, 2004 purchased real estate located at 2158 Piedmont Road, N.E., Atlanta, Georgia 30324, adjacent to the Company's headquarters, from LOR, Inc. for \$4.6 million. The Company sold an additional piece of real estate in Sussex County, Delaware to LOR, Inc. or an entity wholly owned by LOR, Inc. for \$10.6 million in cash. The transaction took place on December 29, 2004 and resulted in a \$6.3 million gain, net of costs and after taxes. The Committee was furnished with full disclosure of all related party transactions, including independent appraisals, and determined that the terms of the transactions were reasonable and fair to the Company.

NOTE 9. ACQUISITIONS

On April 30, 2004, the Company acquired substantially all of the assets and assumed certain liabilities of Western Pest Services ("Western"), and the Company's consolidated financial statements include the operating results of Western from the date of the acquisition. Neither Western nor its principals had any prior relationship with the Company or its affiliates. Western was engaged in the business of providing pest control services and the Company has continued this business. The acquisition was made pursuant to an Asset Purchase Agreement (the "Western Agreement") dated March 8, 2004, between Rollins, Inc. and Western Industries, Inc. and affiliates. The consideration for the assets and certain noncompetition agreements (the "Purchase Price") was approximately \$106.6 million, including approximately \$7.0 million of assumed liabilities. The Purchase Price was funded with cash on hand, the sale of property located in Okeechobee County, Florida and a \$15.0 million senior unsecured revolving credit facility.

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Pursuant to the Western Agreement, the Company acquired substantially all of Western's property and assets, including accounts receivable, real property leases, seller contracts, governmental authorizations, data and records, intangible rights and property and insurance benefits. As described in the Western Agreement, the Company assumed only specified liabilities of Western and obligations under disclosed assigned contracts.

The Company engaged an independent valuation firm to determine the allocation of the purchase price to Goodwill and identifiable Intangible assets. Such valuation resulted in the allocation of \$41.3 million to Goodwill and \$55.2 million to other intangible assets, principally customer contracts. The finite-lived intangible assets, principally customer contracts, are being amortized over periods principally ranging from 8 to 12.5 years on a straight-lined basis.

On April 30, 2004, in a transaction ancillary to the Western acquisition,

the Company acquired Residex Corporation ("Residex"), a company that distributes chemicals and other products to pest management professionals, pursuant to an Asset Purchase Agreement (the "Residex Agreement") dated March 8, 2004, between Rollins, Inc. and Western Industries, Inc., JBD Incorporated and Residex Corporation. Subsequently on April 30, 2004, the Company sold Residex to an industry distribution group. The amounts involved were not material and no gain or loss was recognized on the transaction.

Prior to the acquisition, Western Pest Services was recognized as a premier pest control business and ranked as the 8th largest company in the industry. Based in Parsippany, NJ, the Company provides pest elimination and prevention to homes and businesses to over 130,000 customers from New York to Virginia with additional operations in Georgia and Florida. Western is primarily a commercial pest control service company and its existing businesses complement most of the services that Orkin offers, in an area of the country in which Orkin has not been particularly strong, the Northeast. The Company's consolidated statements of income include the results of operations of Western for all periods after May 1, 2004.

NOTE 10. PRO FORMA FINANCIAL INFORMATION

The pro forma financial information presented below gives effect to the Western acquisition as if it had occurred as of the beginning of our fiscal year 2004. The information presented below is for illustrative purposes only and is not necessarily indicative of results that would have been achieved if the acquisition actually had occurred as of the beginning of such years or results, which may be achieved in the future.

Months Ended	Three Months Ended		Nine	
September 30,	September 30,			
-----	2005	2004	2005	
-----	-----	-----	-----	
2004				

REVENUES				
<S>	<C>	<C>	<C>	
<C>				
Customer Services	\$ 209,346	\$ 203,925	\$ 607,587	\$
593,744	=====	=====	=====	
=====				
INCOME BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	25,379	22,944	76,339	
79,081				
INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	15,100	13,633	45,421	
46,146				
NET INCOME	\$ 15,100	\$ 13,633	\$ 45,421	\$
38,171	=====	=====	=====	
=====				
EARNINGS PER SHARE - BASIC	\$ 0.22	\$ 0.20	\$ 0.67	\$
0.56	=====	=====	=====	
=====				
EARNINGS PER SHARE - DILUTED	\$ 0.22	\$ 0.19	\$ 0.65	\$
0.54	=====	=====	=====	
=====				
Average Shares Outstanding---Basic	68,117	68,224	67,999	
68,101				
Average Shares Outstanding---Diluted	70,042	70,197	70,046	
70,113				

NOTE 11. SUBSEQUENT EVENTS

On October 1, 2005, the Company, announced it completed the acquisition of The Industrial Fumigant Company, (IFC). The acquisition was an all cash transaction that cost approximately \$24.3 million including the assumption of debt. IFC is recognized as a premier pest management company serving the Food and Commodity Industries and ranked as the 24th largest company in the industry. Based in Olathe, Kansas, the Company provides nationwide coverage through its 25 offices and 17 warehouses.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Overview

In the third quarter, the Company reported its 23rd consecutive quarter of improved earnings results.

