



Management Participant



Harry J. Cynkus

***Senior Vice President, Chief Financial Officer
and Treasurer***

Forward-Looking Statement

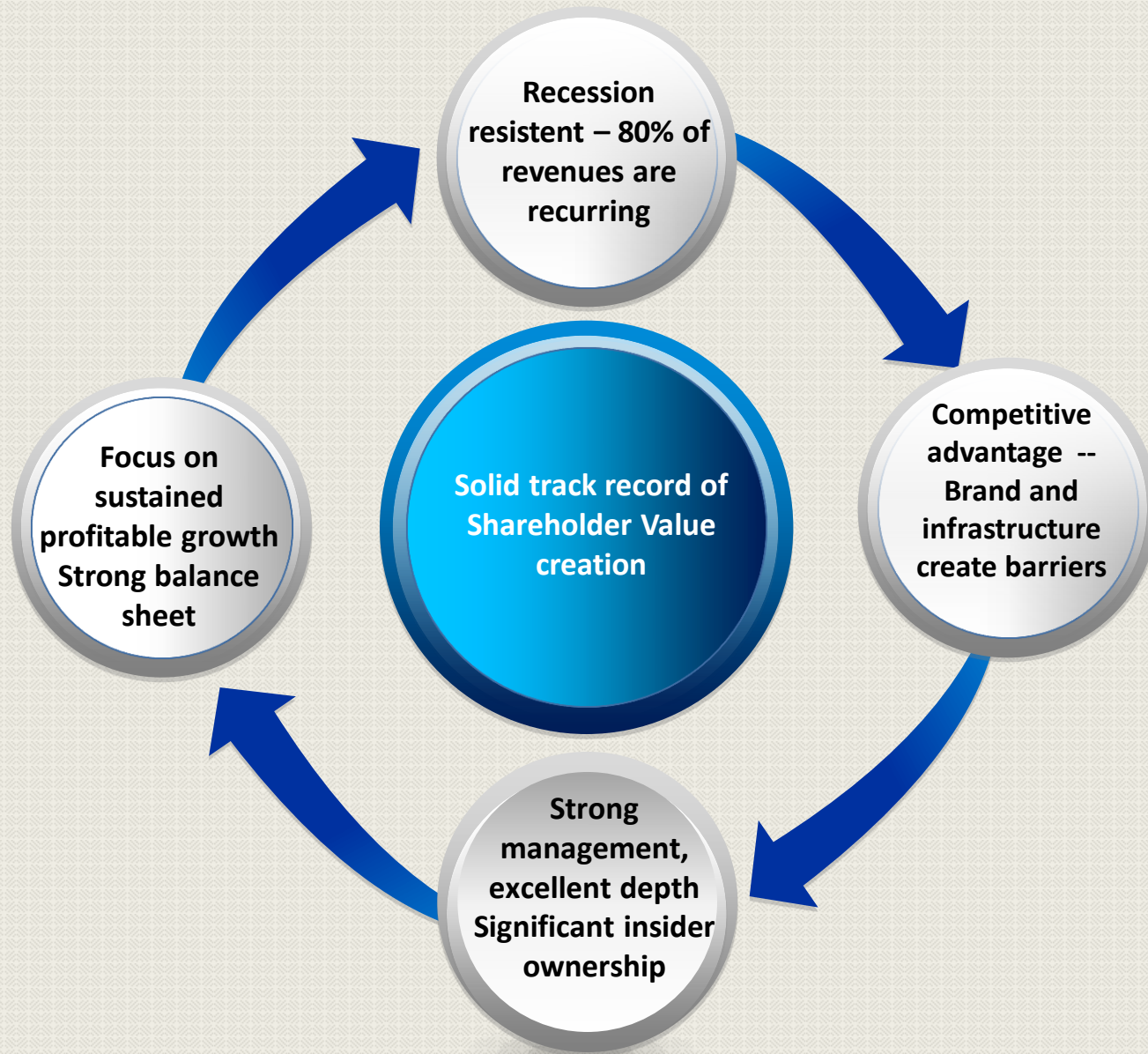
Certain information provided during today's presentation will include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding our expectations, beliefs, intentions, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements which are other than statements of historical facts. These statements may be identified, without limitation, by the use of forward-looking terminology such as "may", "will", "anticipates", "expects", "believes", "intends", "should" or comparable terms or the negative thereof. All forward-looking statements included in this press release are based on information available to us on the date hereof. Such statements speak only as of the date hereof and we assume no obligation to update such forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. These statements involve risks and uncertainties that could cause actual results to differ materially from those described today. Such risk factors are described in SEC reports including the Company's Form 10-K for the period ending December 31, 2011.



- Leading pest and termite control company
- Powerful “Orkin” brand name – world renown
- Over 2.0 million residential & commercial customers
- 14 consecutive years of improved earnings
- 10 consecutive years of increased dividends of 12+%
- 111 year history with operations in U.S., Canada, Central America, the Caribbean, the Middle East, Asia, the Mediterranean, Europe and Africa from over 500 locations



Rollins Value Proposition



Industry



\$7.0+ billion industry

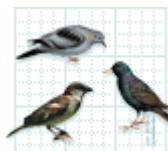
Increasing health awareness

Roughly 70% residential and 30% commercial

Highly fragmented with numerous small operators

Two public competitors: Ecolab (NYSE:ECL) and Rentokil (LSE:RTO)

Rollins, Terminix, and Ecolab generate over 30% of industry revenues



Strategic Overview



Growth through Selected Acquisitions “Acquirer of Choice”

- 1999 – Acquired Orkin Canada, Prismic, and Redd Pest Control
- 2004 – Acquired Western Pest Services
- 2005 – Acquired The Industrial Fumigant Company
- 2008 – Acquired HomeTeam Pest Defense and Crane Pest Control
- 2010 -- Acquired Waltham Services, Inc. and TruTech, Inc.
- Continue to seek regional pest control operators

Growing our Business Organically

- Internet lead development
- Increased yield and retention across all brands
- Pricing power

