

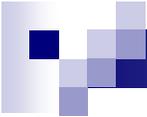
CHEMED

CHEMED CORPORATION

Results as of June 30, 2012

(Amended 9/7/2012)





Safe Harbor and Regulation G Statement

This presentation contains information about Chemed's EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT, Adjusted Net Income and Adjusted Diluted EPS, which are not measures derived in accordance with GAAP and which exclude components that are important to understanding Chemed's financial performance. In reporting its operating results, Chemed provides EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT, Adjusted Net Income and Adjusted Diluted EPS measures to help investors and others evaluate the Company's operating results, compare its operating performance with that of similar companies that have different capital structures and evaluate its ability to meet its future debt service, capital expenditures and working capital requirements. Chemed's management similarly uses EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT, Adjusted Net Income and Adjusted Diluted EPS to assist it in evaluating the performance of the Company across fiscal periods and in assessing how its performance compares to its peer companies. These measures also help Chemed's management estimate the resources required to meet Chemed's future financial obligations and expenditures. Chemed's EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT, Adjusted Net Income and Adjusted Diluted EPS should not be considered in isolation or as a substitute for comparable measures calculated and presented in accordance with GAAP. We calculated Adjusted EBITDA margin by dividing Adjusted EBITDA by service revenues and sales. We calculated Adjusted EBIT margin by dividing Adjusted EBIT by service revenues and sales. Adjusted Diluted EPS is calculated by dividing Adjusted Net Income by the number of diluted average shares outstanding, and Diluted EPS is calculated by dividing Net Income by the number of diluted average shares outstanding. A reconciliation of Chemed's net income to its EBITDA, Adjusted EBITDA, EBIT, Adjusted EBIT and Adjusted Net Income is presented in appendix tables located in the back of this presentation.

Forward-Looking Statements

Certain statements contained in this presentation and the accompanying tables are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "hope," "anticipate," "plan" and similar expressions identify forward-looking statements, which speak only as of the date the statement was made. Chemed does not undertake and specifically disclaims any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. These statements are based on current expectations and assumptions and involve various risks and uncertainties, which could cause Chemed's actual results to differ from those expressed in such forward-looking statements. These risks and uncertainties arise from, among other things, possible changes in regulations governing the hospice care or plumbing and drain cleaning industries; periodic changes in reimbursement levels and procedures under Medicare and Medicaid programs; difficulties predicting patient length of stay and estimating potential Medicare reimbursement obligations; challenges inherent in Chemed's growth strategy; the current shortage of qualified nurses, other healthcare professionals and licensed plumbing and drain cleaning technicians; Chemed's dependence on patient referral sources; and other factors detailed under the caption "Description of Business by Segment" or "Risk Factors" in Chemed's most recent report on form 10-Q or 10-K and its other filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on such forward-looking statements and there are no assurances that the matters contained in such statements will be achieved.

