

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
ANNUAL REPORT

(Mark One)

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

[FEE REQUIRED]

For the fiscal year ended December 31, 1994

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

[NO FEE REQUIRED]

For the transition period from to

COMMISSION FILE NO. 1-4422

ROLLINS, INC.

<TABLE>

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

</TABLE>

2170 PIEDMONT ROAD, N.E., ATLANTA, GEORGIA 30324
TELEPHONE NUMBER -- (404) 888-2000
SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

<TABLE>

<CAPTION>

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

</TABLE>

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

The aggregate market value of Rollins, Inc. common stock, held by non-affiliates on February 28, 1995 was \$514,974,078, based on the closing price on the New York Stock Exchange on such date of \$25 1/4 per share.

Rollins, Inc. had 35,838,091 shares of common stock outstanding (excluding 5,593,723 Treasury shares) as of February 28, 1995.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Rollins, Inc.'s Annual Report to Stockholders for the calendar year ended December 31, 1994 are incorporated by reference into Part I, Item 1(b) and 1(c), Item 3, and Part II, Items 5-8.

Portions of the Proxy Statement for the 1995 Annual Meeting of Stockholders of Rollins, Inc. are incorporated by reference into Part III, Items 10, 11, 12 and 13.

ITEM 1. BUSINESS

(a) GENERAL DEVELOPMENT OF BUSINESS.

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

(b) FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS.

The response to Item 1.(b) is incorporated by reference from the table under the caption "Business Segment Information," on pages 21 and 22 of the 1994 Annual Report to Stockholders.

(c) NARRATIVE DESCRIPTION OF BUSINESS.

(1)(i) The Registrant is a national company with headquarters located in Atlanta, Georgia, providing services to both residential and commercial customers. The four primary services provided are termite and pest control, plantscaping, lawn care, and protective services. Additionally, the revenues by business segment are incorporated by reference to the table under the caption "Business Segment Information" on pages 21 and 22 of the 1994 Annual Report to Stockholders.

Orkin Exterminating Company, Inc., a wholly owned subsidiary (Orkin), founded in 1901, is one of the world's largest termite and pest control companies. It provides customized services to approximately 1.5 million customers through a network of 367 company-owned and operated branches serving customers in 49 states, the District of Columbia, the Bahamas, Mexico, and Puerto Rico. It provides customized pest control services to homes and businesses, including hotels, food service and transportation companies. Orkin's continuous regular service provides protection against household pests, rodents and termites. Orkin's Plantscaping Division designs, installs and maintains green and flowering plants from nine branches and services customers in 17 states and the District of Columbia. It provides services to hotels, shopping malls, restaurants, and office buildings. Orkin's Lawn Care Division provides fertilization, weed and insect control, seeding, aeration of lawns, and tree and shrub care from 22 branches serving customers in 10 states.

Rollins Protective Services, a Division of the Registrant, was established in 1969. Services are provided from 48 branches serving customers in 35 states and the District of Columbia. A pioneer in developing customized wired and wireless electronic security systems, it provides full-service capabilities from system design and installation to maintenance and monitoring services. Full-service includes guaranteed maintenance programs, 24-hour emergency repairs, and 24-hour alarm monitoring services.

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

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

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

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

2

termite and pest control operations during such period. Plantscaping operations experience seasonal increases in revenues and operating income generated by the division's Exterior Color and Holiday programs offered during the spring and late fall. Lawn care services are seasonal and coincide with the growing seasons of lawns.

(vi) Inapplicable.

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

(viii) The dollar amount of service contracts and backlog orders as of the

end of the Registrant's 1994 and 1993 calendar years was approximately \$16,063,000 and \$12,890,000, respectively. Backlog services and orders are usually provided within the month following the month of receipt, except in the area of prepaid pest control and alarm monitoring where services are usually provided within twelve months of receipt.

(ix) Inapplicable.

(x) The Registrant believes that each of its businesses competes favorably with competitors within its respective area. Orkin Exterminating Company, Inc. is one of the world's largest termite and pest control companies. Rollins Protective Services is a pioneer and one of the leaders in residential and commercial security. Orkin Landscaping is the industry's second largest company with operations in nine major markets. Orkin Lawn Care is one of the largest lawn care companies.

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

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

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

(xiii) The number of persons employed by the Registrant and its subsidiaries as of the end of 1994 was 8,774.

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

Inapplicable.

ITEM 2. PROPERTIES.

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

ITEM 3. LEGAL PROCEEDINGS.

Legal proceedings are included on page 21 of the 1994 Annual Report to Stockholders contained in financial statement footnote No. 6 and are incorporated herein by reference.

3

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

Inapplicable.

ITEM 4.A. EXECUTIVE OFFICERS OF THE REGISTRANT.

Each of the executive officers of the Registrant was elected by the Board of Directors to serve until the Board of Directors' meeting immediately following the next annual meeting of stockholders or until his earlier removal by the Board of Directors or his resignation. The following table lists the executive officers of the Registrant and their ages, offices with the Registrant, and the dates from which they have continually served in their present offices with the Registrant.

<TABLE>
<CAPTION>

NAME	AGE	OFFICE WITH REGISTRANT	DATE FIRST ELECTED TO PRESENT OFFICE
<S>	<C>	<C>	<C>
R. Randall Rollins (1).....	63	Chairman of the Board and Chief Executive Officer	10/22/91

Gary W. Rollins (1).....	50	President and Chief Operating Officer	1/24/84
Gene L. Smith (2).....	49	Chief Financial Officer, Secretary, and Treasurer	1/22/91 1/26/93

<FN>

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

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

</TABLE>

PART II

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

Information containing dividends and stock prices on page 12 and the principal markets on which common shares are traded on page 25 of the 1994 Annual Report to Stockholders are incorporated herein by reference. The number of stockholders of record on December 31, 1994 was 3,956.

