

FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Quarterly Report Under Section 13 or 15 (d)
of the Securities Exchange Act of 1934

For Quarter Ended March 31, 1996

Commission File Number 1-8351

CHEMED CORPORATION
(Exact name of registrant as specified in its charter)

Delaware 31-0791746
(State or other jurisdiction of (IRS Employer Identification No.)
incorporation or organization)

2600 Chemed Center, 255 E. Fifth Street, Cincinnati, Ohio 45202

(Address of principal executive offices) (Zip code)

(513) 762-6900
(Registrant's telephone number, including area code)

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 X No

Indicate the number of shares outstanding of each of the issuer's
classes of common stock, as of the latest practicable date.

Class	Amount	Date
Capital Stock	9,839,229 Shares	April 30, 1996
\$1 Par Value		

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CHEMED CORPORATION AND
SUBSIDIARY COMPANIES

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

(in thousands except share and per share data)

UNAUDITED

	March 31, 1996	December 31, 1995
	-----	-----
Current assets		
Cash and cash equivalents	\$ 41,965	\$ 19,187
Marketable securities	-	10,094
Accounts receivable, less allowances of \$3,564 (1995 - \$3,519)	81,758	87,177
Inventories		
Raw materials	9,522	7,921
Finished goods and general merchandise	45,604	50,330
Statutory deposits	19,134	18,943
Other current assets	26,402	25,785

Total current assets	224,385	219,437
Other investments	82,242	90,176
Properties and equipment, at cost less accumulated depreciation of \$49,549 (1995 - \$47,074)	78,050	77,131
Identifiable intangible assets less accumulated amortization of \$3,155 (1995 - \$2,886)	17,871	18,140
Goodwill less accumulated amortization of \$21,911 (1995 - \$20,978)	119,399	119,486
Other assets	9,223	7,498
Total Assets	\$ 531,170	\$ 531,868
LIABILITIES		
Current liabilities		
Accounts payable	\$ 24,372	\$ 28,411
Bank notes and loans payable	25,000	25,000
Current portion of long-term debt	7,299	7,089
Income taxes	18,761	11,965
Deferred contract revenue	24,787	23,512
Other current liabilities	45,811	49,027
Total current liabilities	146,030	145,004
Deferred income taxes	11,875	15,819
Long-term debt	83,655	85,368
Other liabilities and deferred income	34,135	36,030
Minority interest	42,492	40,990
Total Liabilities	318,187	323,211
STOCKHOLDERS' EQUITY		
Capital stock-authorized 15,000,000 shares \$1 par; issued 12,670,927 shares (1995 - 12,598,418 shares)	12,671	12,598
Paid-in capital	147,781	145,290
Retained earnings	134,264	127,141
Treasury stock - 2,814,148 shares (1995 - 2,784,192 shares), at cost	(82,538)	(79,996)
Unearned compensation - ESOPs	(31,916)	(33,355)
Unrealized appreciation on investments	32,721	36,979
Total Stockholders' Equity	212,983	208,657
Total Liabilities and Stockholders' Equity	\$ 531,170	\$ 531,868

See accompanying notes to unaudited financial statements.

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CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF INCOME
UNAUDITED
(in thousands except per share data)

	Three Months Ended March 31,	
	1996	1995
Continuing Operations		
Sales	\$ 99,763	\$108,598
Service revenues	67,698	61,260
Total sales and service revenues	167,461	169,858
Cost of goods sold	68,590	74,607
Cost of services provided	41,113	38,159
Selling and marketing expenses	24,258	25,460
General and administrative expenses	23,516	22,071
Depreciation	2,973	2,865
Total costs and expenses	160,450	163,162
Income from operations	7,011	6,696
Interest expense	(1,931)	(2,103)

Other income - net	16,298	5,649
	-----	-----
Income before income taxes and minority interest	21,378	10,242
Income taxes	(7,974)	(3,814)
Minority interest in earnings of subsidiaries	(1,207)	(1,043)
	-----	-----
Income from continuing operations	12,197	5,385
Discontinued Operations	-	901
	-----	-----
Net Income	\$ 12,197	\$ 6,286
	=====	=====
Earnings Per Common Share		
Income from continuing operations	\$ 1.24	\$.55
	=====	=====
Net income	\$ 1.24	\$.64
	=====	=====
Average number of shares outstanding	9,867	9,863
	=====	=====
Cash Dividends Paid Per Share	\$.52	\$.51
	=====	=====

See accompanying notes to unaudited financial statements.