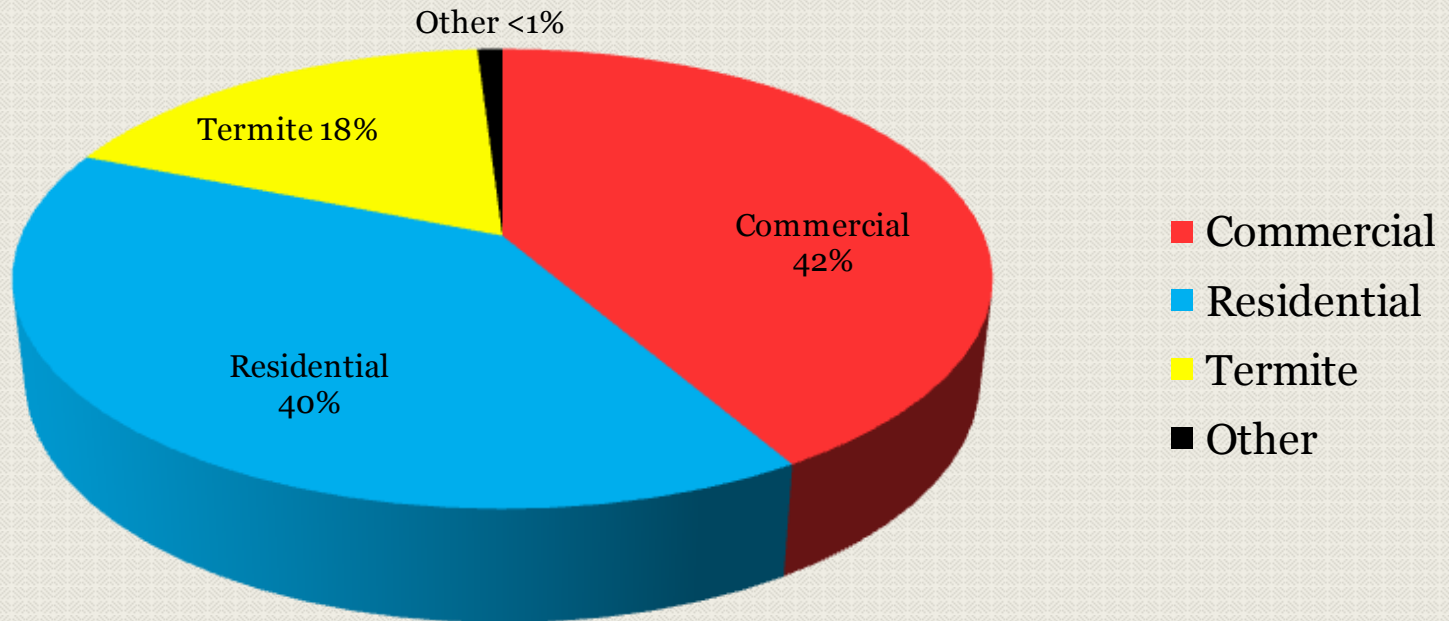
Growing Domestic and International Franchises

- Currently have 78 franchises
- 58 domestic franchises – right but no obligation to repurchase domestic franchises
- 19 international franchises in Panama, Costa Rica, Honduras, the United Arab Emirates, The Dominican Republic, South Korea, Qatar, Saudi Arabia, Bahrain, Lebanon, Kuwait, Jamaica, Ireland, Turkey, China and Nigeria

Total Revenue by Business Line



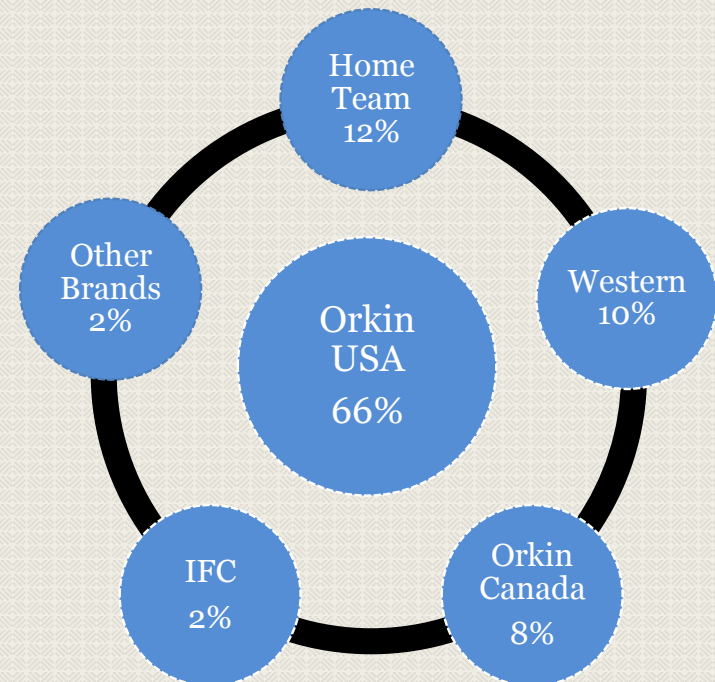
Revenue % by Business Line



Rollins' Family of Brands

- ❖ **Orkin** is the industry's leading brand and today represents approximately 2/3rd of the company
- ❖ **HomeTeam** provides a strategic entry into a new market channel (new home construction and access to the new home owner).
- ❖ **Western Pest Services** founded in 1928 is a commercial pest control leader in the Eastern U.S., and the largest fruit and vegetable fumigator on the East Coast
- ❖ **Orkin Canada** is Canada's largest commercial and residential pest control company. Since 1999 the acquisition revenues have tripled
- ❖ **IFC** specializes in food manufacturing and processing pest control and is the largest fumigation company for that segment in the U.S.
- ❖ **Waltham, Crane Pest Service** and **TruTech** make up the balance of our business

Revenue Percentage by Operation



Focus on the Orkin Brand



111 year old company

Brand value grows with importance of Internet marketing

National ad campaign – “Keeping Pests in their Place”