Rollins, Inc. also continued to improve revenues during the quarter. However, as reported in the Company's press release dated October 26, 2005, these revenues were negatively impacted by approximately \$1 million (half of which came from three branches in New Orleans) as a result of damage done by Katrina and Rita in Louisiana, Mississippi, Alabama, and Texas. Sixteen of Orkin's branches were affected, some to a minor degree and others quite severely, impacting over 220 of the Company's employees. Within days of Katrina's devastation the Company had dispatched 2 trucks to the area with food, water, generators and other supplies. Orkin, Inc. has provided employment for these employees in other branches. The Company has established a Rollins/Employee Relief fund to assist employees and have generated at this time approximately \$125,000 to distribute to the employees with the greatest need.

It is difficult to estimate exactly when the Company will begin to reverse these shortfalls since the ultimate status of many impacted customer homes is uncertain. Some branches will recover sooner than others. The Company expects to see an impact on our fourth quarter.

During the quarter Rollins, Inc. continued to make progress with its commercial pest control business initiatives and are positive concerning the roll out this project. The processes, products and technology that will be implemented in the future will make it easier for customers in this service offering to do business with Orkin, while at the same time making it more efficient and profitable for the Company.

The acquisition of Industrial Fumigant Company on October 1st is consistent with the Company's plan to accelerate the growth of its commercial business. IFC is an outstanding company and Rollins, Inc. is extremely pleased to have them as part of the Rollins family of companies. Located in Olathe, Kansas IFC has been dedicated to pest management in the food and commodity industries since it's founding over 60 years. Their concentration on these industries has made IFC a leader in food plant pest management as well as related auditing and training. They provide nationwide service through their 25 offices and 17 warehouses. Tom Walters the Vice President of Rollins, Inc.'s wholly owned subsidiary, Western Pest Services, will be overseeing this acquisition. The Company plans to keep IFC as a stand-alone operation. Rollins, Inc. looks forward to working with and learning from IFC's team of professionals and better understanding how they have penetrated this very desirable market. Additionally, the Company believes IFC will help Rollins, Inc. with the technology used for high-end Food processing customers.

The Company continues to invest in new payroll initiative and training to improve our service and sales to customers while enhancing employee retention.

Earlier this year, the Company announced its investment in a company wide satellite training delivery system, which will enable employees to receive training at a faster rate, reduce training costs over the next several years and provide more consistent training products. The majority of the equipment for production and broadcast of the Company's satellite training programs has been installed and the communication channels for the broadcast programs to remote sites have been successfully tested at this time. The Company expects the complete installation of satellite equipment in by the end of the year. Rollins, Inc. is the first company to install a new satellite technology known as Interactive Video-On-Demand (IVOD). This capability is included in the satellite receiver that is being installed at each of the Company's branches. In addition to broadcasting live programs, the receiver has the ability to provide stored programming (such as Interactive Distributed Learning or Employee Communications) to Rollins, Inc.'s associates at any time (24 X 7). After the live session has been broadcast, other viewers can interact with the system later as if they were attending the live session. The functionality is similar to TiVo, but has the added capability of capturing interactive responses. Examples of how the system can be used: associates can complete tests of their knowledge of what has been presented; respond to multiple choice questions; etc. The receiver also contains 120 Gigabytes of storage (up to 80 hours of video programming) and has technologies that we can activate later that will allow us to deliver our satellite signal to any computer with a monitor on our IT

network.

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Rollins, Inc. and the Rollins Family continue to work nationally to promote Orkin and pest control awareness and professionalism. Recently, the O.Wayne Rollins Foundation pledged \$150,000 to the University of Florida's Institute of Food and Agricultural Sciences to help establish the Orkin Termite Training Facility at the Mid-Florida Research and Education Center located in Apopka, FL. The training center will support integrated pest management programs developed by the University's entomologists and Orkin pest professionals, and will be made available to the entire industry. The University's faculty and staff, along with other industry professionals, will provide statewide training to a wide range of individuals including pest control professionals, regulators, government employees and students.