ITEM 6. SELECTED FINANCIAL DATA.

Selected Financial Data on page 24 of the 1994 Annual Report to Stockholders is incorporated herein by reference.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations included on pages 13 through 15 of the 1994 Annual Report to Stockholders is incorporated herein by reference. The effects of inflation on operations were not material for the periods being reported.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The following consolidated financial statements and supplementary data of the Registrant and its consolidated subsidiaries, included in the 1994 Annual Report to Stockholders, are incorporated herein by reference.

Financial Statements:

Statements of Income for each of the three years in the period ended December 31, 1994, page 17.

Statements of Earnings Retained for each of the three years in the period ended December 31, 1994, page 17.

Statements of Financial Position as of December 31, 1994 and 1993, page 16.

Statements of Cash Flows for each of the three years in the period ended December 31, 1994, page 18.

Notes to Financial Statements, pages 19 through 23.

Report of Independent Auditors, page 23.

Supplementary Data:

Quarterly Information, pages 12 and 13.

4

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

Inapplicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The response to Item 10, applicable to the Directors of the Registrant, is incorporated herein by reference to the information set forth under the caption "Election of Directors" in the Proxy Statement for the Annual Meeting of Stockholders to be held April 25, 1995. Additional information concerning executive officers is included in Part I, Item 4.A. of this Form 10-K.

Based solely on its review of copies of forms received by it pursuant to Section 16(a) of the Securities Exchange Act of 1934, as amended, or written representations from certain reporting persons, Registrant believes that during the fiscal year ended December 31, 1994 all filing requirements applicable to its officers, directors, and greater than 10% stockholders were complied with, except that Mr. R. Randall Rollins and Mr. Gary W. Rollins each filed a late report on Form 5 which reported the disposition of shares by the estate of O. Wayne Rollins, of which both are co-executors.

ITEM 11. EXECUTIVE COMPENSATION.

The response to Item 11 is incorporated herein by reference to the information set forth under the caption "Executive Compensation" in the Proxy Statement for the Annual Meeting of Stockholders to be held April 25, 1995.

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

The response to Item 12 is incorporated herein by reference to the information set forth under the captions "Capital Stock" and "Election of Directors" in the Proxy Statement for the Annual Meeting of Stockholders to be held April 25, 1995.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The section entitled "Compensation Committee Interlocks and Insider Participation" and "Executive Compensation" in the Proxy Statement for the Annual Meeting of Stockholders to be held April 25, 1995, and related footnotes and information are incorporated herein by reference.

PART IV

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

The following are filed as part of this report:

(a) 1. Financial Statements

The following financial statements are incorporated herein by reference to portions of the 1994 Annual Report to Stockholders included with this Form 10-K:

Statements of Income for each of the three years in the period ended December 31, 1994, page 17.

Statements of Earnings Retained for each of the three years in the period ended December 31, 1994, page 17.

Statements of Financial Position as of December 31, 1994 and 1993, page 16.

Statement of Cash Flows for each of the three years in the period ended December 31, 1994, page 18.

Notes to Financial Statements, pages 19 through 23.

Report of Independent Auditors, page 23.

(a) 2. Financial Statement Schedules

II Valuation and Qualifying Accounts

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

5

(a) 3. Exhibits

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

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

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

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

(13) Portions of the Annual Report to Stockholders for the year ended December 31, 1994 which are specifically incorporated herein by reference.

(21) Subsidiaries of Registrant.

(23) Consent of Independent Public Accountants.

(24) Powers of Attorney for Directors.

(27) Financial Data Schedule.

(b) No reports on Form 8-K were required to be filed by the Company for the quarter ended December 31, 1994.

6
SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ROLLINS, INC.

By: R. RANDALL ROLLINS

R. Randall Rollins
Chairman of the Board of Directors
(Principal Executive Officer)
March 28, 1995

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

<TABLE>	
<S>	<C>
R. RANDALL ROLLINS	GENE L. SMITH
-----	-----
R. Randall Rollins Chairman of the Board of Directors (Principal Executive Officer) March 28, 1995	Gene L. Smith Chief Financial Officer, Secretary, and Treasurer (Principal Financial and Accounting Officer) March 28, 1995
</TABLE>	

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

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

GARY W. ROLLINS

Gary W. Rollins, As
Attorney-in-Fact
& Director, President and
Chief Operating Officer
March 28, 1995

7
ROLLINS, INC. AND SUBSIDIARIES
INDEX TO FINANCIAL STATEMENTS AND SCHEDULES

CONSOLIDATED FINANCIAL STATEMENTS OF ROLLINS, INC. AND SUBSIDIARIES:

The Registrant's 1994 Annual Report to Stockholders, portions of which are filed with this Form 10-K, contains on pages 16 through 23 the consolidated financial statements for the years ended December 31, 1994, 1993 and 1992 and the report of Arthur Andersen LLP on the financial statements for the years then ended. These financial statements and the report of Arthur Andersen LLP are incorporated herein by reference. The financial statements include the following:

Statements of Income for each of the three years in the period ended December 31, 1994.

Statements of Earnings Retained for each of the three years in the period ended December 31, 1994.

Statements of Financial Position as of December 31, 1994 and 1993.

Statements of Cash Flows for each of the three years in the period ended December 31, 1994.

Notes to Financial Statements.