Approximately 5% of revenues spent annually on growing and preserving the brand

“Orkin” man icon – 70% brand awareness

Orkin – Keeping Pests in their Place



Orkin Advertising





COMMERCIAL

Orkin, LLC

Orkin Canada

Western Pest
Services

IFC

Crane Pest
Control

Waltham Services

Focused Sustained, Profitable Growth

- No. 1 commercial pest control provider in North America – 20% market share
- Nationwide service network with 53 dedicated commercial branches
- Highly recession resistant; customer's reputation and risk too great
- High growth opportunity. CAGR 10.3% last 10 years
- Highest customer retention of all service offerings and higher average prices
- Focused on five priority industries: food and beverage processing, healthcare, food service, food retail and hospitality
- 2010 Readers' Choice Award for pest management from *Food Processing* magazine



Commercial Growth Potential

- Increasing demand driven by health and safety concerns
- Long term growth potential through increased market penetration and service frequency
- Largest 20 national accounts make up less than 3% of the business



Food and Beverage Processing



Healthcare



Hospitality



Food Service



Retail



Apartments



Schools



Other Industries



RESIDENTIAL

Orkin

HomeTeam Pest
Defense

Orkin Canada

Waltham Services



Focused on Sustained, Profitable Growth

- Recession resistant – non-discretionary purchase
- Rising concern over health, safety and protection of property
- Better informed consumers, targeting specific segments
- Internet will provide accelerated growth
- Primary service offerings – varied across brands to meet customer needs and improve profitability
- New market opportunity: rebounding home construction – HomeTeam’s Taexx[®] tubes-in-the-wall”



TERMITE

Orkin

HomeTeam Pest
Defense

Western Pest
Services

Focused on Sustained, Profitable Growth

- Termite damage -- \$5.6 billion annually, a real threat to homeowners.
- Shares many of the same characteristics of our other businesses – strong recurring revenue and high retention
- Claims costs reduced over the last 10+ years
- Invigorated sales force, utilizing digital technology



BED BUGS

Orkin, LLC

Orkin Canada

Home Team Pest
Defense

Western Pest
Services

Waltham Services



Strategic Growth Opportunity

- Bed bug industry grew 25% to \$320 million in 2010*
- Rollins data shows company growing faster than industry
- Recurring revenue growth through inspection and remedial services.
- New opportunity to introduce residential and commercial pest control services to new bed bug customers.

*Specialty Products Consultants

Advancing our Initiatives in 2012



Employee and Customer Satisfaction

- Improving on lowest employee turnover rate in company history
- Improving ability to please customers
- Improve retention

Technology Improvements

- Testing and rollout of common branch operating/CRM system
- State-of-the-art customer sales, internet and call center software

Alliances, Partnerships and Collaborations

- Centers for Disease Control and Prevention (CDC)
- University of Kentucky



Improved Customer and Employee Satisfaction, Productivity and Profitability



Commitment to Training

27,000 sq. ft. Training Center unique to pest control industry

13,000 sq. ft. commercial training facility includes commercial kitchen, hotel room, hospital room, cafeteria, warehouse, supermarket, bakery and pharmacy

Attracts customers, regulators, educators, university researchers

Cafeteria



Commercial Kitchen



Hospital Room





Commitment to Training

Residential facility incorporates a 2,400 sq. ft. fully constructed home and termite treating pavilion

Named to *Training Magazine* Top 125 Training Companies for last nine years

National satellite training delivery system to over 350 locations

Transitioning to web delivery to all worldwide locations

Residential Training Facility



2,400 sq. foot home



Termite pavilion



Broadcast studio



Financial Overview



Three Year Financial Improvement 2009-2011

Cash Provided
from
Operations
increased
from \$110.8
million in
2009 to
\$155.2 million
in 2011

EBITDA
increased
from \$164.4
million to
\$199.1 million

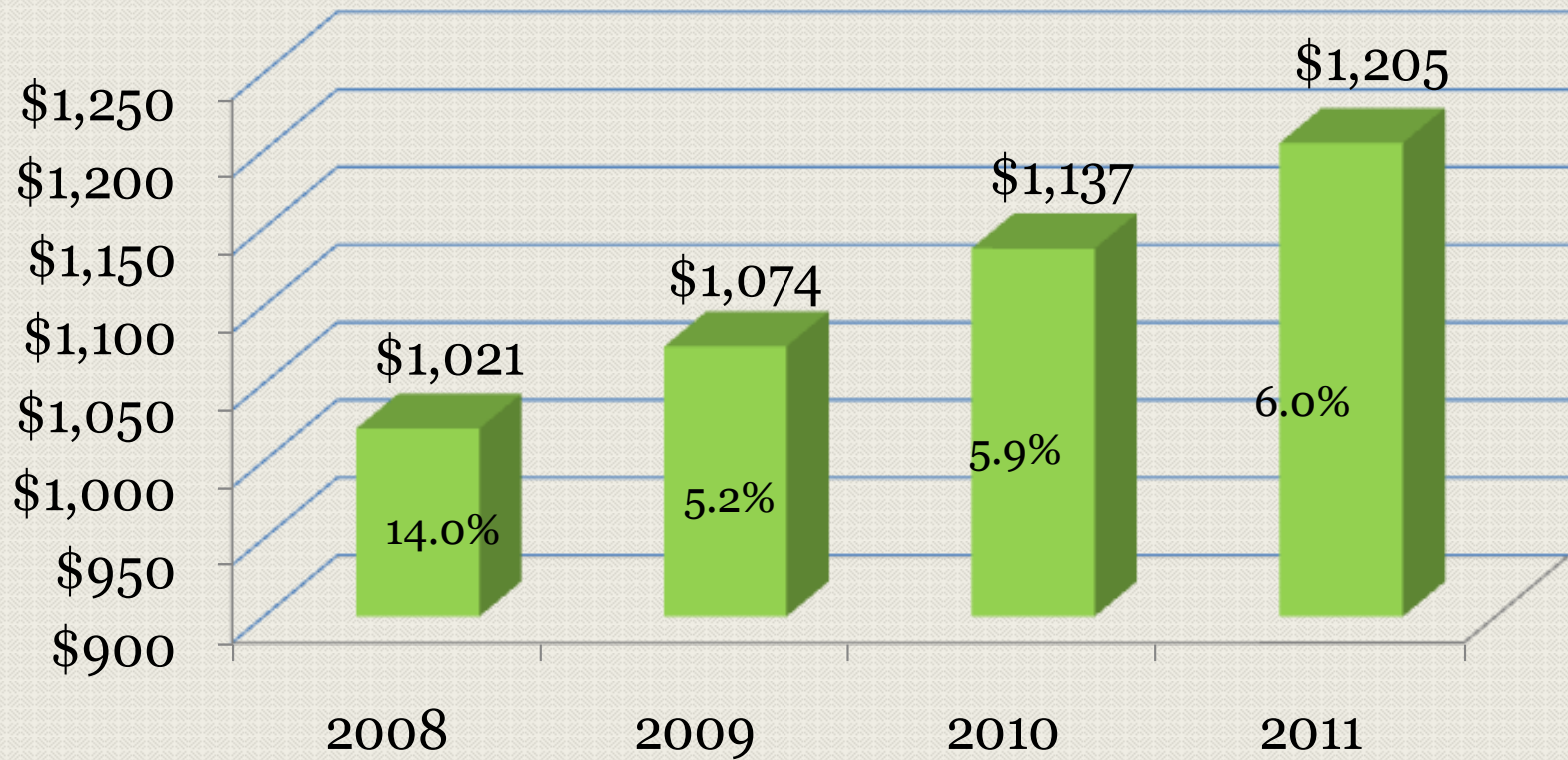
EPS grew
from \$0.56 in
2009 to \$0.69
per diluted
share in 2011