Rollins, Inc. takes great pleasure in the recognition that both individuals and companies within Rollins receive. Earlier this month Rollins wholly owned subsidiary, Orkin/PCO Service Corporation, was named one of the Best Employers for Canadians over age 50. CARP, Canada's largest advocacy group for Canadians over 50, sponsored the competition. Additionally, Pest Control Magazine inducted Paul Hardy, Orkin's Termite Technical Director as a member of the Industries Hall of Fame at its national conference in Nashville. Tom Walters, Rollins, Inc.'s Vice President and General Manager of Western Pest Services, was named by Pest Control Technology magazine's winner of the 2005 Leadership Award and Glen Rollins, Orkin, Inc.'s President, was honored as Professional of the Year at the same National meeting.

The Company's commercial project, the routing and scheduling initiative and automated payroll development are on schedule and budget. While there is significant up front cost involved, these three investments will have a large impact on the future of the company. Rollins, Inc. is committed to advancing and the Company believes the initiatives that have been put into place will enable the Company to accomplish this going forward.

Rollins, Inc.'s third quarter net income grew 10.8% to \$15.1 million or \$.22 per diluted share, compared to \$13.6 million or \$0.19 per diluted share for the third quarter ended September 30, 2004. The Company's revenue for the third quarter grew 2.7% to \$209.3 million compared to \$203.9 million for the third quarter ended September 30, 2004. The timing of the Western acquisition last year no longer impacts the comparison; both quarters include full quarter results from Western. This is the last quarter the sale of Dettelbach impacts the quarter to previous year's quarter comparison, as that business contributed \$400k in revenue last year decreasing our revenue growth comparison by .2%. A bigger impact on the revenue were the hurricanes. The Company was impacted to varying degrees in 16 branches located in the Gulf States. In total the revenue in these 16 branches were down from the comparable periods last year \$1.0 million or .5%. Rollins, Inc. expects business to be close to normal service levels in 11 of these branches in the fourth quarter. However, it will be some time before Orkin, Inc.'s three branches in New Orleans and the branches in Gulfport, Mississippi and Lake Charles, Louisiana., return to the full service levels experienced prior to the hurricanes. These branches were impacted varying degrees but experienced revenue decreases from 45% to 87%.

Rollins, Inc.'s commercial pest control which contributed almost 40% of the Company's revenue grew at 5.7%, with both Western Pest Services and PCO Orkin Canada contributing greatly. The Company's residential pest control which is also almost 40% of our revenue along with our Termite business which represents roughly 20%, both grew by a little over 1.0%.

Gross margin for the quarter was 49.2% versus 48.5% last year. The improved margins continue to be mainly attributable to continued reductions in our Material and Supply cost, which has been favorably impacted by the Company's Univar national distribution agreement. This margin improvement was partially offset by an increase in our insurance, claims and litigation expense. The number of the Company's new termite claims and general litigation continues to decline and the backlog of open claims is at its lowest number in the recent history of the company. Also affecting margins this quarter was fleet expenses. While the Company has fewer vehicles, driving fewer miles than last year, the Company could not overcome the 31% increase in the average gas price per gallon, and total fleet expenses rose \$600k, or 7.9%.

Depreciation and amortization totaled \$5.8 million for the 3rd quarter depreciation of \$2.9 million and amortization of intangibles at \$2.9 million. The amortization represents a significant non-cash charge to the Statement of Income. In 2005 total amortization of intangibles expense will be approximately \$12.3 million, versus \$10.9 million in 2004. Based upon our fully diluted shares outstanding as of September 30, 2005, it will represent a charge of almost 18 cents pre-tax, and 11 cents after tax to GAAP EPS this year.

Tax provision for the quarter remained at 40.5%.

Rollins, Inc.'s balance sheet remains strong with cash and cash equivalents of \$79.5 million as of September 30, 2005. Rollins, Inc.'s strong balance sheet and cash, positions the Company to take advantage of any future acquisitions that meet the Company's requirements. Subsequent to quarter end Rollins, Inc. closed

on the IFC acquisition that was all cash deal that cost approximately \$24.3 million including the assumption of debt.

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On April 27, 2005, Rollins, Inc. announced that the Company's Board of Directors had authorized the purchase of an additional 4 million shares of the Company's stock. During the third quarter, Rollins, Inc. repurchased 536,597 shares.