REPORT OF INDEPENDENT AUDITORS ON SCHEDULES, Page 9.
SCHEDULES

<TABLE>

<CAPTION>
 SCHEDULE
 NUMBER

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

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

8
 REPORT OF INDEPENDENT AUDITORS ON SCHEDULES

To the Directors and the Stockholders of Rollins Inc.:

We have audited, in accordance with generally accepted auditing standards, the financial statements included in Rollins, Inc.'s annual report to stockholders incorporated by reference in this Form 10-K, and have issued our report thereon dated February 13, 1995. Our audits were made for the purpose of forming an opinion on those statements taken as a whole. The schedule listed in the index to financial statements and the schedule is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Atlanta, Georgia
 February 13, 1995

9
 ROLLINS, INC. AND SUBSIDIARIES
 SCHEDULE II-VALUATION AND QUALIFYING ACCOUNTS
 FOR THE YEARS ENDED DECEMBER 31, 1994, 1993 AND 1992
 (IN THOUSANDS OF DOLLARS)

<TABLE>
 <CAPTION>

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS		DEDUCTIONS (1)	BALANCE AT END OF PERIOD
		CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS		
Year ended December 31, 1994 --					
Allowance for doubtful accounts.....	\$ 4,548	\$ 7,823	\$ --	\$ 6,427	\$ 5,944
Year ended December 31, 1993 --					
Allowance for doubtful accounts.....	\$ 2,948	\$ 6,734	\$ --	\$ 5,134	\$ 4,548
Year ended December 31, 1992 --					
Allowance for doubtful accounts.....	\$ 1,809	\$ 5,850	\$ --	\$ 4,711	\$ 2,948

<FN>
 NOTE: (1) Deductions represent the write-off of uncollectible receivables, net of recoveries.
 </TABLE>

EXHIBITS
 EXHIBIT INDEX

<TABLE>
 <CAPTION>
 Exhibit Number

<S> <C>
 (3) (i) The Certificate of Incorporation of Rollins, Inc. is

incorporated herein by reference to Exhibit (3)(a) as filed with its Form 10-K for the year ended December 31, 1992.

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

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

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

(13) Portions of the Annual Report to Stockholders for the year ended December 31, 1994 which are specifically incorporated herein by reference.

(21) Subsidiaries of Registrant.

(23) Consent of Independent Public Accountants.

(24) Powers of Attorney for Directors.

(27) Financial Data Schedule.

</TABLE>

EXHIBIT (13)

Report Of Management

To the Stockholders of Rollins, Inc.:

We have prepared the accompanying financial statements and related information included herein for the years ended December 31, 1994, 1993 and 1992. The opinion of Arthur Andersen LLP, the Company's independent auditors, on those financial statements is included herein. The primary responsibility for the integrity of the financial information included in this annual report rests with management. Such information was prepared in accordance with generally accepted accounting principles, appropriate in the circumstances, based on our best estimates and judgements and giving due consideration to materiality.

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

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

R. Randall Rollins

R. Randall Rollins
CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Gene L. Smith

Gene L. Smith
CHIEF FINANCIAL OFFICER, SECRETARY, AND TREASURER

February 13, 1995

Quarterly Information

<TABLE>
<CAPTION>
Stock Prices and Dividends

(Rounded to the nearest 1/8)	Stock Prices		
	High	Low	Dividends Paid
<S>	<C>	<C>	<C>
1994			
First Quarter	\$30 3/4	\$26 3/4	\$.12 1/2
Second Quarter	28 3/8	24 3/8	.12 1/2
Third Quarter	26 1/8	23 1/4	.12 1/2
Fourth Quarter	25 1/2	22 1/8	.12 1/2
1993			
First Quarter	\$26 7/8	\$23 5/8	\$.11
Second Quarter	25 7/8	21 1/2	.11
Third Quarter	26	22 1/2	.11
Fourth Quarter	27 3/4	21 3/4	.11

</TABLE>

Quarterly Information (CONTINUED)

<TABLE>
<CAPTION>
Profit and Loss Information

(in thousands except per share data)	First	Second	Third	Fourth
<S> 1994	<C>	<C>	<C>	<C>
Revenues	\$136,443	\$171,874	\$158,002	\$139,008
Operating Income	13,755	36,285	22,906	15,984
Net Income	6,888	21,066	13,011	8,596
Earnings per Share	.19	.59	.36	.25
1993				
Revenues	\$127,295	\$163,248	\$151,808	\$133,451
Operating Income	11,872	32,708	21,228	15,312
Net Income	5,867	19,071	11,688	7,843
Earnings per Share	.16	.54	.33	.22
1992				
Revenues	\$117,449	\$150,204	\$137,732	\$122,281
Operating Income	10,502	28,712	18,706	12,782
Net Income	5,087	16,382	10,295	6,238
Earnings per Share	.14	.47	.28	.18

</TABLE>

Management's Discussion And Analysis

<TABLE>
<CAPTION>
Results of Operations

(in thousands)	Selected Industry Segment Data			% Change From Prior Year increase/(decrease)	
	1994	1993	1992	1994	1993
<S>	<C>	<C>	<C>	<C>	<C>
REVENUES					
Orkin	\$530,099	\$506,399	\$461,971	4.7%	9.6%
Rollins Protective	61,692	57,698	55,942	6.9	3.1
Other	13,536	11,705	9,753	15.6	20.0
	\$605,327	\$575,802	\$527,666	5.1	9.1
OPERATING INCOME					
Orkin	\$ 78,711	\$ 70,720	\$ 61,687	11.3	14.6
Rollins Protective	6,579	5,896	5,398	11.6	9.2
Other	3,640	4,504	3,617	(19.2)	24.5
	\$ 88,930	\$ 81,120	\$ 70,702	9.6%	14.7%

</TABLE>

Management's Discussion And Analysis (CONTINUED)

GENERAL OPERATING COMMENTS

Rollins, Inc.'s consolidated revenues of \$605.3 million were 5.1% higher than in 1993. Operating income increased \$7.8 million or 9.6% over the prior year. Operating margins improved 4.3% over 1993 compared to 1993's improvement over 1992 of 5.2%.