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CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF CASH FLOWS
UNAUDITED
(in thousands)

	Three Months Ended March 31,	
<F1>	1996	1995*
	-----	-----
Cash Flows From Operating Activities		
Net income	\$ 12,197	\$ 6,286
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sale of investments	(14,208)	(3,732)
Depreciation and amortization	4,611	4,346
Provision for deferred income taxes	(2,631)	(451)
Minority interest in earnings of subsidiaries	1,207	1,043
Provision for uncollectible accounts receivable	459	520
Discontinued operations	-	(901)
Changes in operating assets and liabilities, excluding amounts acquired in business combinations		
(Increase)/decrease in accounts receivable	4,960	(1,195)
(Increase)/decrease in inventories and other current assets	2,789	(1,015)
Increase in statutory deposits	(191)	(1,202)
Decrease in accounts payable, deferred contract revenue and other current liabilities	(5,307)	(2,988)
Increase in income taxes	11,001	3,142
Other - net	(2,771)	(734)
	-----	-----
Net cash provided by operating activities	12,116	3,119
	-----	-----
Cash Flows From Investing Activities		
Proceeds from sale of investments	26,556	4,933
Net Proceeds from sale of discontinued operations	(4,294)	(433)
Capital expenditures	(4,177)	(2,884)
Business combinations, net of cash acquired	(2,198)	(1,601)
Purchase of investments	-	(1,200)
Other - net	252	74

Net cash provided/(used) by investing activities	16,139	(1,111)
Cash Flows From Financing Activities		
Dividends paid	(5,137)	(5,032)
Purchase of treasury stock	(870)	(517)
Issuance of capital stock	165	40
Repayment of long-term debt	(64)	(35)
Other - net	429	366
Net cash used by financing activities	(5,477)	(5,178)
Increase/(decrease) In Cash And Cash Equivalents	22,778	(3,170)
Cash and cash equivalents at beginning of period	19,187	4,722
Cash and cash equivalents at end of period	\$ 41,965	\$ 1,552

See accompanying notes to unaudited financial statements.

<F1> * Reclassified to conform to 1996 presentation.

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CHEMED CORPORATION AND SUBSIDIARY COMPANIES

Notes to Unaudited Financial Statements

1. The accompanying unaudited consolidated financial statements have been prepared in accordance with Rule 10-01 of SEC Regulation S-X. Consequently, they do not include all the disclosures required under generally accepted accounting principles for complete financial statements. However, in the opinion of the management of Chemed Corporation (the "Company"), the financial statements presented herein contain all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position, results of operations and cash flows of the Company and its consolidated subsidiaries ("Chemed"). For further information regarding Chemed's accounting policies, refer to the consolidated financial statements and notes included in Chemed's Annual Report on Form 10-K for the year ended December 31, 1995.
2. Primary earnings per common share are computed using the weighted average number of shares of capital stock outstanding and exclude the dilutive effect of outstanding stock options as it is not material.
3. Following the resolution of various issues pertaining to the Company's accruals for income taxes relative to the sale of DuBois Chemicals Inc. ("DuBois") in 1991, the Company recorded an adjustment of \$1,365,000 (\$901,000 net of federal income taxes) to its state and local income tax provision in the first quarter of 1995. This adjustment is classified as "discontinued operations" in the statement of income.
4. During the first quarter of 1996, the Company sold approximately one-third of its investment in Omnicare Inc. ("Omnicare"), realizing a pretax gain of \$14,208,000 (\$8,924,000 aftertax or \$.91 per share). Similarly in the first quarter of 1995, the Company recorded pretax gains aggregating \$3,732,000 (\$2,463,000 or \$.25 per share) from the sales of portions of its investments in Omnicare and Exel Ltd. ("Exel").