<TABLE>

<CAPTION>

Results of Operations

			% Better/ (Worse) as Compared to Same			
	Three months ended September 30,		Quarter in Prior Year	Nine months ended September 30,		
Quarter in Prior Year (in thousands)	2005	2004		2005	2004	
<S> <C>	<C>	<C>	<C>	<C>	<C>	
Revenues 7.1 %	\$ 209,346	\$ 203,925	2.7 %	\$ 607,587	\$ 567,066	
Costs:						
Cost of Services Provided (6.8)	106,398	105,035	(1.3)	315,630	295,585	
Depreciation and Amortization (5.4)	5,800	6,249	7.2	17,808	16,670	
Sales, General and Administrative (5.4)	72,258	70,080	(3.1)	203,835	193,411	
Gain on Sale of Assets (96.2)	---	(315)	(100.0)	(544)	(14,457)	
Pension Curtailment 100.0	---	---	---	(4,176)	---	
Interest Income N/M	(489)	(68)	N/M	(1,305)	(265)	

Income Before Income Taxes 0.3	25,379	22,944	10.6	76,339	76,122	
Provision for Income Taxes 2.6	10,279	9,311	(10.4)	30,918	31,732	

Income Before Cumulative Effect of Change in Accounting Principle 2.3	15,100	13,633	10.8	45,421	44,390	
Cumulative Effect of Change in Accounting Principle 100.0	---	---	---	---	(6,204)	

Net Income 18.9 %	\$ 15,100	\$ 13,633	10.8 %	\$ 45,421	\$ 38,186	

</TABLE>

Revenues for the quarter ended September 30, 2005 increased to \$209.3 million, an increase of \$5.4 million or 2.7%. For the third quarter of 2005 the primary revenue drivers were Orkin Canada, which contributed \$16.1 million for an increase of \$2.4 million, Western, which contributed \$19.1 million for an increase of \$1.2 million, as well as Orkin's pest control business, which increased \$1.6 million while growing 1.2%. Every-other-month service, the Company's primary residential pest control service offering, continues to grow in importance, comprising 59.5% of new residential pest control sales for the third quarter of 2005 compared to 57.9% in the third quarter 2004. The Company's foreign operations accounted for less than 8% of total revenues during the third quarter 2005 compared to less than 7% of the total during the third quarter 2004.

The revenues of the Company are affected by the seasonal nature of the Company's pest and termite control services as, described in Note 1 to the Company's financial statements above. The Company's revenues as a historical matter tend to peak during the second and third quarters, as evidenced by the following chart.

Total Net Revenues

(in thousands)	2005	2004	2003
First Quarter	\$ 183,915	\$ 160,416*	\$ 155,122
Second Quarter	214,326	202,725*	185,105
Third Quarter	209,346	203,925*	178,262
Fourth Quarter	N/A	183,818	158,524

* Restated for change in accounting principle.

Cost of Services Provided for the third quarter ended September 30, 2005 increased \$1.4 million or 1.3%, compared to the quarter ended September 30, 2004, although the expense expressed as a percentage of revenues decreased by 0.7 percentage points, representing 50.8% of revenues for the third quarter 2005 compared to 51.5% of revenues in the prior year's third quarter. Cost of Services Provided as a percentage of revenues decreased primarily due to lower personnel related costs, and from employee productivity improvements at Orkin. These were partially offset by higher service salaries and insurance and claims due to higher insurance premiums. Management believes that it is addressing the cause of the insurance increases.

Sales, General and Administrative for the quarter ended September 30, 2005 increased \$2.2 million or 3.1% as compared to the third quarter 2004. As a percentage of revenues, Sales General and Administrative remained flat with an increase of only 0.1 percentage point or 0.3%, representing 34.5% of total revenues compared to 34.4% for the prior year quarter. The increase in Sales, General and Administrative as a percentage of revenue was mainly attributable to higher administrative salaries and advertising costs. The costs were partially offset by the lower personnel related costs.

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Depreciation and Amortization expenses for the third quarter ended September 30, 2005 decreased by \$0.4 million or 7.2% to \$5.8 million versus the prior year quarter. The decrease was due in part to the revaluation of intangible assets acquired in the Western Pest acquisition. As part of the Western acquisition, \$55.2 million of finite-lived intangible assets, principally customer contracts, were acquired. They will be amortized over periods principally ranging from 8 to 12.5 years.

Income Taxes. The Company's tax provision of \$10.3 million for the third quarter ended September 30, 2005 reflects increased pre-tax income over the prior year period and a slight decrease in the effective tax rate. The effective tax rate was 40.5% for the third quarter ended September 30, 2005 and 40.6% for the third quarter ended September 30, 2004.

Critical Accounting Policies

We view critical accounting policies to be those policies that are very important to the portrayal of our financial condition and results of operations, and that require Management's most difficult, complex or subjective judgments. The circumstances that make these judgments difficult or complex relate to the need for Management to make estimates about the effect of matters that are inherently uncertain. We believe our critical accounting policies to be as follows:

Accrual for Termite Contracts-- The Company maintains an accrual for termite claims representing the estimated costs of reapplications, repairs and associated labor and chemicals, settlements, awards and other costs relative to termite control services performed prior to the balance sheet date. It is significant that the actual number of claims has decreased in recent years due to changes in the Company's business practices. Positive changes to our business practices include revisions made to our contracts, more effective treatment methods that include a directed-liquid and baiting program, more effective termiticides, and expanding training.