Despite the impact of the extremely cold winter and spring on the pest season, the Company was able to produce consistent earnings increases. These earnings increases affirm the emphasis that management and employees place on customer service, improved productivity, training, efficient sales and marketing programs, and improved cost controls.

Operating profit margins for the Orkin business segment increased 5.7% over the prior year. This compares to a 4.5% margin improvement from 1993 over 1992. Rollins Protective Services' operating margins increased 4.9% over 1993. This compares to 6.3% margin improvement from 1993 over 1992.

ORKIN 1994 VERSUS 1993

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

The fundamentals and financial position of the Pest Control business remain very strong. Orkin is motivated to take full advantage of market opportunities through alternative services such as the Agribusiness service, which produced strong revenue gains again in 1994. Success with other new marketing and service programs also contributed to revenue and operating income improvements. These programs included the introduction of a 24-hour 1-800-34ORKIN service and a neighborhood solicitation campaign. The neighborhood campaign was expanded during the summer of 1994 in selected markets and exceeded sales expectations. Orkin utilized its telemarketing program to make customer quality assurance calls which provided both customer satisfaction confirmation and the expansion of Orkin services. Additionally, sales benefits of cross-marketing other Rollins services were achieved. Approximately 98% of the customers surveyed reported that they are pleased with our service, which creates an ideal prospect for additional Rollins services.

Orkin Landscaping focused on sales and service basics in 1994, including formalizing sales proposals, developing new sales brochures, and managing the quality and selection of plant inventory. To address a soft year, Landscaping concentrated on training employees to better address customer needs and improve creative sales skills. With a renewed focus and a favorable economic outlook in 1995, management expects improved operating results.

Effective December 31, 1994, Orkin Lawn Care completed the strategic restructuring of the operation by selling eleven Northern locations, to strengthen the focus on the more profitable locations, principally in the Sunbelt. Management believes that with a stronger base of recurring revenue and a clearer focus on their markets and customers, Lawn Care will have a favorable operating performance in 1995.

ORKIN 1993 VERSUS 1992

The Orkin business segment had 1993 revenues and operating income increases of 9.6% and 14.6%, respectively, over the results achieved in 1992. Orkin Pest Control's revenue increases were the result of our continued emphasis on providing premium services, improved customer service, opening new branches, expanding our customer base, and the successful introduction of new services. Marketing programs included an effective, highly focused national advertising campaign, the money-back guarantee expanded to termite control, and our new Agribusiness service. Operating income benefited from increased employee productivity, further improvement in the control of operating costs, and revenue growth resulting from new customers and new services.

Orkin Landscaping's operating results were impacted by slowdowns in commercial real estate construction. Revenues increased primarily due to expanded Holiday, Exterior Color, and National Accounts Programs. Cross-marketing efforts by Orkin Pest Control and Orkin Landscaping have enabled Landscaping to increase its national corporate customer list. During 1993, Landscaping continued to improve operational efficiencies, enhance service delivery and efficiency, and provide internal standardization among its nine major markets.

Orkin Lawn Care sustained its improving trends with increased sales, customer retention, better cost controls, and employee productivity. Additionally, the Lawn Care division introduced new services during 1993 which increased revenues and operating income.

14

Management's Discussion And Analysis (CONTINUED)

ROLLINS PROTECTIVE SERVICES 1994 VERSUS 1993

Rollins Protective Services (RPS) had 1994 revenues of \$61.7 million, an increase of 6.9%, and operating income improved 11.6% to \$6.6 million. Revenue growth in 1994 was driven by the expansion of the commercial and National Accounts programs and the opening of two new locations. RPS enjoys one of the highest customer retention rates in the industry. Customer acceptance of the new Vision 2000 system, a state-of-the-art home surveillance security system, has been strong and should strengthen the 1995 operating results.

RPS plans to introduce several new security system products in 1995, which should enable the Company to build on the 1994 operating results and remain a leading provider of residential and commercial security systems. RPS will extend several successful programs tested in 1994, targeted at customer

retention, National Accounts and residential sales. New branch openings are also planned in 1995.

ROLLINS PROTECTIVE SERVICES 1993 VERSUS 1992

RPS had 1993 revenues and operating income increases of 3.1% and 9.2%, respectively, over the results achieved in 1992. Operational improvements were reported by the RPS division in 1993 primarily due to improvements made in the third and fourth quarters with more effective sales programs and a concentration on improved service delivery resulting in stronger customer retention.

<TABLE>
<CAPTION>
Financial Condition

(Dollars in thousands)				% Change From Prior Year increase/(decrease)	
	1994	1993	1992	1994	1993
<S>	<C>	<C>	<C>	<C>	<C>
Cash and Short-Term Investments	\$ 31,917	\$ 18,102	\$ 20,061		
Marketable Securities	51,820	50,991	30,657		
	\$ 83,737	\$ 69,093	\$ 50,718	21.2%	36.2%
Working Capital	\$148,010	\$117,528	\$ 89,944	25.9	30.7
Current Ratio	3.2	2.8	2.4	14.3	16.7
Cash Provided by Operations	\$ 39,340	\$ 40,034	\$ 33,319	(1.7)%	20.2%

</TABLE>

Rollins, Inc.'s financial position remained solid. The Company's operations have historically provided a strong positive cash flow which represents the Company's principal source of funds.