Current
dividend yield
approximately
1.3%

Revenue Growth



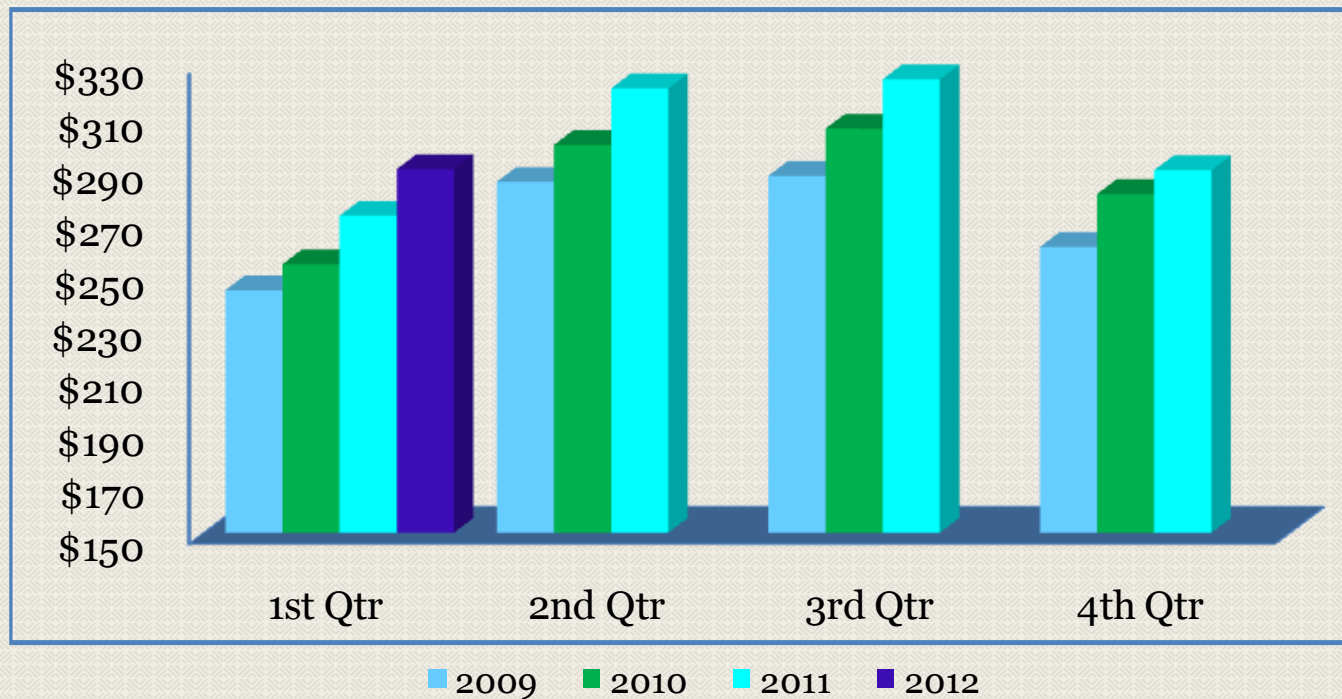
(\$in millions)