Accrued Insurance-- The Company self-insures, up to specified limits, certain risks related to general liability, workers' compensation and vehicle liability. The estimated costs of 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 Company contracts an independent third party actuary on an annual basis to provide the Company an estimated liability based upon historical claims information. The actuarial study is a major consideration, along with Management's knowledge of changes in business practices and existing claims compared to current balances. The reserve is established based on all these factors. Due to the uncertainty associated with the estimation of future loss and expense payments and inherent limitations of the data, actual developments may vary from the Company's projections. This is particularly true since critical assumptions regarding the parameters used to develop reserve estimates are largely based upon judgment. Therefore, changes in estimates may be sufficiently material. Management's judgment is inherently subjective and a number of factors are outside Management's knowledge and control. Additionally, historical information is not always an accurate indication of future events. It should be noted that the number of claims has been decreasing due to the

Company's proactive risk management to develop and maintain ongoing programs. Initiatives that have been implemented include pre-employment screening and an annual motor vehicle report required on all its drivers, utilization of a Global Positioning System that has been fully deployed to our Company vehicles, post-offer physicals for new employees, and pre-hire, random and post-accident drug testing. The Company has improved the time required to report a claim by utilizing a "Red Alert" program that provides serious accident assessment twenty four hours a day and seven days a week and has instituted a modified duty program that enables employees to go back to work on a limited-duty basis.

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 or bi-monthly 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 delivery of the monitoring stations, initial directed liquid termiticide treatment and installation of the monitoring services. The amount deferred is the fair value of monitoring services to be rendered after the initial service. The amount deferred for the undelivered monitoring element is then 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. 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.

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Prior to 2004, traditional termite treatments were recognized as revenue at the renewal date and an accrual was established for estimated costs of reapplications and repairs to be incurred. Beginning fourth quarter 2004, the Company adopted a new accounting method under which, the revenue received 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 and are no longer accrued. For noticed claims, an estimate is made of the costs to be incurred (including legal costs) based upon current factors and 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. The newly adopted accounting principle eliminates the need to obtain actuarial estimates of the claim costs to be incurred and management's estimates of reapplication costs. Also, management believes the newly adopted accounting method more closely conforms to the current pattern under which revenues are earned and expenses are incurred, and conforms the accounting methodology of Orkin and its recently acquired subsidiary, Western Pest Services. 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.

Due to this change, the Company recorded a cumulative effect adjustment of \$6.2 million (net of income taxes) during the fourth quarter of 2004.

Contingency Accruals-- The Company is a party to legal proceedings with respect to matters in the ordinary course of business. In accordance with Statement of Financial Accounting Standards No. 5, Accounting for Contingencies, the Company estimates and accrues for its liability and costs associated with the litigation. Estimates and accruals are determined in consultation with outside counsel. It is not possible to accurately predict the ultimate result of the litigation. However, in the opinion of Management, the outcome of the litigation will not have a material adverse impact on the Company's financial condition or results of operations.

Goodwill and Other Intangible Assets - On January 1, 2002, the Company adopted FASB Statement No. 142, Goodwill and Other Intangible Assets. As of January 1, 2002, amortization of goodwill and trademarks was terminated, and instead the assets are subject to periodic testing for impairment. The Company completed its annual impairment analyses as of September 30, 2005. Based upon the results of these analyses, the Company has concluded that no impairment of its goodwill or trademarks has occurred.

Federal Income Tax Audit - The Company is currently under audit by the Internal Revenue Service (IRS) for tax years 2002 and 2003. The IRS has issued Notices of Proposed Adjustment with respect to various issues. The Company is currently reviewing its position regarding the adjustments and plans to defend against those adjustments that are without merit. The Company does not expect the

resolution of these issues, taken individually or in the aggregate, to have a material effect on the results of operations, cash flows or financial position

Stock-Based Compensation-- In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment" ("SFAS 123R"), which replaces SFAS No. 123, "Accounting for Stock-Based Compensation," ("SFAS 123") and supercedes APB Opinion No. 25, "Accounting for Stock Issued to Employees." SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values beginning with the next fiscal year that begins after September 15, 2005, with early adoption encouraged. The pro forma disclosures previously permitted under SFAS 123 no longer will be an alternative to financial statement recognition. The Company is required to adopt SFAS 123R in the first quarter of fiscal 2006, beginning January 1, 2006. Under SFAS 123R, the Company must determine the appropriate fair value model to be used for valuing share-based payments, the amortization method for compensation cost and the transition method to be used at date of adoption. The transition methods include prospective and retrospective adoption options. Under the retrospective option, prior periods may be restated either as of the beginning of the year of adoption or for all periods presented. The prospective method requires that compensation expense be recorded for all unvested stock options and restricted stock at the beginning of the first quarter of adoption of SFAS 123R, while the retrospective methods would record compensation expense for all unvested stock options and restricted stock beginning with the second period restated. The Company is evaluating the requirements of SFAS 123R and expects that the adoption of SFAS 123R will not have a material impact on Rollins' consolidated results of operations and earnings per share. The Company has not yet determined the method of adoption or the effect of adopting SFAS 123R, and it has not determined whether the adoption will result in amounts that are similar to the current pro forma disclosures under SFAS 123.