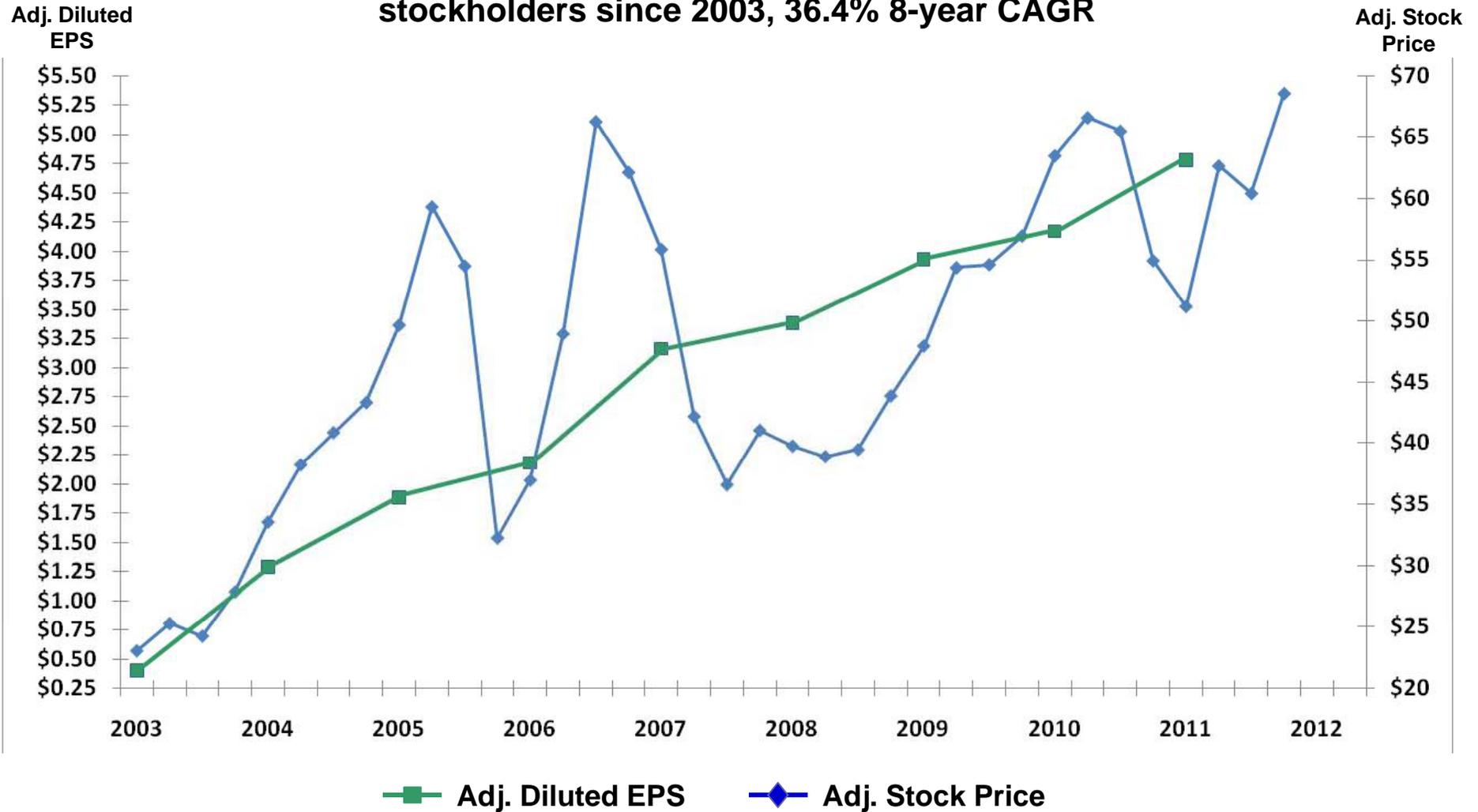
Cumulative Results Since the VITAS Acquisition

For the years ended December 31, 2003 through 2011

	(1)	(2)	(3)	(4)
	CAGR			
	One	Three	Five	Eight
	Year	Year	Year	Year
Chemed				
(1) Service revenues and sales	5.9%	5.7%	5.9%	22.9%
(2) Adj. net income	4.2%	8.2%	11.5%	37.4%
(3) Adj. diluted EPS from continuing operations	14.6%	12.2%	17.0%	36.4%
Roto-Rooter				
(4) Service revenues and sales	4.2%	2.8%	3.0%	4.5%
(5) Adj. net income	10.0%	2.4%	3.0%	13.8%
VITAS				
(6) Service revenues and sales	6.5%	6.9%	7.1%	10.6%
(7) Adj. net income	0.9%	8.2%	10.5%	19.1%

EPS⁽¹⁾ and Stock Price⁽²⁾ History

Chemed has delivered strong and consistent EPS to stockholders since 2003, 36.4% 8-year CAGR



(1) Adjusted Diluted EPS; see Appendix at the back of this presentation for reconciliation from GAAP reported results to adjusted (non-GAAP) results
 (2) Adjusted for stock splits