Net trade receivables increased \$14.4 million or 16.4% at December 31, 1994 compared with the prior year. Trade receivables include installment receivable amounts which are due subsequent to one year from the balance sheet date. These amounts were approximately \$33.8 million and \$28.7 million at the end of 1994 and 1993, respectively. The increase in receivables was attributed to increased revenue and the expansion of Orkin termite and Rollins Protective Services financed customer marketing programs. During the fourth quarter 1994, management performed a major evaluation of the Company's credit and internal operating policies within the credit service center. Management instituted a revision of these credit policies which refines marketing efforts toward stronger customer demographics, while providing a higher average contract price. The objectives of these changes are to increase our average dollar sales unit purchased, and reduce doubtful account exposure. Corporate management will ensure that these operational and policy changes are effectively implemented.

During 1994, the Company invested \$9.0 million in capital expenditures and acquisitions. Also, \$17.9 million was paid out in cash dividends. The Company has and expects to continue funding these cash requirements from operations. In addition to a very strong cash position, the Company maintains a \$40.0 million unused line of credit. This source of funds has not been used but is available for future acquisitions and growth.

15

Statements Of Financial Position

ROLLINS, INC. AND SUBSIDIARIES

<TABLE>
<CAPTION>

At December 31, (in thousands except share data)	1994	1993
<S>	<C>	<C>
Assets		
Cash and Short-Term Investments	\$ 31,917	\$ 18,102
Marketable Securities	51,820	50,991
Trade Receivables, Net	101,900	87,518
Materials and Supplies	16,250	15,829
Deferred Income Taxes	4,445	4,980
Other Current Assets	8,567	7,112
Current Assets	214,899	184,532
Equipment and Property, Net	27,989	28,890

Income Before Income Taxes	80,587	72,900
62,814		
Provision (Credit) For Income Taxes		
Current	30,201	30,339
25,317		
Deferred	825	(1,908)
(505)		
	31,026	28,431
24,812		
Net Income	\$ 49,561	\$ 44,469
\$ 38,002		
Earnings per Share	\$ 1.39	\$ 1.25
\$ 1.07		
Average Shares Outstanding	35,770	35,638
35,569		

Statements Of Earnings Retained

ROLLINS, INC. AND SUBSIDIARIES

<TABLE>
<CAPTION>

Years Ended December 31, (in thousands except per share data)	1994	1993
Balance at Beginning of Year	\$171,862	\$141,999
\$131,602		
Net Income	49,561	44,469
38,002		
Cash Dividends	(17,887)	(15,680)
(14,226)		
Other	46	1,074
445		
Adjustment for Three-for-Two-Stock Split	--	--
(13,824)		
Balance at End of Year	\$203,582	\$171,862
\$141,999		
Dividends per Share	\$.50	\$.44
\$.40		

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

Statements Of Cash Flows

ROLLINS, INC. AND SUBSIDIARIES

<TABLE>
<CAPTION>

Years Ended December 31, (in thousands)	1994	1993	
1992			
	<C>	<C>	<C>
Operating Activities			
Net Income	\$ 49,561	\$ 44,469	
\$38,002			
Noncash Charges (Credits) to Earnings:			
Depreciation and Amortization	8,130	8,310	
7,966			
Deferred Income Taxes	825	(1,908)	
(505)			
Other, Net	2,382	3,152	
3,292			
(Increase) Decrease in:			
Trade Receivables	(14,257)	(20,474)	
(13,966)			
Materials and Supplies	(421)	1,477	
(2,643)			
Other Current Assets	(3,183)	3,473	
(3,821)			
Increase (Decrease) in:			
Accounts Payable and Accrued Expenses	(2,676)	924	
3,597			
Unearned Revenue	2,713	3,347	
1,009			
Non-Current Deferred Income Taxes	1,076	(5,767)	
753			
Long-Term Accrued Liabilities	(4,277)	3,643	
837			
Other Non-Current Assets	(533)	(612)	
(1,202)			
Net Cash Provided by Operating Activities	39,340	40,034	
33,319			
Investing Activities			
Purchases of Equipment and Property	(8,256)	(7,690)	
(6,645)			
Net Cash Used for Acquisition of Companies	(740)	(397)	
(4,299)			
Marketable Securities, Net	(1,910)	(20,334)	
(30,657)			
Proceeds from Sale of Equipment and Property	1,152	288	
339			
Net Cash Used in Investing Activities	(9,754)	(28,133)	
(41,262)			
Financing Activities			
Dividends Paid	(17,887)	(15,680)	
(14,226)			
Treasury Stock Issued to Benefit Plans	2,116	1,820	
1,000			

Net Cash Used in Financing Activities (13,226)	(15,771)	(13,860)	-
-----	-----	-----	-----
Net Increase (Decrease) in Cash and Short-Term Investments (21,169)	13,815	(1,959)	-
Cash and Short-Term Investments at Beginning of Year 41,230	18,102	20,061	-
-----	-----	-----	-----
Cash and Short-Term Investments at End of Year 20,061	\$ 31,917	\$ 18,102	\$ -
-----	-----	-----	-----
-----	-----	-----	-----

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

18

Notes To Financial Statements

YEARS ENDED DECEMBER 31, 1994, 1993 AND 1992. ROLLINS, INC. AND SUBSIDIARIES

1. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

2. TRADE RECEIVABLES

Trade receivables, net, at December 31, 1994, totalling \$101,900,000 and at

December 31, 1993, totalling \$87,518,000 are net of allowances for doubtful accounts of \$5,944,000 and \$4,548,000, respectively. Trade receivables include installment receivable amounts which are due subsequent to one year from the balance sheet dates. These amounts were approximately \$33,849,000 and \$28,737,000 at the end of 1994 and 1993, respectively. The carrying amount of installment receivables approximates fair value because the interest rates approximate market rates.