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Liquidity and Capital Resources

Cash and Cash Flow

(in thousands)	Nine months ended September 30,	
	2005	2004
Net Cash Provided by Operating Activities	\$ 68,685	\$ 59,980
Net Cash Provided By/(Used) in Investing Activities	(19,269)	(72,783)
Net Cash Used in Financing Activities	(27,409)	(5,777)
Effect of Exchange Rate on Cash	745	(66)
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ 22,752	\$ (18,646)

The Company believes its current cash and cash equivalents balances, future cash flows from operating activities and available borrowings under its \$70.0 million credit facilities will be sufficient to finance its current operations and obligations, and fund expansion of the business for the foreseeable future and the acquisition of other select pest control businesses. The Company's operating activities generated net cash of \$68.7 million for the nine months ended September 30, 2005, compared with cash provided by operating activities of \$60.0 million for the same period in 2004.

At the April 26, 2005 meeting of the Board of Directors, as part of the Company's active management of equity capital, the Board of Directors authorized the purchase of up to 4 million additional shares of the Company's common stock. The Company plans to repurchase shares at times and prices considered appropriate by the Company. There is no expiration date for the share repurchase program.

The Company invested approximately \$17.0 million in capital expenditures during the first nine months ended September 30, 2005, compared to \$6.7 million during the same period in 2004, and expects to invest between \$4.0 million and \$5.0 million for the remainder of 2005. Capital expenditures for the first nine months consisted primarily of building purchases and the purchase of equipment replacements and upgrades and improvements to the Company's management information systems. During the first nine months, the Company made acquisitions totaling \$3.0 million, compared to \$103.4 million during the same period in 2004 when the Company purchased Western Pest. Acquisitions for the first nine months of 2005 were funded by cash on hand. A total of \$10.3 million was paid in cash dividends (\$0.15 per share) during the first nine months of 2005, compared to \$8.2 million or \$0.12 per share during the same period in 2004. The Company repurchased 1,204,295 shares of Common Stock in the first nine months of 2005 and there remain 3,713,231 shares authorized to be repurchased. The capital expenditures and cash dividends were funded entirely through existing cash balances and operating activities. The Company maintains \$70.0 million of credit facilities with commercial banks, of which no borrowings were outstanding as of September 30, 2005 or October 15, 2005. The Company maintains approximately \$34.5 million in Letters of Credit, which reduced its borrowing capacity under

the credit facilities. These Letters of Credit are required by the Company's fronting insurance companies and/or certain states, due to the Company's self-funded status, to secure various workers' compensation and casualty insurance contracts. These letters of credit are established by the bank for the Company's fronting insurance companies as collateral, although the Company believes that it has adequate liquid assets, funding sources and insurance accruals to accommodate such claims.

On April 28, 2004, the Company entered into a \$15.0 million senior unsecured revolving credit facility. The entire amount of the credit facility was used to fund a portion of the Western Industries, Inc. acquisition that the Company closed on April 30, 2004. The Company repaid the full amount of the credit facility in May 2004.

On April 28, 2004, the Company sold real estate in Okeechobee County, Florida to LOR, Inc., a company controlled by R. Randall Rollins, Chairman of the Board of Rollins, Inc. and Gary W. Rollins, Chief Executive Officer, President and Chief Operating Officer of Rollins, Inc. for \$16.6 million in cash. The sale resulted in a net gain after tax of \$8.1 million or \$0.11 per share since the real estate had appreciated over approximately 30 years it had been owned by the Company. The real estate was under a lease agreement with annual rentals of \$131,939 that would have expired September 30, 2007. On May 28, 2004, the Company sold real estate in Sussex County, Delaware to LOR, Inc. for \$111,000 in cash. The sale resulted in an immaterial net gain after tax. The Board of Directors, at its quarterly meeting on January 27, 2004, approved the formation of a committee (the "Committee") made up of Messrs. Bill J. Dismuke and James B. Williams, who are independent directors, to evaluate the transactions. In addition, the Company on October 22, 2004 purchased real estate located at 2158 Piedmont Road, N.E., Atlanta, Georgia 30324, adjacent to the Company's headquarters, from LOR, Inc. for \$4.6 million. The Committee was furnished with full disclosure of the transactions, including independent appraisals, and determined that the terms of the transactions were reasonable and fair to the Company. The Company sold an additional piece of real estate in Sussex County, Delaware to LOR, Inc. or an entity wholly owned by LOR, Inc. for \$10.6 million in cash. The transaction took place on December 29, 2004 and resulted in a \$6.3 million gain, net of costs and after taxes.

