

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

FORM 8-K

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

Date of Report (Date of earliest event reported): January 28, 2003

1-4422
(Commission File Number.)

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)

ITEM 7. Financial Statements and Exhibits.

(c) Exhibits.

(99.1) The Registrant's Press Release dated January 28,
2003.

ITEM 9. Regulation FD Disclosure.

On January 28, 2003, Rollins, Inc., a premier North American consumer services company (NYSE Ticker Symbol - ROL), reported earnings for the fourth quarter and year ended December 31, 2002.

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 hereunto duly authorized.

ROLLINS, INC.

Date: January 30, 2003

By: /s/ Gary W. Rollins

Gary W. Rollins
Chief Executive Officer, President
and Chief Operating Officer

Date: January 30, 2003

By: /s/ Harry J. Cynkus

Harry J. Cynkus
Chief Financial Officer and Treasurer

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

FOR IMMEDIATE RELEASE

ROLLINS REPORTS 2002 RESULTS

- Fourth Quarter Diluted EPS of \$0.12 versus \$0.05
- 12th Consecutive Quarter Of Year-Over-Year Improvement In Earnings Per Share
- Fiscal 2002 Earnings Per Share Increases 60.7% to \$0.90
- Fiscal 2002 Revenue increases 2.4%

ATLANTA, GEORGIA, January 28, 2003: Rollins, Inc., a premier North American consumer services company (NYSE Ticker Symbol - ROL), reported record revenue of \$665.4 million for the year ended December 31, 2002. This represents a 2.4% increase over the \$649.9 million generated in fiscal 2001. Net income also increased for the period, rising 60.0% to \$27.1 million or \$0.90 per share for the year. This compares to \$16.9 million or \$0.56 per share for fiscal 2001.

Rollins' strong operations in 2002 resulted in improved liquidity as the Company generated \$65.2 million in EBITDA versus \$47.4 million in EBITDA a year ago. Additionally, in fiscal 2002 Rollins generated \$37.3 million in free cash flow after contributing \$20 million towards its pension fund. Finally, the Company purchased 330,800 shares of common stock during the year at an average price of \$18.70.

For the fourth quarter ended December 31, 2002, revenues increased 2.8% to \$153.9 million compared to \$149.7 million for the same period in 2001. Net income was \$3.7 million or \$0.12 per share for the fourth quarter of 2002 compared to \$1.6 million or \$0.05 per share for 2001.

Gary W. Rollins, President and Chief Executive Officer of Rollins, Inc. stated, "We are proud that our operating and financial initiatives have resulted in dramatically improved earnings in 2002. Rollins posted its 12th consecutive quarter of year-over-year improvement in earnings per share in the midst of one of the most challenging economic periods we have seen in a decade. We view the improvement in earnings as a tribute to our management team and the entire organization." Mr. Rollins continued, "Our Home Office process improvement project will enhance efficiency and the quality of support that is provided to the field. We look forward to continuing productivity improvements in branch operations as well and the resulting earnings growth."

Rollins, Inc. is one of the nation's largest consumer services companies. Through its wholly-owned subsidiary, Orkin Exterminating Company, Inc., the Company provides essential pest control services and protection against termite damage, rodents and insects to approximately 1.6 million customers in the United States, Canada and Mexico from over 400 locations. You can learn more about Orkin by visiting our Web sites at www.orkin.com and www.rollinscorp.com.

See accompanying table for reconciliation of EBITDA and Free Cash Flow.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

The above release contains statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The actual results of the Company could differ materially from those indicated by the forward-looking statements because of various risks and uncertainties, including without limitation, general economic conditions; market risk; changes in industry practices or technologies; the degree of success of the Company's pest and termite process reforms and pest control selling and treatment methods; the Company's ability to identify potential acquisitions; climate and weather trends; competitive factors and pricing practices; the cost reduction benefits of the corporate restructuring may not be as great as expected or eliminated positions may have to be reinstated in the future; potential increases in labor costs; uncertainties of litigation; and changes in various government laws and regulations, including environmental regulations. All of the foregoing risks and uncertainties are beyond the ability of the Company to control, and in many cases the Company cannot predict the risks and uncertainties that could cause its actual results to differ materially from those indicated by the forward-looking statements.