3. EQUIPMENT AND PROPERTY

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

<TABLE>
<CAPTION>

(in thousands)	1994	1993
<S>	<C>	<C>
Buildings	\$ 9,014	\$ 8,666
Operating equipment	59,168	55,932
Furniture and fixtures	10,688	11,078
	78,870	75,676
Less-accumulated depreciation	54,016	49,881
	24,854	25,795
Land	3,135	3,095
	\$27,989	\$28,890

</TABLE>

19

4. INTANGIBLE ASSETS

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

5. INCOME TAXES

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

<TABLE>
<CAPTION>

(in thousands)	1994	1993	1992
<S>	<C>	<C>	<C>
Federal income taxes at statutory rate	\$28,205	\$25,515	\$21,357
State income taxes (net of federal benefit)	3,286	3,137	3,148
Other	(465)	(221)	307
	\$31,026	\$28,431	\$24,812

</TABLE>

The provision for income taxes was based on a 38.5%, 39.0% and 39.5% estimated effective income tax rate on income before income taxes for the years ended December 31, 1994, 1993, and 1992, respectively. The effective income tax rate differs from the annual federal statutory tax rate primarily because of state income taxes.

The deferred income tax debits (credits) for the three year period ended December 31, 1994 are due to differences between financial and income tax reporting. A summary of those deferred income tax debits (credits) is as follows:

<TABLE>
<CAPTION>

(in thousands)	1994	1993	1992
<S>	<C>	<C>	<C>

Self-insurance	\$ 1,775	\$ 1,761	\$ 1,752
Safe harbor lease	(1,464)	(1,274)	(1,085)
Depreciation	(335)	(593)	(544)
Other	849	(1,802)	(628)
	-----	-----	-----
	\$ 825	\$ (1,908)	\$ (505)
	-----	-----	-----
	-----	-----	-----

</TABLE>

Income taxes remitted were \$33,915,000, \$25,796,000, and \$24,447,000 for the years ended December 31, 1994, 1993, and 1992, respectively.

Effective January 1, 1993, the Company adopted Statement of Financial Accounting Standards No. 109 (SFAS 109), "Accounting for Income Taxes". The cumulative effect of the change in the method of accounting for income taxes attributable to years prior to 1993 was not material.

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

<TABLE>

<CAPTION>

(in thousands)	-----	-----
	1994	1993
	-----	-----
<S>	<C>	<C>
Deferred Tax Assets (Liabilities)		
Insurance reserves	\$ 13,801	\$ 13,551
Safe harbor lease	(16,955)	(17,268)
Accruals	(6,233)	(5,685)
Payroll and related accruals	745	1,571
Other	882	(172)
	-----	-----
	\$ (7,760)	\$ (8,003)
	-----	-----
	-----	-----

</TABLE>

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

20

6. COMMITMENTS AND CONTINGENCIES

Minimum annual rentals for non-cancelable leases with terms in excess of one year, in effect at December 31, 1994, are summarized as follows:

<TABLE>

<CAPTION>

(in thousands)	-----	-----	-----	-----
	Real Estate	Vehicles	Other	Total
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
1995	\$ 9,362	\$ 8,491	\$ 930	\$18,783
1996	8,762	5,319	451	14,532
1997	8,122	1,938	50	10,110
1998	7,186	335	16	7,537
1999	6,084	--	8	6,092
Thereafter	38,666	--	--	38,666
	-----	-----	-----	-----
	\$78,182	\$16,083	\$ 1,455	\$95,720
	-----	-----	-----	-----
	-----	-----	-----	-----

</TABLE>

Total rental expense charged to operations was \$24,867,000, \$24,274,000, and \$23,384,000 for the years ended December 31, 1994, 1993, and 1992, respectively.

On May 26, 1993, the Attorney General of Missouri and several Missouri residents who received termite treatment from Orkin, on behalf of themselves and an alleged class, filed an action in the City of St. Louis Circuit Court. The Attorney General has alleged violations of the Missouri Merchandising Practices Act. The private plaintiffs have alleged fraud and breach of certain termite extermination contracts. The Plaintiffs' claims are based on allegations that the Company failed to apply termiticides in accordance with termiticide labels and its advertising. Plaintiffs are collectively seeking restitution for claimed losses, civil penalties, compensatory and punitive

damages, and litigation expenses, including attorneys' fees. On June 1, 1994, the Court ruled Plaintiffs' would be permitted to pursue a class action lawsuit against Orkin. The class was limited to those Missouri customers who purchased termite extermination services between January 1, 1987 and May 15, 1993, inclusively, and who have basement or crawl space foundation walls, in which an organophosphate termiticide was used.

The Company is vigorously defending this lawsuit. Except for the class certification, the judicial system has not ruled on any substantive issues in this case. Due to the preliminary nature of this action, the final outcome of the litigation cannot be determined at this time. However, it is the opinion of management that the ultimate resolution of this action will not have a material adverse effect on the Company's financial position, results of operations, or liquidity and will take an extended time to resolve.

