



Chemed Reports First-Quarter Results

April 18, 2002

CINCINNATI, April 18, 2002--Chemed Corporation (NYSE:CHE) (OTCBB:CHEQP) today reported net income of \$.47 per share for the first quarter, ended March 31, 2002, as compared with \$.46 per share in 2001's first quarter. Net income included capital gains of \$.07 per share in both years. For 2001, net income also included \$.12 per share from the amortization of goodwill and a loss of \$.01 per share from discontinued operations. On an adjusted basis, before capital gains and amortization of goodwill, income from continuing operations amounted to \$.40 in the 2002 first quarter versus \$.52 in the same 2001 quarter.

Service revenues and sales from continuing operations for the 2002 first quarter were \$117.0 million versus \$121.2 million in 2001. Earnings before capital gains, interest, taxes, depreciation, and amortization (EBITDA) for the 2002 first quarter totaled \$11.1 million versus EBITDA of \$13.7 million for the 2001 quarter, and for 2002, EBITDA represented 9% of revenues.

Commenting on the first quarter's results, Chemed President and Chief Executive Officer Kevin J. McNamara said, "Chemed's overall performance reflects the benefits of reduced expenses at Chemed headquarters, offset by the effects of margin erosion at our flagship Roto-Rooter subsidiary."

Mr. McNamara continued, "Roto-Rooter recorded revenues of \$65.3 million for the 2002 first quarter, 4.6% below the prior-year first quarter. Excluding acquisitions and divestitures in both periods, Roto-Rooter's revenues on a comparable basis would have been 3.4% below revenues in the prior year.

"Roto-Rooter company operations and franchisees continue to feel the impact of economy-related issues. Soft demand, coupled with significantly higher casualty and health insurance costs and higher labor costs, has put pressure on the gross margin, which declined 2.9 percentage points in company operations in the first quarter. As a result, earnings at Roto-Rooter amounted to \$3.5 million for the 2002 first quarter versus \$4.9 million before goodwill amortization a year ago.

"Many of these cost increases are necessary in order to maintain competitive advantage, particularly in the areas of advertising and marketing and service force recruiting and training. Management is working diligently to rein in insurance costs and adjust work schedules to reduce labor costs."

Discussing Chemed's other operations, Mr. McNamara said, "Service America continues to make progress on its centralization projects, which are near completion, and expects to realize service improvements and cost efficiencies as a result. Even so, for the quarter just ended, Service America recorded profits 51% below the prior-year first quarter excluding goodwill amortization, while revenues of \$15.6 million were off 13%. Patient Care, Chemed's home-healthcare services business, however, turned in excellent first-quarter results with a 14% increase in earnings on revenue growth of 3.6% to \$36.2 million."

Concluding, Mr. McNamara said, "Management is working to restore historical margins within Roto-Rooter. Service America will benefit from lower costs as the year progresses, and Patient Care is performing as expected. Investments in training and selling efforts at Roto-Rooter have historically increased revenues, and as the economy picks up momentum, we expect Roto-Rooter's revenue growth and profit performance will improve."

In February, the Chemed Board of Directors declared a quarterly dividend of \$.11 per share, which was paid in March. This dividend represented the 123rd consecutive quarterly dividend paid to Chemed shareholders.

Chemed Corporation (www.chemed.com), headquartered in Cincinnati, is a New York Stock Exchange-listed corporation with strategic positions in plumbing and drain cleaning; residential appliance and air-conditioning repair; and home healthcare services.

Statements in this press release or in other Chemed communications may relate to future events or Chemed's future performance. Such statements are forward-looking statements and are based on present information Chemed has related to its existing business circumstances. Investors are cautioned that such forward-looking statements are subject to inherent risk that actual results may differ materially from such forward-looking statements. Further, investors are cautioned that Chemed does not assume any obligation to update forward-looking statements based on unanticipated events or changed expectations.

Chemed Corporation and Subsidiary Companies
Comparative Results (Unaudited)
(in thousands, except per share data)

	Three Months Ended March 31,	
	2002	2001
Continuing Operations		
Service Revenues and Sales	\$117,035	\$121,200
	=====	=====
Income from Operations	\$ 5,703	\$ 7,517 (b)
Interest Expense	(773)	(1,486)

Distributions on Preferred Securities	(270)	(277)
Other Income--Net	2,329 (a)	1,759 (c)
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Income before Income Taxes	6,989 (a)	7,513 (b,c)
Income Taxes	(2,317)	(2,899)
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Income from Continuing Operations	4,672 (a)	4,614 (b,c)
Discontinued Operations	--	(104)
	-----	-----
Net Income	\$ 4,672 (a)	\$ 4,510 (b,c)
	=====	=====
Earnings Per Share		
Income from Continuing Operations	\$ 0.47 (a)	\$ 0.47 (b,c)
	=====	=====
Net Income	\$ 0.47 (a)	\$ 0.46 (b,c)
	=====	=====
Diluted Earnings Per Share		
Income from Continuing Operations	\$ 0.47 (a)	\$ 0.47 (b,c)
	=====	=====
Net Income	\$ 0.47 (a)	\$ 0.46 (b,c)
	=====	=====
Adjusted Earnings Data (d)		
Income from Continuing Operations before Capital Gains	\$ 3,897	\$ 5,070
	=====	=====
Income from Continuing Operations	\$ 4,672 (a)	\$ 5,773 (c)
	=====	=====
Net Income	\$ 4,672 (a)	\$ 5,669 (c)
	=====	=====
Adjusted Earnings Per Share (d)		
Income from Continuing Operations before Capital Gains	\$ 0.40	\$ 0.52
	=====	=====
Income from Continuing Operations	\$ 0.47 (a)	\$ 0.59 (c)
	=====	=====
Net Income	\$ 0.47 (a)	\$ 0.58 (c)
	=====	=====
Adjusted Diluted Earnings Per Share (d)		
Income from Continuing Operations before Capital Gains	\$ 0.40	\$ 0.51
	=====	=====
Income from Continuing Operations	\$ 0.47 (a)	\$ 0.58 (c)
	=====	=====
Net Income	\$ 0.47 (a)	\$ 0.57 (c)
	=====	=====
Average Number of Shares Outstanding		
Earnings Per Share	9,843	9,746
	=====	=====
Diluted Earnings Per Share	10,267	10,303
	=====	=====

- (a) Amount includes pretax gains aggregating \$1,141,000 (\$775,000 aftertax or \$.07 per share) from the sales of investments in the first quarter of 2002.
- (b) Amount includes pretax amortization of goodwill of \$1,255,000 for the first quarter of 2001 (\$1,159,000 net of income tax benefit, \$.12 per share and \$.11 per diluted share).
- (c) Amount includes pretax gains aggregating \$1,112,000 (\$703,000 aftertax or \$.07 per share) from the sales of investments in the first quarter of 2001.
- (d) Goodwill amortization ceased January 1, 2002. Accordingly, adjusted data exclude the amortization of goodwill for the first quarter of 2001 in the amounts disclosed in note (b).

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