Chemed – Consolidated Summary of Operations

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10) Average Annual Inc./Dec.
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
(1) Service Revenues and Sales (a)	\$ 260,776	\$ 734,877	\$ 915,970	\$ 1,018,587	\$ 1,100,058	\$ 1,148,941	\$ 1,190,236	\$ 1,280,545	\$ 1,355,970	22.9%
(2) EBITDA (c)	30,366	72,310	96,992	129,782	138,470	155,032	160,121	174,833	183,943	25.3%
(3) Adj. EBITDA (c)	25,118	91,950	120,513	131,373	161,846	161,754	177,050	189,395	197,273	29.4%
(4) Net Income (GAAP)	(3,435)	27,512	35,817	50,651	61,641 (b)	67,281 (b)	73,784	81,831	85,979	n.a.
(5) Adj. Net Income (c)	7,894	31,893	49,542	58,102	79,277	78,900	89,289	95,961	100,030	37.4%
(6) Diluted EPS (GAAP)	(0.17)	1.12	1.36	1.90	2.46	2.88	3.24	3.55	4.10	n.a.
(7) Adj. Diluted EPS (c) (d)	0.40	1.29	1.88	2.18	3.16	3.38	3.93	4.17	4.78	36.4%
(8) Diluted Average Shares Outstanding	19,908	24,636	26,299	26,669	25,077	23,374	22,742	23,031	20,945	0.6%

(a) Continuing operations

(b) Restated for the retrospective adoption of FASB Staff Position No. APB 14-1, "Accounting for Convertible Debt Instruments that May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)," effective January 1, 2009

(c) See footnote (d) below and the Appendix at the back of this presentation for reconciliation from GAAP reported results to adjusted (non-GAAP results)

(d) Adj. Diluted EPS is calculated by dividing Adj. Net Income by Diluted Average Shares Outstanding, and Diluted EPS is calculated by dividing Net Income by Diluted Average Shares Outstanding

