

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): July 28, 2004

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 April 28, 2004.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The information provided pursuant to this Item 12 is to be considered "filed" under the Securities Exchange Act of 1934 ("Exchange Act") and incorporated by reference into those filings of Rollins, Inc (the "Company") that provide for the incorporation of all reports and documents filed by the Company under the Exchange Act.

On July 28, 2004, the Company issued a press release announcing its results for the quarter ended June 30, 2004. The Company hereby incorporates by reference herein the information set forth in its Press Release dated April 28, 2004, a copy of which is attached hereto as Exhibit 99.1. Except as otherwise provided in the press release, the press release speaks only as of the date of such press release and such press release shall not create any implication that the affairs of the Company have continued unchanged since such date.

Except for the historical information contained in this report, the statements made by the Company are forward-looking statements that involve risks and uncertainties. All such statements are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. The Company's future financial performance could differ significantly from the expectations of management and from results expressed or implied in the Press Release. See the risk factors contained in the Press Release for a discussion of certain risks and uncertainties that may impact such forward looking statements. For further information on other risk factors, please refer to the "Risk Factors" contained in the Company's Form 10-K filed March 15, 2004 with the Securities and Exchange Commission. The Company disclaims any obligation or duty to update or modify these forward-looking statements.

Included in Exhibit 99.1, as attached, are the following non-GAAP financial measures:

- o Net Income, Excluding Gain on Sale of Assets*
- o Income Before Income Taxes, Excluding Gain on Sale of Assets*
- o Earnings Per Share, Excluding Gain on Sale of Assets*
- o Revenue, Excluding the Acquisition of Western**

A reconciliation of these measures to the most comparable GAAP measures is contained in the attached press release.

* These adjustments are presented and deemed useful by management because the gain on sale of assets, which occurred in the second quarter of 2004, is a non-recurring, non-operating adjustment. In order to present net income, income before taxes and earnings per share on a comparable basis to the prior year, the gain is excluded from the calculation. Failure to exclude the gain could mislead investors as to the magnitude of the increases in the Company's 2004 net income, income before income taxes and earnings per share relative to prior periods.

** Revenue, excluding the acquisition of Western is presented and deemed useful by management because failure to exclude the Western revenue could mislead investors as to the magnitude of the increase in 2004 revenues relative to prior year periods. Prior year numbers do not include the Western acquisition, as it was completed on April 30, 2004.

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: July 28, 2004

By: /s/ Gary W. Rollins

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

Date: July 28, 2004

By: /s/ Harry J. Cynkus

Harry J. Cynkus
Chief Financial Officer and Treasurer

FOR IMMEDIATE RELEASE

ROLLINS, INC. REPORTS CONTINUED IMPROVEMENT IN QUARTERLY EARNINGS

- o 18th consecutive quarter of improved earnings results
- o Net Income rose 71.8% to \$23.8 million, the increase was 13.6% to \$15.7 million excluding one-time gain from sale of assets
- o Income Before Income Taxes increased 85.7%, 22.8% excluding one-time gain from sale of assets o Revenue increased 12.2%, 4.8% excluding acquisition of Western
- o Earnings Per Share rose \$0.21 to \$0.51, \$0.04 to \$0.34 excluding one-time gain from sale of assets

ATLANTA, GEORGIA, July 28, 2004: Rollins, Inc. (NYSE:ROL), a premier North American consumer services company, today reported net income grew 71.8% to \$23.8 million or \$0.51 per diluted share for the second quarter ended June 30, 2004, compared to \$13.9 million or \$0.30 per diluted share for the same period in 2003. Net income for the quarter included gains from the sale of assets of \$8.1 million net of tax, or \$0.17 per share. Revenue for the quarter grew 12.2% to \$207.7 million compared to \$185.1 million for the second quarter ended June 30, 2003. This increase includes \$13.7 million in revenue resulting from the April 30, 2004 acquisition of Western Industries, Inc.

Net income for the first six months of 2004 climbed 53.9% to \$32.5 million or \$0.70 per diluted share compared to net income of \$21.1 million or \$0.46 per diluted share for 2003. Revenues increased to \$366.4 million for the first six months of 2004 compared to \$340.2 million for the prior year.