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ROLLINS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(In thousands)

<S>

<C>

<C>

2001
At December 31
(Unaudited)

2002
(Unaudited)

ASSETS

8,650	Cash and Short-Term Investments	\$	38,315	\$
48,479	Trade Receivables, Net		47,740	
11,895	Materials and Supplies		10,662	
21,044	Deferred Income Taxes		20,035	
10,415	Other Current Assets		9,470	
			-----	-----
100,483	Current Assets		126,222	
44,273	Equipment and Property, Net		38,880	
112,450	Goodwill and Other Intangible Assets		107,899	
39,309	Deferred Income Taxes		44,406	
44	Other Assets		0	
			-----	-----
296,559	Total Assets	\$	317,407	\$
			=====	

LIABILITIES

12,920	Accounts Payable	\$	12,138	\$
9,912	Accrued Insurance		11,740	
30,921	Accrued Payroll		28,623	
27,470	Unearned Revenue		43,049	
27,313	Other Current Liabilities		34,312	
			-----	-----
108,536	Current Liabilities		129,862	
102,525	Long-Term Accrued Liabilities		96,855	
			-----	-----
211,061	Total Liabilities		226,717	
			-----	-----

STOCKHOLDERS' EQUITY

30,070	Common Stock		29,866	
55,428	Retained Earnings		60,824	

-----		-----	-----
85,498	Total Stockholders' Equity	90,690	
-----		-----	-----
296,559	Total Liabilities and Stockholders' Equity	\$ 317,407	\$
=====		=====	

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ROLLINS, INC. AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED INCOME
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED DECEMBER 31
(In thousands except per share data)

Months	Fourth Quarter		Twelve	
-----	-----		-----	
<S>	<C>	<C>	<C>	<C>
	2002	2001	2002	
2001				
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
-----	-----	-----	-----	-----
REVENUES	\$ 153,871	\$ 149,691	\$ 665,425	\$
649,925	-----	-----	-----	-----

COSTS AND EXPENSES				
Cost of Services Provided	86,088	83,744	361,677	
361,961				
Depreciation and Amortization	5,337	5,259	21,635	
20,292				
Sales, General and Administrative	56,508	58,016	238,583	
240,544				
Interest (Income)/Expense	(71)	67	(196)	
(198)	-----	-----	-----	-----

TOTAL COSTS AND EXPENSES	147,862	147,086	621,699	
622,599	-----	-----	-----	-----

INCOME BEFORE INCOME TAXES	6,009	2,605	43,726	
27,326				
PROVISION FOR INCOME TAXES	2,284	990	16,616	
10,384	-----	-----	-----	-----

NET INCOME	\$ 3,725	\$ 1,615	\$ 27,110	\$
16,942	=====	=====	=====	
=====				
EARNINGS PER SHARE - BASIC	\$ 0.12	\$ 0.05	\$ 0.90	\$
0.56	=====	=====	=====	
=====				
EARNINGS PER SHARE - DILUTED	\$ 0.12	\$ 0.05	\$ 0.90	\$
0.56	=====	=====	=====	
=====				

AVERAGE SHARES OUTSTANDING - BASIC 30,134	29,855	30,070	30,014
AVERAGE SHARES OUTSTANDING - DILUTED 30,266	30,328	30,160	30,273

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ROLLINS, INC. AND SUBSIDIARIES
RECONCILIATION OF EBITDA AND FREE CASH FLOW
FOR THE TWELVE MONTHS ENDED DECEMBER 31
(In thousands except)

<S>	Twelve Months	
	<C> 2002 (Unaudited)	<C> 2001 (Unaudited)
EBITDA:		
Net Income	27,110	16,942
Income Taxes	16,616	10,384
Depreciation and Amortization	21,635	20,292
Interest (Income)/Expense	(196)	(198)
EBITDA	\$ 65,165	\$ 47,420
Free Cash Flow:		
Net Cash Provided by Operating Activities	53,694	29,558
Purchase of Equipment and Property	(10,367)	(8,474)
Dividends	(6,004)	(6,028)
Free Cash Flow	\$ 37,323	\$ 15,056

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