Chemed - Results from Continuing Operations

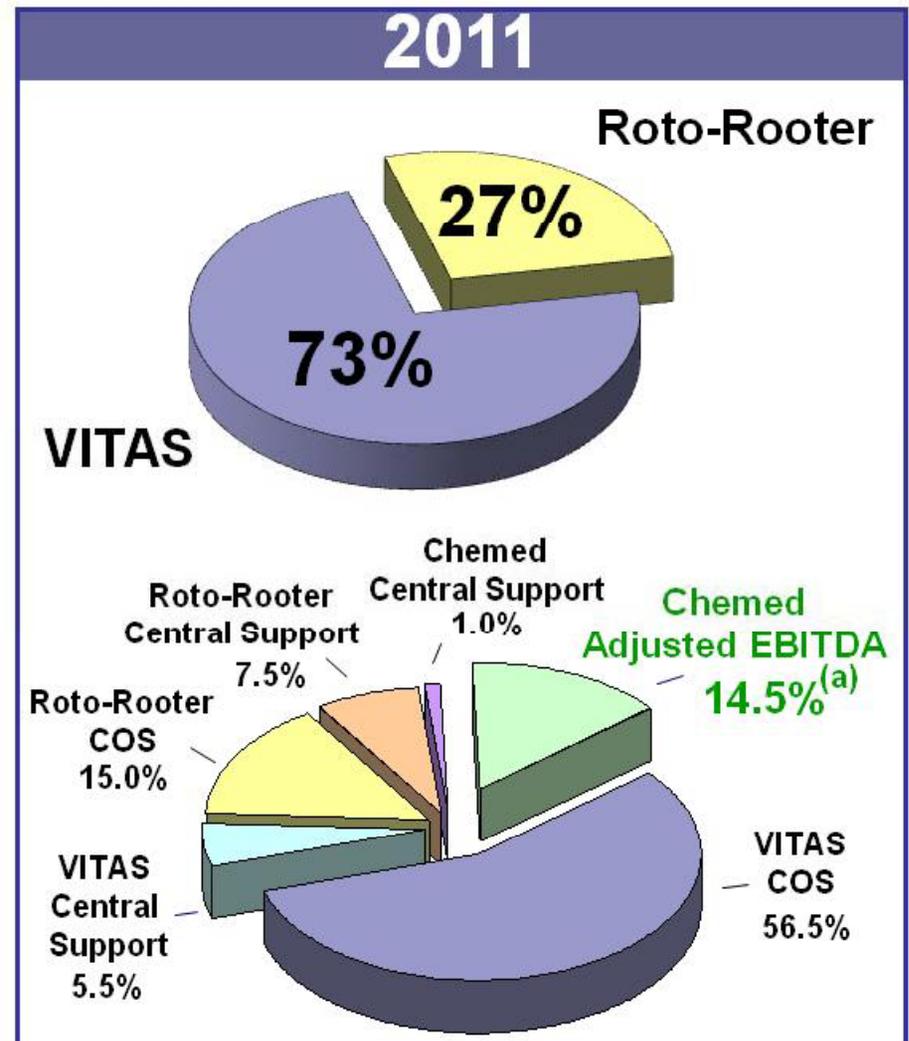
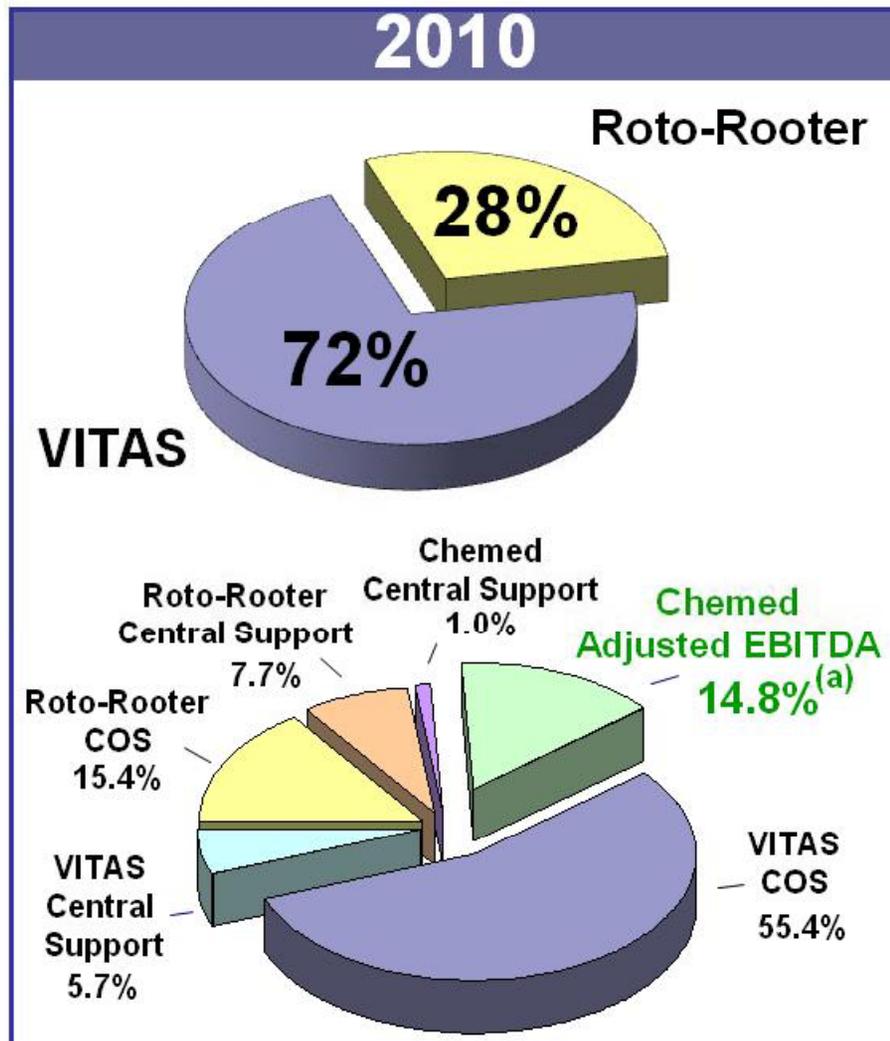
(in thousands, except per share data)