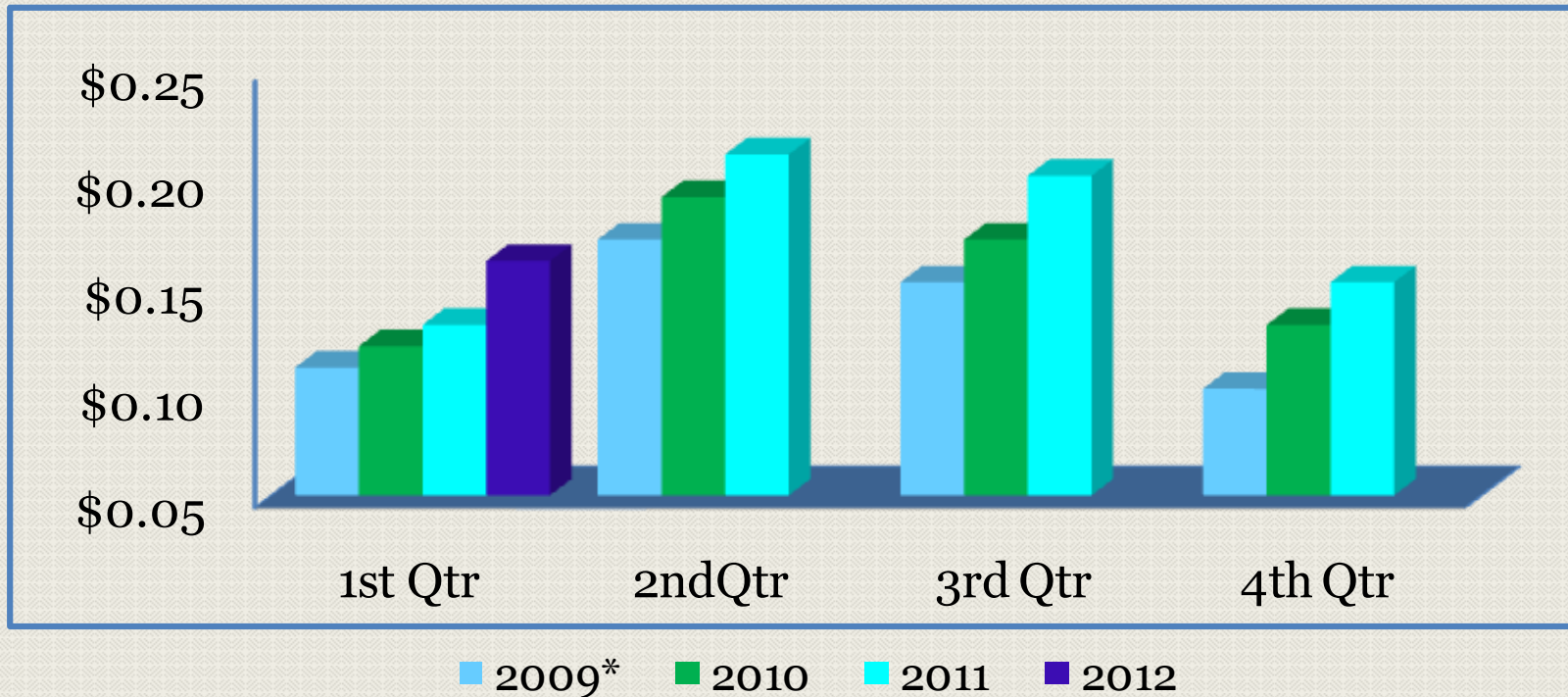
Revenue Growth by Quarter



(\$in millions)