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

7. Business Segment Information

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

<TABLE>

<CAPTION>

(in thousands)	1994	1993	1992
<S>	<C>	<C>	<C>
REVENUES			
Orkin	\$530,099	\$506,399	\$461,971
Rollins Protective	61,692	57,698	55,942
Other	13,536	11,705	9,753
	-----	-----	-----
	\$605,327	\$575,802	\$527,666
	-----	-----	-----
OPERATING INCOME			
Orkin	\$ 78,711	\$ 70,720	\$ 61,687
Rollins Protective	6,579	5,896	5,398
Other	3,640	4,504	3,617
	-----	-----	-----
	88,930	81,120	70,702
OTHER			
Corporate expenses, net	(11,337)	(10,610)	(9,758)
Interest income	2,994	2,390	1,870
Income before income taxes	\$ 80,587	\$ 72,900	\$ 62,814
	-----	-----	-----
IDENTIFIABLE ASSETS			
Orkin	\$169,750	\$161,850	\$145,115
Rollins Protective	21,236	18,420	18,535
Other	104,279	86,924	72,641
	-----	-----	-----
	\$295,265	\$267,194	\$236,291
	-----	-----	-----

</TABLE>

21

<TABLE>

<CAPTION>

(in thousands)	1994	1993	1992
<S>	<C>	<C>	<C>
DEPRECIATION AND AMORTIZATION EXPENSE			
Orkin	\$6,556	\$6,992	\$6,163
Rollins Protective	448	433	1,076
Other	1,126	885	727
	-----	-----	-----
	\$8,130	\$8,310	\$7,966
	-----	-----	-----

CAPITAL EXPENDITURES			
Orkin	\$6,530	\$5,919	\$5,320
Rollins Protective	466	413	349
Other	1,372	1,395	1,373
	-----	-----	-----
	\$8,368	\$7,727	\$7,042
	-----	-----	-----
	-----	-----	-----

</TABLE>

8. Employee Benefit Plans

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

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

	1994	1993	1992
(in thousands)			
	-----	-----	-----
<S>	<C>	<C>	<C>
Service cost-benefits earned during the period	\$ 2,749	\$ 2,345	\$ 2,057
Interest cost on projected benefit obligation	3,524	3,248	2,827
Actual return on plan assets	1,445	(4,218)	(4,976)
Net amortization of transition asset	(1,181)	(1,099)	(1,099)
Deferral of net investment gain (loss)	(5,718)	227	1,255
	-----	-----	-----
Net pension expense	\$ 819	\$ 503	\$ 64
	-----	-----	-----
	-----	-----	-----

</TABLE>

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

	1994	1993
(in thousands)		
	-----	-----
<S>	<C>	<C>
Actuarial present value of benefit obligations:		
Accumulated benefit obligation including vested benefits of \$32,261 in 1994 and \$31,265 in 1993	\$(34,994)	\$(33,989)
Effect of projected future compensation levels	(8,412)	(8,468)
	-----	-----
Projected benefit obligation	(43,406)	(42,457)
Plan assets at fair value	44,837	48,153
	-----	-----
Plan assets in excess of projected obligation	1,431	5,696
Unrecognized net loss	4,489	1,574
Unrecognized net asset at transition being amortized over 10 years	(2,876)	(4,026)
Unrecognized prior service cost	(355)	264
	-----	-----
Prepaid pension expense included in other assets	\$ 2,689	\$ 3,508
	-----	-----
	-----	-----

</TABLE>

At December 31, 1994, the Plan's assets were comprised of listed common stocks and U.S. Government and corporate securities. Included in the assets of the Plan were shares of Rollins common stock with a market value of \$7,000,000. The expected long-term rate of return on plan assets was 9.5% in 1994, 1993, and 1992. The weighted-average discount rate used in determining the projected benefit obligation was decreased from 8.5% in 1992 to 8.0% in 1993 and increased to 8.5% in 1994 to more closely approximate rates on high-quality, long-term obligations. The assumed growth rate of compensation

decreased from 6.0% in 1992 to 5.5% in 1993 and 1994.

The Company sponsors a deferred compensation 401(k) plan that is available to substantially all employees with six months of service. The charges to expense for the Company match were \$1,465,000 in 1994, \$1,379,000 in 1993, and \$1,320,000 in 1992.

22

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

On January 25, 1994, the Company adopted a new Employee Stock Incentive Plan (1994 Plan) under which 1,200,000 shares of common stock are subject to grants through January 25, 2004 under various stock incentive programs. During 1994, 200,900 grant units were initially awarded under stock incentive programs at a grant price of \$28 3/8. None of these awards were exercisable nor vested as of December 31, 1994 due to the specific programs' requirements.

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

<TABLE>
<CAPTION>

(Number of shares)	1994	1993	1992
<S>	<C>	<C>	<C>
Outstanding at January 1,	114,206	117,781	129,915
Granted	--	9,900	9,900
Exercised	(36,009)	(9,965)	(17,715)
Cancelled	(4,340)	(3,510)	(4,319)
Outstanding at December 31,	73,857	114,206	117,781
Exercisable at December 31,	46,857	70,976	68,671
Option price ranges per share:			
Granted	\$ --	\$ 25.50	\$ 19.08
Exercised	5.92-25.50	5.92-13.25	5.92-13.25
Cancelled	5.92-25.50	12.58-25.50	5.92-13.25
Outstanding	7.00-25.50	5.92-25.50	5.92-19.08

</TABLE>

Report of Independent Auditors

To the Directors and Stockholders of Rollins, Inc.:
We have audited the accompanying statements of financial position of Rollins, Inc. (a Delaware corporation) and subsidiaries as of December 31, 1994 and 1993 and the related statements of income, earnings retained and cash flows for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rollins, Inc. and subsidiaries as of December 31, 1994 and 1993 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1994 in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Arthur Andersen LLP