	(1)	(2)	(3)	(4)	(5)	(6)
	Full Year Results			Six Months Ended June 30,		
	2010	2011	Fav/(Unfav) % Growth	2011	2012	Fav/(Unfav) % Growth
(1) Service Revenues and Sales	\$1,280,545	\$1,355,970	5.9%	\$664,278	\$707,113	6.4%
(2) Net Income	81,831	85,979	5.1%	38,387	41,719	8.7%
(3) Diluted EPS (b)	3.55	4.10	15.5%	1.78	2.16	21.3%
(4) Adj. EBITDA (a)	189,395	197,273	4.2%	92,275	\$94,513	2.4%
(5) Adj. EBITDA Margin (a)	14.8%	14.5%	(0.3) pts.	13.9%	13.4%	(0.5) pts.
(6) Adj. Net Income (a)	95,961	100,030	4.2%	46,496	47,670	2.5%
(7) Adj. Diluted EPS (a) (b)	4.17	4.78	14.6%	2.15	2.46	14.4%
(8) Capital Expenditures	25,639	29,592	(15.4%)	14,960	18,474	(23.5%)

(a) See footnote (b) below and the Appendix at the back of this presentation for reconciliation from GAAP reported results to adjusted (non-GAAP) results

(b) Adj. Diluted EPS is calculated by dividing Adj. Net Income by Diluted Average Shares Outstanding, and Diluted EPS is calculated by dividing Net Income by Diluted Average Shares Outstanding

Chemed Corporation Revenue



(a) See Appendix at the back of this presentation for reconciliation of EBITDA and Adjusted EBITDA to Net Income

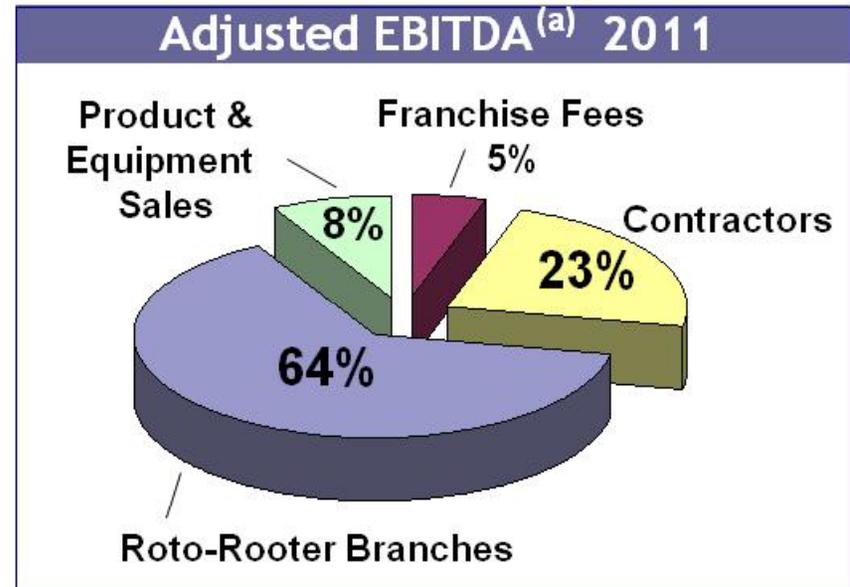
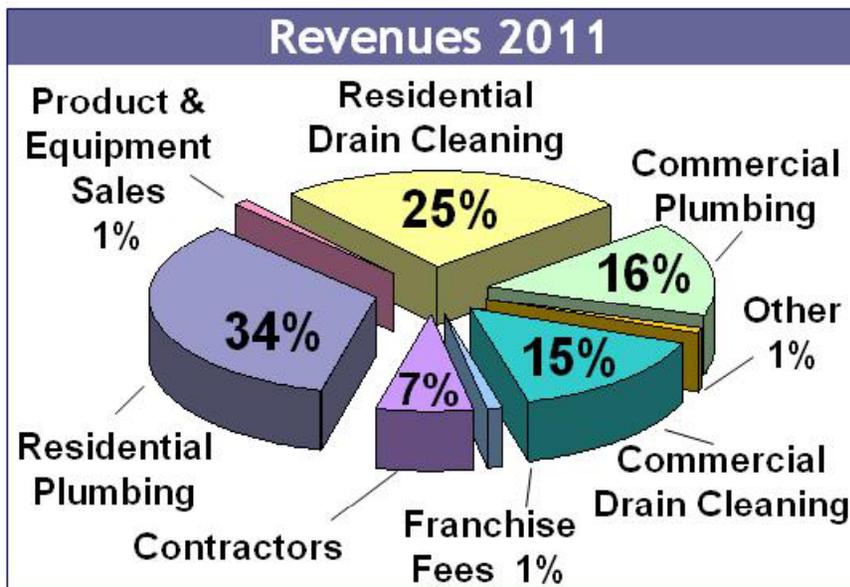