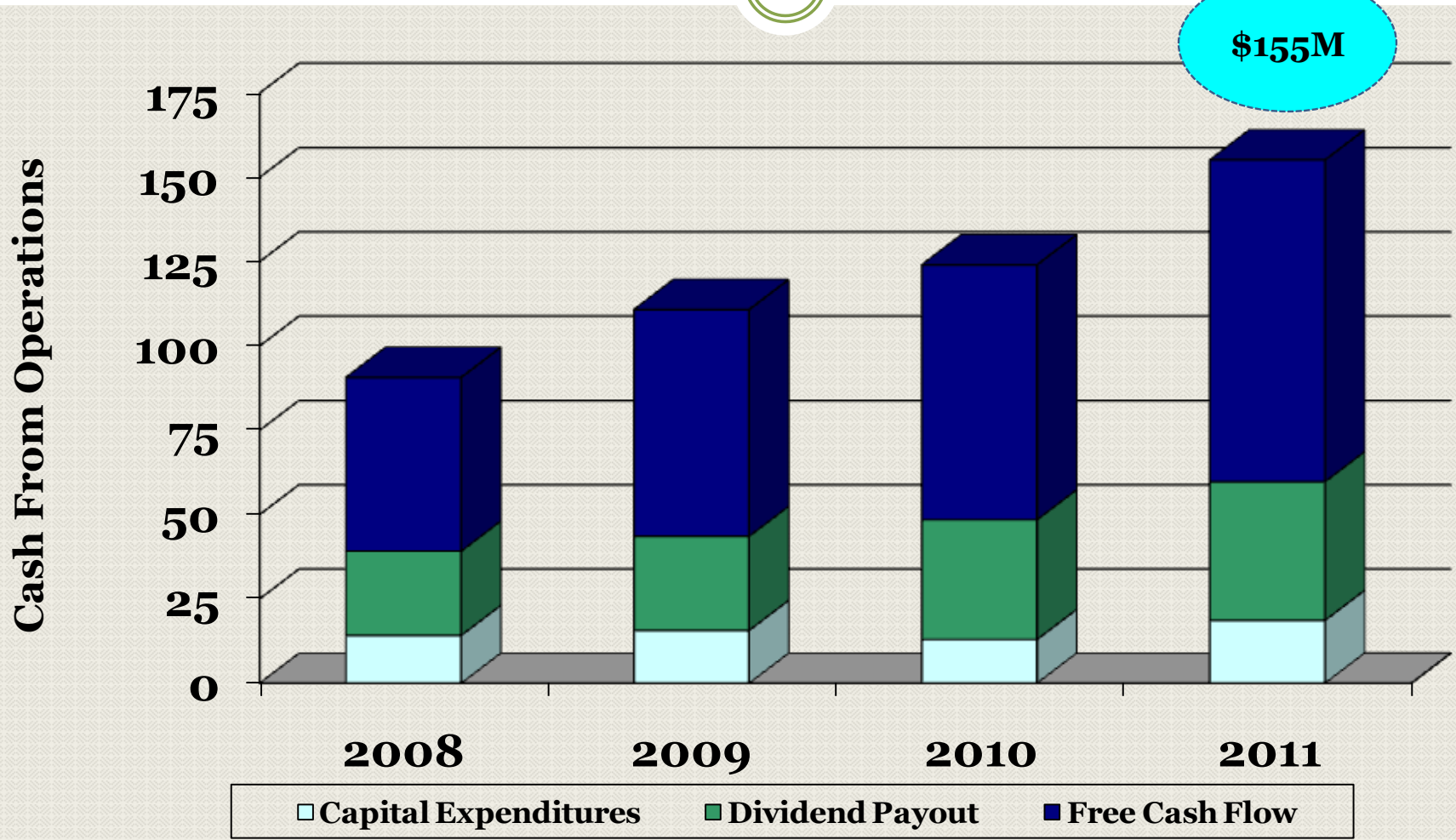


Diluted Earnings Per Share by Quarter



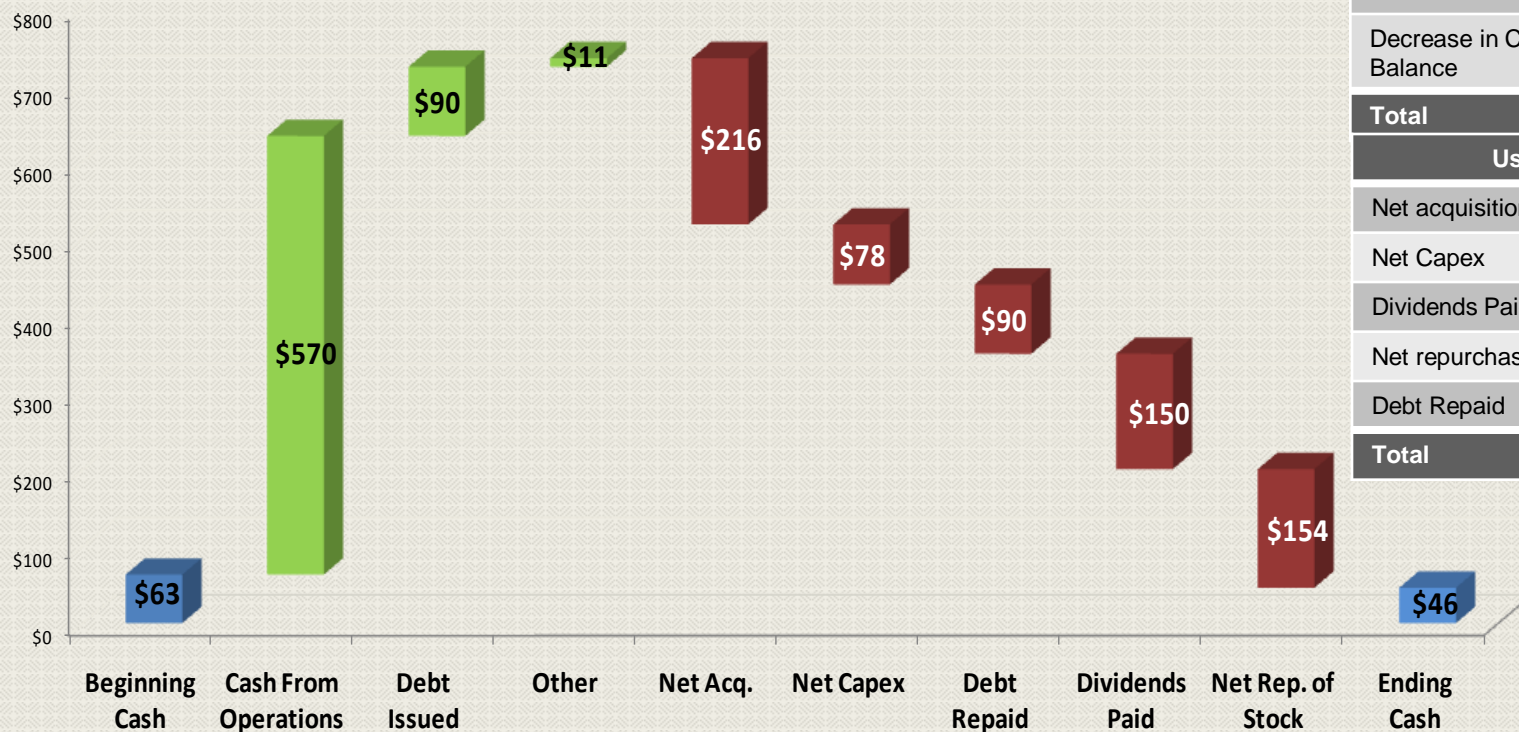
*Rollins, Inc.'s 4th Qtr EPS adjusted for the impairment of assets and conversion of subsidiaries to LLCs was \$0.20 per share

Strong Free Cash Flows



Rollins' Sources and Uses of Cash

Cash Flow for FY 2007 – FY 2011 (in millions)



Sources of Cash	
Cash From Operations	570
Debt Issued	90
Other	11
Decrease in Cash Balance	17
Total	\$688
Uses of Cash	
Net acquisitions	\$216
Net Capex	78
Dividends Paid	150
Net repurchase of Stock	154
Debt Repaid	90
Total	\$688