Rollins' balance sheet remains strong with total assets increasing to \$410.0 million and stockholders' equity increasing to \$169.6 million.

Gary W. Rollins, President and Chief Executive Officer of Rollins, Inc. stated, "Our second quarter was extremely positive, beginning with the acquisition of Western, which is already having a favorable impact on our revenue and cash flow. We were able to fund all but \$15 million of the acquisition primarily from cash on hand and our strong cash flow enabled us to complete the quarter with no debt from the purchase, and with almost \$22 million in cash and short-term investments."

"Additionally, in the second quarter, we experienced our strongest organic growth since the second quarter of 2000. These results were attributable to a good pest season and the successful implementation of our 2004 sales initiatives. We were further bolstered by improved customer retention resulting from our service quality initiatives."

Rollins, Inc. is one of the nation's largest consumer services companies. Through its wholly owned subsidiaries, Orkin, Inc. and Western Pest Services, the Company provides essential pest control services and protection against termite damage, rodents and insects to approximately 1.7 million customers in the United States, Canada and Mexico from over 400 locations. You can learn more about Orkin by visiting our Web sites at www.orkin.com and www.rollins.com. You can also find this and other news releases at www.rollins.com by accessing the news releases button.

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.

(In thousands)

At June 30	2004 (Unaudited)	2003 (Unaudited)
ASSETS		
Cash and Short-Term Investments	\$ 21,865	\$ 64,865
Marketable Securities	0	0
Trade Receivables, Net	62,765	54,392
Materials and Supplies	12,157	11,073
Deferred Income Taxes	21,633	19,800
Other Current Assets	10,441	11,037
	-----	-----
Current Assets	128,861	161,167
Equipment and Property, Net	45,313	34,391
Goodwill and Other Intangible Assets	196,019	106,198
Deferred Income Taxes	8,860	42,278
Prepaid Pension	24,964	0
Other Assets	5,944	0
	-----	-----
Total Assets	\$ 409,961	\$ 344,034
	=====	=====
LIABILITIES		
Accounts Payable	\$ 14,756	\$ 15,912
Accrued Insurance	13,050	12,668
Accrued Payroll	33,313	30,354
Unearned Revenue	58,511	44,848
Other Current Liabilities	52,010	38,360
	-----	-----
Current Liabilities	171,640	142,142
Long-Term Accrued Liabilities	68,744	89,733
	-----	-----
Total Liabilities	240,384	231,875
	-----	-----
STOCKHOLDERS' EQUITY		
Common Stock	45,638	45,102
Retained Earnings and Other Equity	123,939	67,057
	-----	-----
Total Stockholders' Equity	169,577	112,159
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 409,961	\$ 344,034
	=====	=====

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ROLLINS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE SECOND QUARTER AND SIX MONTHS ENDED JUNE 30

(In thousands except per share data)

	Second Quarter		Six Months	
	2004	2003	2004	
	(Unaudited)	(Unaudited)	(Unaudited)	
2003				
(Unaudited)				
<S>	<C>	<C>	<C>	<C>
REVENUES	\$ 207,698	\$ 185,105	\$ 366,390	\$
340,227				
COSTS AND EXPENSES				

Cost of Services Provided	105,442	95,558	190,799
179,484			
Depreciation and Amortization	5,764	5,037	10,421
10,193			
Sales, General and Administrative	69,155	62,312	123,330
116,688			
(Gain)/Loss on Sales of Assets	(14,143)	(67)	(14,142)
(69)			
Interest (Income)/Expense	(47)	(94)	(197)
(160)			
-----	-----	-----	-----
TOTAL COSTS AND EXPENSES	166,171	162,746	310,211
306,136			
-----	-----	-----	-----
INCOME BEFORE INCOME TAXES	41,527	22,359	56,179
34,091			
PROVISION FOR INCOME TAXES	17,717	8,497	23,651
12,955			
-----	-----	-----	-----
NET INCOME	\$ 23,810	\$ 13,862	\$ 32,528
21,136			
=====	=====	=====	=====
EARNINGS PER SHARE - BASIC	\$ 0.52	\$ 0.31	\$ 0.72
0.47			
=====	=====	=====	=====
EARNINGS PER SHARE - DILUTED	\$ 0.51	\$ 0.30	\$ 0.70
0.46			
=====	=====	=====	=====
AVERAGE SHARES OUTSTANDING - BASIC	45,552	45,117	45,425
45,015			
AVERAGE SHARES OUTSTANDING - DILUTED	46,753	46,404	46,698
46,258			