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On April 30, 2004, the Company acquired substantially all of the assets and assumed certain liabilities of Western Pest Services ("Western"), and the Company's consolidated financial statements include the operating results of Western from the date of the acquisition. Neither Western nor its principals had any prior relationship with the Company or its affiliates. Western was engaged in the business of providing pest control services and the Company has continued this business. The acquisition was made pursuant to an Asset Purchase Agreement (the "Western Agreement") dated March 8, 2004, between Rollins, Inc. and Western Industries, Inc. and affiliates. The consideration for the assets and certain noncompetition agreements (the "Purchase Price") was for approximately \$106.6 million, including approximately \$7.0 million of assumed liabilities. The Purchase Price was funded with cash on hand, the sale of property located in Okeechobee County, Florida and a \$15.0 million senior unsecured revolving credit facility.

Pursuant to the Western Agreement, the Company acquired substantially all of Western's property and assets, including accounts receivable, real property leases, seller contracts, governmental authorizations, data and records, intangible rights and property and insurance benefits. As described in the Western Agreement, the Company assumed only specified liabilities of Western and obligations under disclosed assigned contracts.

The Company engaged an independent valuation firm to determine the allocation of the purchase price to Goodwill and identifiable Intangible assets. Such valuation resulted in the allocation of \$41.3 million to Goodwill and \$55.2 million to other intangible assets, principally customer contracts. The finite-lived intangible assets, principally customer contracts, are being amortized over periods principally ranging from 8 to 12.5 years on a straight-lined basis.

On April 30, 2004, in a transaction ancillary to the Western acquisition, the Company acquired Residex Corporation ("Residex"), a company that distributes chemicals and other products to pest management professionals, pursuant to an Asset Purchase Agreement (the "Residex Agreement") dated March 8, 2004, between Rollins, Inc. and Western Industries, Inc., JBD Incorporated and Residex Corporation. Subsequently on April 30, 2004, the Company sold Residex to an industry distribution group. The amounts involved were not material and no gain or loss was recognized on the transaction.

Prior to the acquisition, Western Pest Services was recognized as a premier pest control business and ranked as the 8th largest company in the industry. Based in Parsippany, NJ, the Company provides pest elimination and prevention to homes and businesses to over 130,000 customers from New York to Virginia with additional operations in Georgia and Florida. Western is primarily a commercial pest control service company and its existing businesses complement most of the services that Orkin offers, in an area of the country in which Orkin has not

been particularly strong, the Northeast. The Company's consolidated statements of income include the results of operations of Western for the period beginning May 1, 2004 through September 30, 2005.

The Company is currently under audit by the Internal Revenue Service (IRS) for tax years 2002 and 2003. The IRS has issued Notices of Proposed Adjustment with respect to various issues. The Company is currently reviewing its position regarding the adjustments and plans to defend against those adjustments that are without merit. The Company does not expect the resolution of these issues, taken individually or in the aggregate, to have a material effect on the results of operations, cash flows or financial position.

Orkin, one of the Company's subsidiaries, is aggressively defending a class action lawsuit filed in Hillsborough County, Tampa, Florida. In early April 2002, the Circuit Court of Hillsborough County certified the class action status of *Butland et al. v. Orkin Exterminating Company, Inc. et al.* Other lawsuits against Orkin, and in some instances the Company, are also being vigorously defended, including the Warren and Petsch cases and the Garrett arbitration. For further discussion, see the Contingencies section in the notes to the Company financial statements set forth under Item 1 of Part I above.

Impact of Recent Accounting Pronouncements

See Note 1 of the Notes to 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 statements regarding future contributions of Western; expected contributions of the commercial business segment; the expected effects of the IFC acquisition; the success of the pilot program using hand-held computers and software; the outcome of litigation arising in the ordinary course of business and the outcome of other litigation, as discussed in the Contingencies section, on the Company's financial position, results of operations and liquidity; the adequacy of the Company's resources to fund operations and obligations; the Company's projected 2005 capital expenditures; the impact of recent accounting pronouncements; the expected outcome of the growth of national account revenue. The actual results of the Company could differ materially from those indicated by the forward-looking statements.