***ROTO-
ROOTER***®

**PLUMBING &
DRAIN SERVICE**

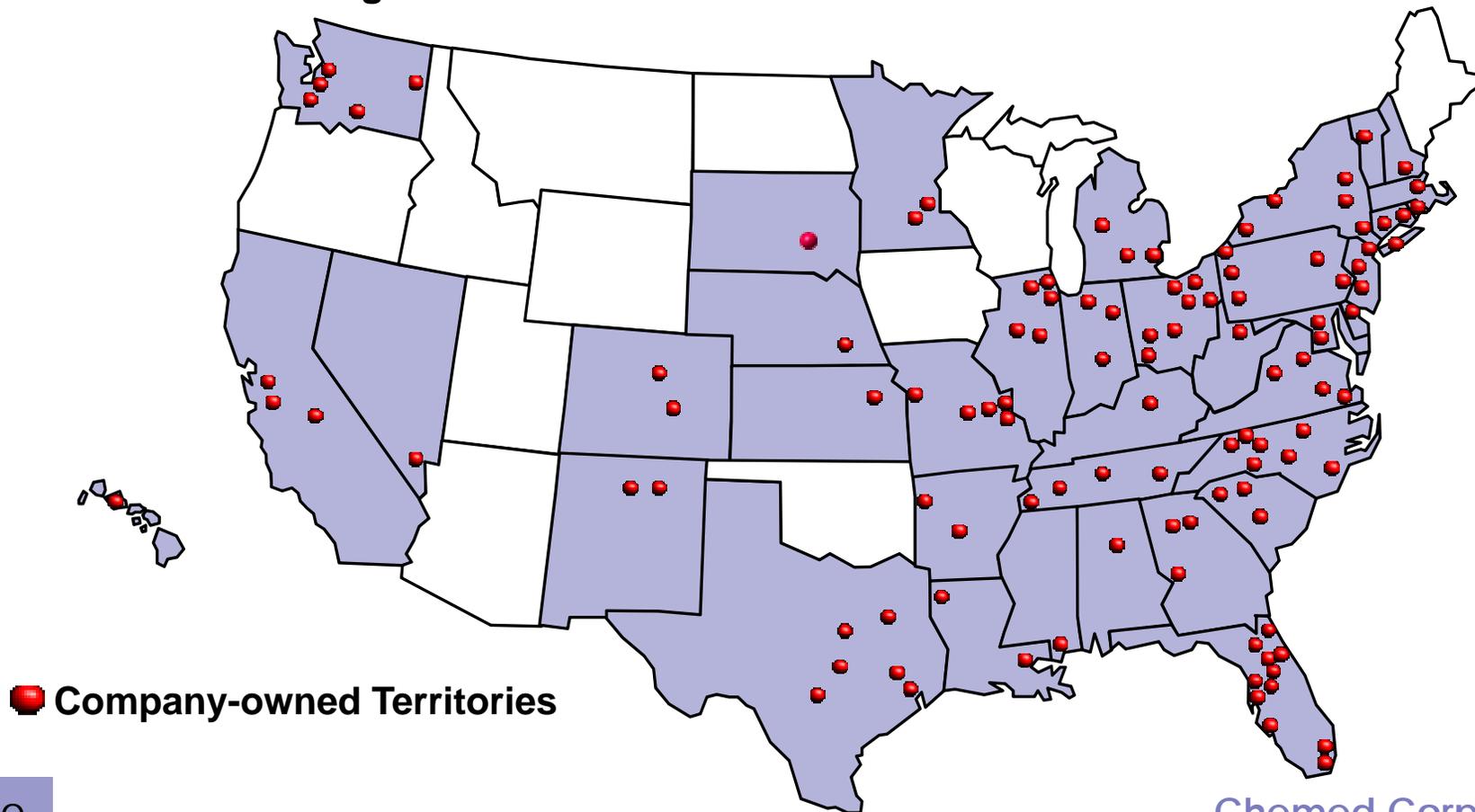
Roto-Rooter Company Overview

- ◆ Largest provider of plumbing and drain cleaning services in North America
 - ▶ Provides plumbing services to approximately 90% of the United States and 40% of the Canadian population
- ◆ Provides plumbing and drain cleaning services in more than 110 company-owned territories and over 400 franchise territories
- ◆ Maintains an estimated 15% of the drain cleaning market and 2% - 3% share of the same-day service plumbing market
- ◆ Residential customers represent approximately 60% of revenues, while commercial customers represent 30% of revenues



Chemed Growth Strategy – Roto-Rooter

- ◆ Continue to increase efficiency
- ◆ Acquire franchisee territories at reasonable valuations
 - ▶ \$175 - \$200 million in franchise street sales
 - ▶ Purchase at 4-5 times EBITDA
 - ▶ Minimal capital expenditure
- ◆ Focus on earnings and cash flow



Roto-Rooter – Summary of Operations

For The Years Ended December 31, 2004 through 2011

(in thousands, except percentages)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	2004	2005	2006	2007	2008	2009	2010	2011	Average Annual Inc./ (Dec.)
(1) Service Revenues and Sales (a)	\$ 276,611	\$ 297,337	\$ 319,495	\$ 344,632	\$ 340,496	\$ 335,893	\$ 354,735	\$ 369,698	4.2%