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ROLLINS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30
(In thousands)
(Unaudited)

2003	2004	
	-----	----
<S>	<C>	<C>
Operating Activities		
Net Income	\$ 32,528	\$
21,136		
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	10,421	
10,193		
Other Operating Activities	(7,178)	
1,546		
-----	-----	----
Net Cash Provided by Operating Activities	35,771	
32,875		
-----	-----	----
Investing Activities		
Purchases of Equipment and Property	(3,751)	
(2,332)		
Net Cash Used for Acquisition of Companies	(103,155)	
(1,508)		
Sale of Marketable Securities, Net	21,866	
0		
Proceeds from Sale of Assets, Net of Deferred Gain	15,468	
0		

Net Cash Used In Investing Activities (3,840)	(69,572)	
Financing Activities		
Dividends Paid (4,500)	(5,451)	
Other 2,015	1,577	
Net Cash Used in Financing Activities (2,485)	(3,874)	
Net Increase in Cash and Short-Term Investments 26,550	(37,675)	
Cash and Short-Term Investments at Beginning of Year 38,315	59,540	
Cash and Short-Term Investments at End of Period 64,865	\$ 21,865	\$

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CONFERENCE CALL
Rollins, Inc.
(NYSE: ROL)

Management will hold a conference call to discuss
second quarter results on:

Wednesday, July 28, 2004 at:

- 11:00 a.m. Eastern
- 10:00 a.m. Central
- 9:00 a.m. Mountain
- 8:00 a.m. Pacific

TO PARTICIPATE:

Please dial 800-366-7449 domestic;
303-205-0033 international
at least 5 minutes before start time.

REPLAY: through August 4, 2004 at 11:00 p.m.
Please dial 800-405-2236/303-590-3000, Passcode: 11003174
THIS CALL CAN ALSO BE ACCESSED THROUGH THE INTERNET AT
www.viaavid.net

Questions?:

Janet Cruz at FRB/Weber Shandwick at 212-445-8453 or
email to jcruz@webershandwick.com

640 Fifth Avenue T 212 445 8000
New York, NY 10019 F 212 445 8001
www.webershandwick.com

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Reconciliation

Income Before Income Taxes, Net Income and Earnings Per Share, Excluding One-Time Gain on Sale of Assets

	Second Quarter			
	2004	2003	\$B/ (W)	%B/ (W)
<S>	<C>	<C>	<C>	<C>
Income Before Income Taxes	\$ 41,527	\$ 22,359	\$ 19,168	85.7
%				
Less:				
Gain on Sale of Assets	14,143	67	14,076	
Income Before Income Taxes, excluding Gain on Sale of Assets	\$ 27,384	\$ 22,292	\$ 5,092	22.8 %

Net Income	\$	23,810	\$	13,862	\$	9,948	71.8
%							
Less:							
Gain on Sale of Assets		14,143		67		14,076	
Provision for Income Taxes on Gain on Sale of Assets		(6,035)		(26)		(6,009)	
Net Income, Excluding Gain on Sale of Assets	\$	15,702	\$	13,821	\$	1,881	13.6 %
Earnings Per Share - Diluted	\$	0.51	\$	0.30	\$	0.21	70.0 %
Less:							
Gain on Sale of Assets		0.30		0		0.30	
Provision for Income Taxes on Gain on Sale of Assets		(0.13)		0		(0.13)	
Earnings Per Share - Diluted, Excluding Gain on Sale of Assets	\$	0.34	\$	0.30	\$	0.04	13.3 %
Average Shares Outstanding - Diluted		46,753		46,404		349	

Reconciliation
Revenue Excluding Western

	Second Quarter			
	2004	2003	\$B/ (W)	%B/ (W)
Total Net Revenues	\$ 207,698	\$ 185,105	\$ 22,593	12.2 %
Less:				
Western Acquisition	13,747	0	13,747	
Revenue excluding Western	\$ 193,951	\$ 185,105	\$ 8,846	4.8 %