Item 2. Management's Discussion and Analysis
of Financial Condition and Results of Operations

Financial Condition

- - - - -

Cash, cash equivalents and marketable securities increased from \$29.3 million at December 31, 1995 to \$42.0 million at March 31, 1996, largely as a result of cash generated by the sale of a portion of the Company's investment in Omnicare, partially offset by purchases of treasury stock during the period. The decline in other investments from \$90.2 million at December 31, 1995 to \$82.2 million is attributable to the sale of Omnicare stock, partially offset by the appreciation of the Company's investments, largely Omnicare and Exel.

Income taxes increased from \$12.0 million at December 31, 1995 to \$18.8 million at March 31, 1996, primarily as a result of the accrual of income taxes on the sale of Omnicare stock in the first quarter of 1996.

At March 31, 1996 Chemed had approximately \$43.1 million of unused lines of credit with various banks. Management believes its liquidity and sources of capital are satisfactory for the Company's needs in the foreseeable future.

Results of Operations

- - - - -

Sales and service revenues and operating profit from continuing operations by business segment follow (in thousands):

	Three Months Ended March 31,	
	1996	1995
Sales and Service Revenues		
National Sanitary Supply	\$ 77,277	\$ 80,793
Roto-Rooter	47,783	43,727
Omnia	18,511	24,858
Patient Care	23,890	20,480
Total	\$167,461	\$169,858

Operating Profit

- - - - -

National Sanitary Supply	\$ 1,884	\$ 1,983
Roto-Rooter	4,199	3,874

Omnia	1,493	1,451
Patient Care	1,073	856
	-----	-----
Total	\$ 8,649	\$ 8,164
	=====	=====

Data relating to (a) growth in sales and service revenues and (b) operating profit as a percent of sales and service revenues for each segment for the first three months of 1996 and 1995 are set forth below:

	Sales and Service Revenues % Increase/ (Decrease)	Operating Profit as a % of Sales (Operating Margin)	
	-----	-----	-----
	1996 vs. 1995	1996	1995
	-----	-----	-----
National Sanitary Supply	(4)%	2.4%	2.5%
Roto-Rooter	9	8.8	8.9
Omnia	(26)	8.1	5.8
Patient Care	17	4.5	4.2
Total	(1)	5.2	4.8
	=====	=====	=====

Sales of the National Sanitary Supply segment for the first quarter of 1996 totalled \$77,277,000 as compared with \$80,793,000 in the prior year first quarter. This 4% decline was attributable to the anticipated loss of a large fast-food customer during the first quarter of 1996. Nonetheless, National Sanitary Supply experienced significant growth in its core sanitary maintenance business, especially in its western operations, and is implementing programs to control expenses and working capital. Additionally, management has begun new marketing programs and is continuing geographic expansion which should enhance future performance. Accordingly, the operating margin for the first quarter of 1996 was 2.4%, essentially the same as recorded during the comparable period of 1995.

Sales and service revenues for the Roto-Rooter segment for the first quarter of 1996 totalled \$47,783,000, an increase of 9% over the \$43,727,000 recorded in the first quarter of 1995. Revenues of the plumbing services business, the drain cleaning business and the service contract business increased 22%, 9% and 5%, respectively, for the first quarter of 1996, as compared with

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revenues recorded in the first quarter of 1995. These revenues accounted for 25%, 33% and 27%, respectively, of Roto-Rooter's total sales and service revenues during the 1996 period. The operating margin of the Roto-Rooter segment in the first quarter of 1996 was 8.8% as compared with 8.9% during the first quarter of 1995.

Sales of the Omnia segment declined 26% in the first quarter of 1996, from \$24,858,000 in the prior year to \$18,511,000 in 1996. This expected decline is attributable to the sale of Omnia's retail division in July 1995. Omnia's wholesale sales for the first quarter of 1996, which includes the sales of Central States Diversified ("CSD"), acquired in May 1995, increased 26% over wholesale sales for the first quarter of 1995. The operating margin improved from 5.8% during the first

quarter of 1995 to 8.1% during the first quarter of 1996, primarily as a result of the acquisition of CSD and the higher profit margins of Omnia's core wholesale and manufacturing business.

Total revenues of the Patient Care segment increased from \$20,480,000 during the first quarter of 1995 to \$23,890,000 in the first quarter of 1996. This revenue increase is attributable to increased referrals as well as to growing demand for home-based health care services. As a result of significant revenue growth Patient Care leveraged its fixed expenses and increased its operating margin from 4.2% during the first quarter of 1995 to 4.5% during the first quarter of 1996.