(2) EBITDA (b)	38,314	52,598	59,307	72,030	62,924	62,107	59,747	65,319	7.9%
(3) Adj. EBITDA (b)	42,355	49,234	55,548	69,188	59,922	59,862	58,516	64,176	6.1%
(4) Adj. EBITDA Margin (b)	15.3%	16.6%	17.4%	20.1%	17.6%	17.8%	16.5%	17.4%	n.a.
(5) Net Income (GAAP)	18,795	27,626	32,454	38,971	33,427 (c)	33,040 (c)	31,678	34,879	9.2%
(6) Adj. Net Income (b)	21,044	25,486	31,203	40,139	33,785 (c)	33,574 (c)	32,960	36,260	8.1%

(a) Continuing Operations

(b) See Appendix at the back of this presentation for reconciliation from GAAP reported results to adjusted (non-GAAP) results

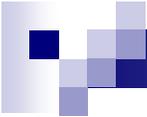
(c) Restated to include stock award amortization

Roto-Router – Results from Continuing Operations

(\$000)

	(1)	(2)	(3)	(4)	(5)	(6)
	Full Year Results			Six Months Ended June 30,		
	2010	2011	Fav/(Unfav) % Growth	2011	2012	Fav/(Unfav) % Growth
(1) Service Revenues and Sales	\$ 354,735	\$ 369,698	4.2%	\$ 185,510	\$ 181,053	(2.4%)
(2) Net Income (GAAP)	31,678	34,879	10.1%	17,602	15,569	(11.5%)
(3) Adj. EBITDA (a)	58,516	64,176	9.7%	31,379	\$ 28,470	(9.3%)
(4) Adj. EBITDA Margin (a)	16.5%	17.4%	0.9 pts.	16.9%	15.7%	(1.2) pts.
(5) Adj. EBIT (a)	50,227	55,447	10.4%	27,083	23,988	(11.4%)
(6) Adj. EBIT Margin (a)	14.2%	15.0%	0.8 pts.	14.6%	13.2%	(1.4) pts.
(7) Capital Expenditures	8,834	9,426	(6.7%)	4,863	5,210	(7.1%)