Atlanta, Georgia
February 13, 1995

Five-Year Financial Summary

Rollins, Inc. and Subsidiaries

<TABLE>
<CAPTION>

	1994	1993	1992	1991	1990
Operations Summary					
(in thousands except per share data)					
<S>	<C>	<C>	<C>	<C>	<C>
Revenues	\$605,327	\$575,802	\$527,666	\$475,555	\$436,398
Cost of Services Provided	311,315	293,499	271,518	247,994	230,107
Sales, General and Administrative	208,289	203,483	187,238	169,825	155,904
Depreciation and Amortization	8,130	8,310	7,966	7,806	7,482
Interest Income	(2,994)	(2,390)	(1,870)	(2,134)	(2,460)
Income Before Income Taxes	80,587	72,900	62,814	52,064	45,365
Income Taxes	31,026	28,431	24,812	20,565	17,919
Net Income	\$ 49,561	\$ 44,469	\$ 38,002	\$ 31,499	\$ 27,446
Earnings per Share	\$ 1.39	\$ 1.25	\$ 1.07	\$.89	\$.77
Dividends per Share	\$.50	\$.44	\$.40	\$.39	\$.37
Cash Provided by Operations	\$ 39,340	\$ 40,034	\$ 33,319	\$ 31,987	\$ 36,350
Capital Expenditures	\$ 8,368	\$ 7,727	\$ 7,042	\$ 8,536	\$ 8,929
Total Assets	\$295,265	\$267,194	\$236,291	\$204,577	\$177,961
Long-Term Debt	--	--	--	--	--
Stockholders' Equity	\$193,633	\$160,508	\$129,899	\$105,137	\$ 86,718

Selected Ratio Analysis

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

Cost of Services Provided	51.5%	51.0%	51.5%	52.1%	52.7%
Sales, General and Administrative	34.4	35.3	35.5	35.7	35.7
Depreciation and Amortization	1.3	1.4	1.5	1.6	1.7
Interest Income	(0.5)	(0.4)	(0.4)	(0.4)	(0.6)
Income Before Income Taxes	13.3	12.7	11.9	11.0	10.5
Net Income	8.2	7.7	7.2	6.6	6.3
Return on Average Equity	28.0	30.6	32.3	32.8	34.5

Shares Outstanding

(In thousands)

Average	35,770	35,638	35,569	35,510	35,465
At Year End	35,826	35,673	35,592	35,532	35,478

</TABLE>

Directors, Officers and Stockholders' Information

DIRECTORS

JOHN W. ROLLINS

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

HENRY B. TIPPIC+

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

R. RANDALL ROLLINS*

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

WILTON LOONEY+

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

JAMES B. WILLIAMS+

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

GARY W. ROLLINS*

President and Chief Operating Officer of Rollins, Inc.

BILL J. DISMUKE

President of Edwards Baking Company

*MEMBER OF THE EXECUTIVE COMMITTEE

+MEMBER OF THE AUDIT AND COMPENSATION COMMITTEES

OFFICERS

R. RANDALL ROLLINS

Chairman of the Board and Chief Executive Officer

GARY W. ROLLINS

President and Chief Operating Officer

GENE L. SMITH

Chief Financial Officer, Secretary, and Treasurer

STOCKHOLDERS' INFORMATION

ANNUAL MEETING

The Annual Meeting of the Stockholders will be held at 9:30 a.m. Tuesday, April 25, 1995, at the Company's corporate offices in Atlanta, Georgia.

TRANSFER AGENT AND REGISTRAR

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

Trust Company Bank
Corporate Trust Department
P.O. Box 4625
Atlanta, Georgia 30302
Telephone: 1-800-568-3476

STOCK EXCHANGE INFORMATION

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

DIVIDEND REINVESTMENT PLAN

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

FORM 10-K

The Company's annual report on Form 10-K to the Securities and Exchange Commission provides certain additional information. Stockholders may obtain a copy by contacting the Secretary at the Company's mailing address.

CORPORATE OFFICES

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

MAILING ADDRESS

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

TELEPHONE

(404) 888-2000

EXHIBIT (21)

EXHIBIT 21

List of Subsidiaries
of

Rollins, Inc.

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

NAME ----	STATE OF INCORPORATION -----
Orkin Exterminating Company, Inc.	Delaware
Orkin Systems, Inc.	Delaware
Dettelbach Pesticide Corporation	Georgia
Kinro Advertising Company	Delaware
Orkin Expansion, Inc.	Delaware
Orkin S.A. de C.V.	Mexico
Rollins Continental, Inc.	New York
Rollins Expansion, Inc.	Delaware
Rollins Supply, Inc.	Delaware
Red Diamond Insurance Co.	Vermont

EXHIBIT (23)

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

ARTHUR ANDERSEN LLP

ARTHUR ANDERSEN LLP

Atlanta, Georgia
March 28, 1995

EXHIBIT (24)

POWER OF ATTORNEY

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

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney, in the capacities indicated, as of this 23 day of February, 1995.

Wilton Looney

Wilton Looney, Director

Witness:

Norma A. Cook

POWER OF ATTORNEY

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

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney, in the capacities indicated, as of this 6th day of March, 1995.

John W. Rollins Sr.

John W. Rollins, Director

Witness:

Cindy L. Arfano

POWER OF ATTORNEY

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

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney, in the capacities indicated, as of this 22 day of Feb, 1995.

Henry B. Tippie

Henry B. Tippie, Director

Witness:

Linda M. Potts

POWER OF ATTORNEY

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

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney, in the capacities indicated, as of this 24 day of February, 1995.

James B. Williams

James B. Williams, Director

Witness:

Mary H. Walden

POWER OF ATTORNEY

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

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney, in the capacities indicated, as of this 23 day of February, 1995.

Bill J. Dismuke

Bill J. Dismuke, Director

Witness:

Janice A. Lee

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The Schedule contains summary financial information extracted from the Consolidated Statements of Financial Position and Statements of Income and Earnings Retained and is qualified in its entirety by reference to such financial statements.

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