Income from operations increased from \$6,696,000 in the first three months in 1995 to \$7,011,000 during the first three months of 1996, largely as a result of increases in operating profit in the Roto-Rooter and Patient Care segments.

Other income--net increased from \$5,649,000 in the first quarter of 1995 to \$16,298,000 in the first quarter of 1996, primarily as a result of larger investment gains recorded in the 1996 period. During the first quarter of 1996 the Company recorded gains on the sales of investments aggregating \$14,208,000 as compared with \$3,732,000 during the first quarter of 1995.

Income from continuing operations increased from \$5,385,000 aftertax (\$.55 per share) in the 1995 quarter to \$12,197,000 aftertax (\$1.24 per share) largely as a result of larger investment gains recorded in the 1996 quarter. Excluding investment gains for both periods, income from continuing operations increased 10% from \$2,922,000 aftertax (\$.30 per share) to \$3,273,000 aftertax (\$.33 per share) in the 1996 quarter.

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Net income increased from \$6,286,000 (\$.64 per share) during the first quarter of 1995 to \$12,197,000 (\$1.24 per share) during the first quarter of 1996. Discontinued operations for 1995 included a \$901,000 aftertax adjustment to the tax provision on the gain on the sale of operations discontinued in 1991.

PART II -- OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit No.	SK 601 Ref. No.	Description	Page No.
1	(11)	Statement re: Computation of Per Share Earnings	E-1
2	(27)	Financial Data Schedule	E-2 and E-3

(b) Reports on Form 8-K - None

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 thereunto duly authorized.

Chemed Corporation

(Registrant)

Dated: May 10, 1996

By Naomi C. Dallob

Naomi C. Dallob, Vice
President and Secretary

Dated: May 10, 1996

By Arthur V. Tucker, Jr.

Arthur V. Tucker, Jr.
Vice President and
Controller (Principal
Accounting Officer)

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
COMPUTATION OF PER SHARE EARNINGS
(in thousands except per share data)

EXHIBIT 11

	Income From Continuing Operations		Net Income	
	Three Months Ended March 31,		Three Months Ended March 31,	
	1996	1995	1996	1995
Computation of Earnings Per Common <F2> and Common Equivalent Share (a): -----				
Reported Income	\$ 12,197 =====	\$ 5,385 =====	\$12,197 =====	\$ 6,286 =====
Average number of shares used to compute earnings per common share	9,867	9,863	9,867	9,863
Effect of unexercised stock options	70 -----	34 -----	70 -----	34 -----
Average number of shares used to compute earnings per common and common equivalent share	9,937 =====	9,897 =====	9,937 =====	9,897 =====
Earnings per common and common equivalent share	\$ 1.23 =====	\$.54 =====	\$ 1.23 =====	\$.64 =====

Computation of Earnings Per Common Share Assuming <F2> Full Dilution (a): -----				
Reported Income	\$12,197 =====	\$ 5,385 =====	\$12,197 =====	\$ 6,286 =====
Average number of shares used to compute earnings per common share	9,867	9,863	9,867	9,863
Effect of unexercised stock options	70 -----	34 -----	70 -----	34 -----
Average number of shares used to compute earnings per common share assuming full dilution	9,937 =====	9,897 =====	9,937 =====	9,897 =====
Earnings per common share assuming full dilution	\$ 1.23 =====	\$.54 =====	\$ 1.23 =====	\$.64 =====

<F2>

(a) This calculation is submitted in accordance with Regulation S-K Item 601 (b) (11) although it is not required

by APB Opinion No. 15 because it results in dilution of less than 3%.

<ARTICLE> 5

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 1996 FOR CHEMED CORPORATION AND IS QUALIFIED IN
ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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THIS SCHEDULE CONTAINS RESTATED SUMMARY FINANCIAL INFORMATION FOR THE QUARTER
ENDED MARCH 31, 1995 FOR CHEMED CORPORATION AND IS QUALIFIED IN ITS ENTIRETY BY
REFERENCE TO SUCH FINANCIAL STATEMENTS.

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