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because of various risks, timing 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 reforms and pest control selling and treatment methods; the Company's ability to identify potential acquisitions; climate and weather trends; competitive factors and pricing practices; 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, 2004.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As of September 30, 2005, the Company maintained an investment portfolio (included in Cash and Cash Equivalents) subject to short-term interest rate risk exposure. The Company has been affected by the impact of lower interest rates on interest income from its short-term investments. The Company is also subject to interest rate risk exposure through borrowings on its \$70.0 million credit facilities. Due to the absence of such borrowings as of September 30, 2005, this risk was not significant in the first nine months of 2005 and is not expected to have a material effect upon the Company's results of operations or financial position going forward. 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 effect 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 2004.

Item 4. Controls 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 September 30, 2005. 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") reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and was made known to them by others within those entities, particularly during the period when this report was being prepared.

In addition, Management's quarterly evaluation identified no changes in our internal control over financial reporting during the third quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. As of September 30, 2005, we did not identify any material weaknesses in our internal controls, and therefore no corrective actions were taken.

We have identified several internal control deficiencies at Western Pest Control, which was acquired on April 30, 2004, and the Company has initiated a project to identify internal control deficiencies and implement changes. Most of these identified deficiencies center around IT controls and organizational issues that affect smaller companies, such as separation of duties, management reviews, and documentation of policies and procedures.

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PART II OTHER INFORMATION

Item 1. Legal Proceedings.

See Note 3 to Part I, Item 1 for discussion of certain litigation.

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

<TABLE>

<CAPTION>

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Maximum Number of Shares that May Purchased Under the Repurchase Plan(2)	Period	Total Number		Total Number of Shares Purchased as Part of Publicly Announced Repurchase Plan(2)	Yet Be
		Purchased (1)	Average Price Paid per Share		
<C>	<S>	<C>	<C>	<C>	
4,249,828	July 1 to 30, 2005	10,546	\$ 21.36	---	
4,011,048	August 1 to 31, 2005	240,489	\$ 19.63	238,780	
3,713,231	September 1 to 30, 2005	310,003	\$ 19.48	297,817	
3,713,231	Total	561,038	\$ 19.58	536,597	

<FN>

(1) Includes repurchases in connection with exercise of employee stock options in the following amounts: July 2005: 10,546; August 2005: 1,709; September 2005: 12,186.

(2.) These shares were repurchased under the plan to repurchase up to 4.5 million shares (post all stock splits) announced October 28, 1997. At the April 26, 2005 Board of Directors meeting, the Board of Directors of Rollins, Inc. authorized the purchase of an additional number of up to 4 million shares of the Company's common stock. These plans have no expiration dates.

</FN>

</TABLE>

Item 4. Submission of Matters to a Vote of Security Holders.

None

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Item 6. Exhibits.

(a) Exhibits

- (3) (i) (A) Restated Certificate of Incorporation of Rollins, Inc. dated July 28, 1981.
- (B) Certificate of Amendment of Certificate of Incorporation of Rollins, Inc. dated August 20, 1987, incorporated herein by reference to Exhibit (3)(i)(B) to the registrant's Form 10-K for the year ended December 31, 2004.
- (C) Certificate of Change of Location of Registered Office and of Registered Agent dated March 22, 1994.
- (ii) Amended and Restated By-laws of Rollins, Inc., incorporated herein by reference to Exhibit (3) (iii) as filed with the registrant's Form 10-Q for the quarterly period ended September 30, 2004.
- (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.

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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: October 28, 2005

By: /s/Gary W. Rollins

Gary W. Rollins
Chief Executive Officer, President
and Chief Operating Officer
(Member of the Board of Directors)
(Principal Executive Officer)

Date: October 28, 2005

By: /s/Harry J. Cynkus

Harry J. Cynkus
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Certifications

I, Gary W. Rollins, President and Chief Executive Officer of Rollins, Inc., 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 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 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:
 - (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: October 28, 2005

By: /s/Gary W. Rollins

Gary W. Rollins
Chief Executive Officer, President
and Chief Operating Officer
(Member of the Board of Directors)
(Principal Executive Officer)

Certifications

I, Harry J. Cynkus, Chief Financial Officer of Rollins, Inc., 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 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 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:
 - (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: October 28, 2005

By: /s/Harry J. Cynkus

Harry J. Cynkus
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

To the best of their knowledge the undersigned hereby certify that the Quarterly Report on Form 10-Q of Rollins, Inc. for the quarterly period ended September 30, 2005, fully complies with the requirements of Sections 13(a) of The Securities Exchange Act of 1934 (15 U.S.C. 78m) and that the information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of Rollins, Inc.

Date: October 28, 2005

By: /s/Gary W. Rollins

Gary W. Rollins
Chief Executive Officer, President
and Chief Operating Officer
(Member of the Board of Directors)
(Principal Executive Officer)

Date: October 28, 2005

By: /s/Harry J. Cynkus

Harry J. Cynkus
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)