Source: Company Filings



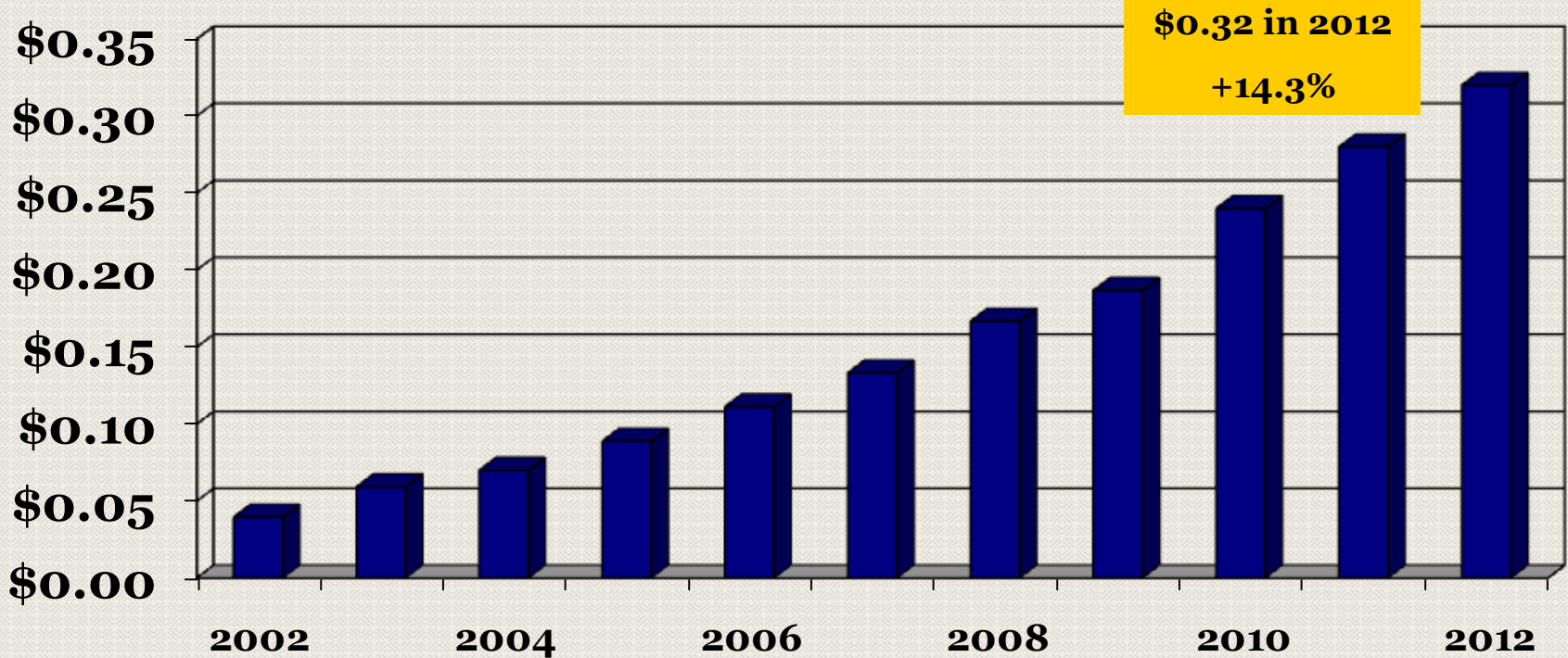
Share Repurchase Program: 2008 - 2011

(In million)

Year	#of Shares	Cash Paid
• 2008	• 2,078,213	• \$22,139,826
• 2009	• 2,515,800	• 27,820,860
• 2010	• 1,889,141	• 26,410,570
• 2011	• 1,458,282	• 27,313,985
• Total	• 7,941,436	• \$103,685,241

1.0 Million Shares Remaining to be Repurchased at 3/31/2012

Dividend Record



■ 10 consecutive years of minimum of 12% increased dividends

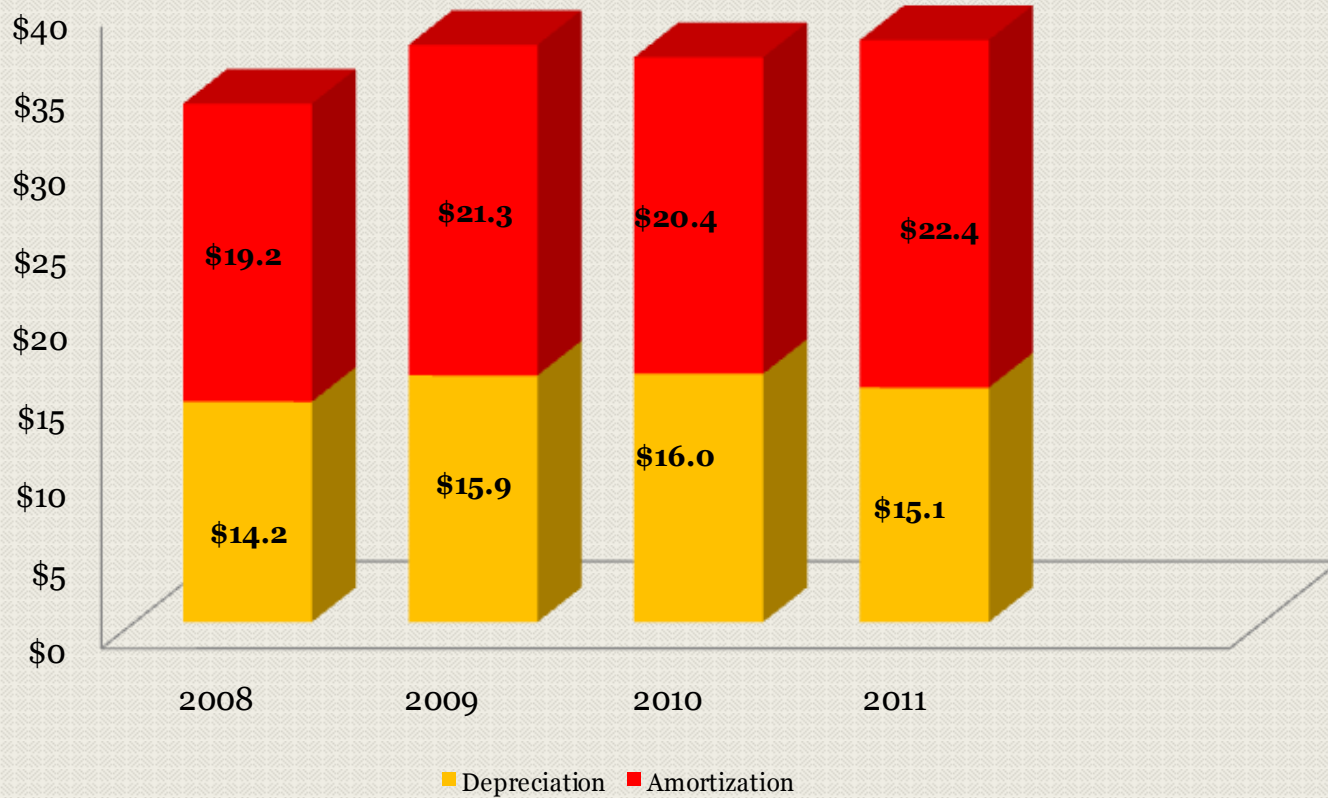


Depreciation and Amortization of Intangibles



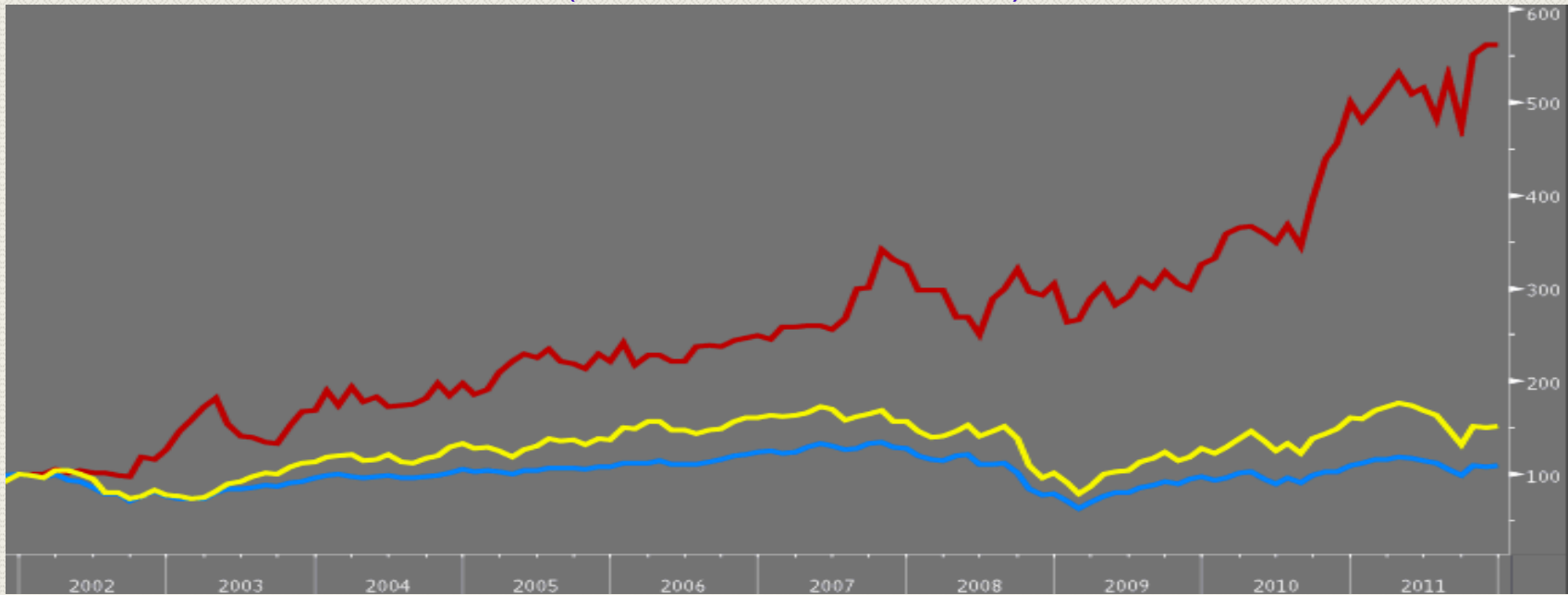
\$ in millions

\$ in millions



Rollins' 10-year stock performance (with dividends reinvested) vs. S&P 500 and Russell 2000 Indices

(12/31/2001 – 12/31/2011)






10-Year Performance w/ dividends

Reinvested (1/4/2001 – 12/31/2011):

Total

Annualized

	Rollins Inc.	537.0%	20.3%
	S&P 500 Index	33.3%	2.9%
	Russell 2000 Index	73.1%	5.6%

Source: FactSet, Bloomberg

ROLLINS



EBIDTA Reconciliation

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
EBITDA (Excluding Gain):					
Net income	\$ 64,731	\$ 68,934	\$ 83,984	\$ 90,002	\$ 100,711
+ Interest Income	(2,289)	761	964	437	508
+ Taxes	40,182	44,020	42,307	53,543	60,385
+ Depreciation & Amortization	<u>27,086</u>	<u>33,443</u>	<u>37,169</u>	<u>36,408</u>	<u>37,503</u>
EBITDA (Excluding Gain):	129,710	147,158	164,424	180,390	199,107

EBITDA (Excluding Gain) Three year margin increase

EBITDA (Excluding Gain)	\$ 129,710	\$ 147,158	\$ 164,424	\$ 180,390	\$ 199,107
Revenues	894,920	1,020,564	1,073,958	1,136,890	1,205,064
EDITDA Margin (EBITDA/Revenue)	14.494%	14.419%	15.310%	15.867%	16.523%

Three year Margin Increase = $(16.523 - 15.310 / 15.310) * 100 = 7.922\%$

Free Cash Flow and Gross Margin Reconciliation



Free Cash Flow:	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Cash Flow from Operations	\$ 88,795	\$ 90,744	\$ 110,846	\$ 122,054	\$ 155,169
- Purchases of Equipment	16,244	14,815	15,740	13,036	18,652
Free Cash Flow	72,551	75,929	95,106	109,018	136,517

Gross Margin:					
Revenues	\$ 894,920	\$ 1,020,564	\$ 1,073,958	\$ 1,136,890	\$ 1,205,064
-Cost of Services Provided	468,665	534,494	551,002	583,089	616,842
Gross Margin \$	426,255	486,070	522,956	553,801	588,222
Gross Margin %	47.6%	47.6%	48.7%	48.7%	48.8%

Gross Margin % = (Gross Margin \$/Revenues)

Three Year Gross Margin Increase

Free Cash Flow and Gross Margin Reconciliation



ROLLINS, INC. AND SUBSIDIARIES RECONCILIATION OF NON-GAAP FINANCIALS (in thousands except per share data) (unaudited)

	Fourth Quarter Ended December 31, 2009	Twelve Months Ended December 31, 2009
Net income per share - diluted as reported	\$ 0.13	\$ 0.56
Add: Impairment of project (net of taxes)	\$ 0.01	\$ 0.01
Less: Net tax benefit	\$ (0.04)	\$ (0.04)
Adjusted earnings per share - diluted	<u>\$ 0.10</u>	<u>\$ 0.53</u>

Company History