(a) Reconciliation from GAAP reported results to adjusted (non-GAAP) results is provided in the Appendix at the back of this presentation



Future of Roto-Rooter

◆ Continue to Consolidate Franchises

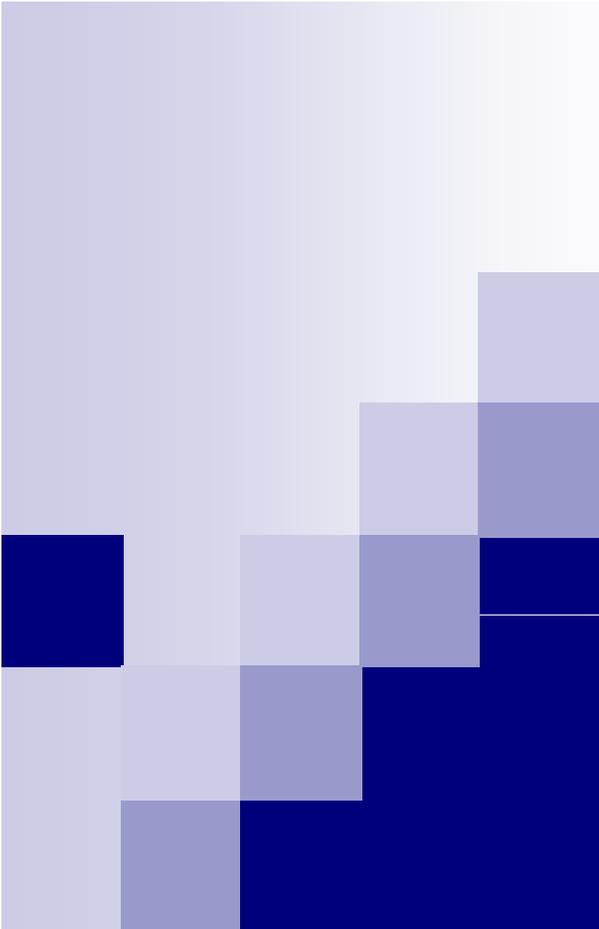
- ▶ Purchase at reasonable multiples
- ▶ Avoid over-paying for current acquisitions
 - ▶ Inflates expectations/demands of remaining franchisees

◆ Utilize Cash Flow for:

- ▶ Purchase of franchises
- ▶ Acquisition of hospices
- ▶ Debt pay-down, share buy-back, increased dividends

◆ Roto-Rooter Divestiture Considerations:

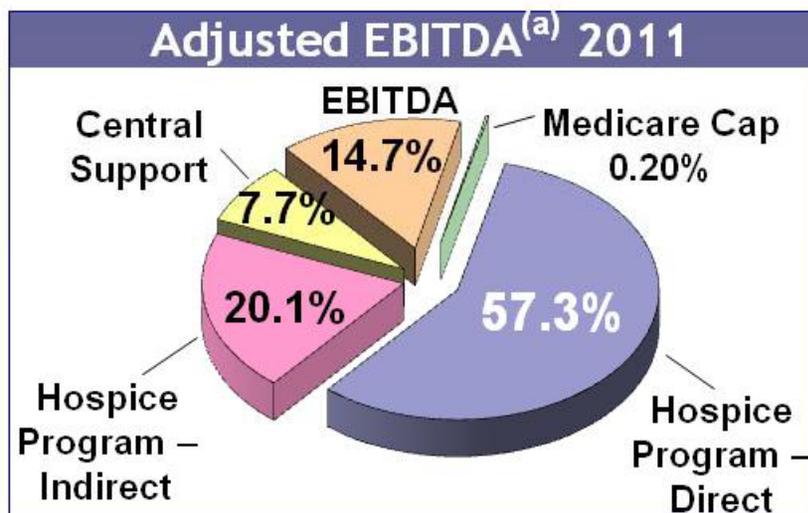
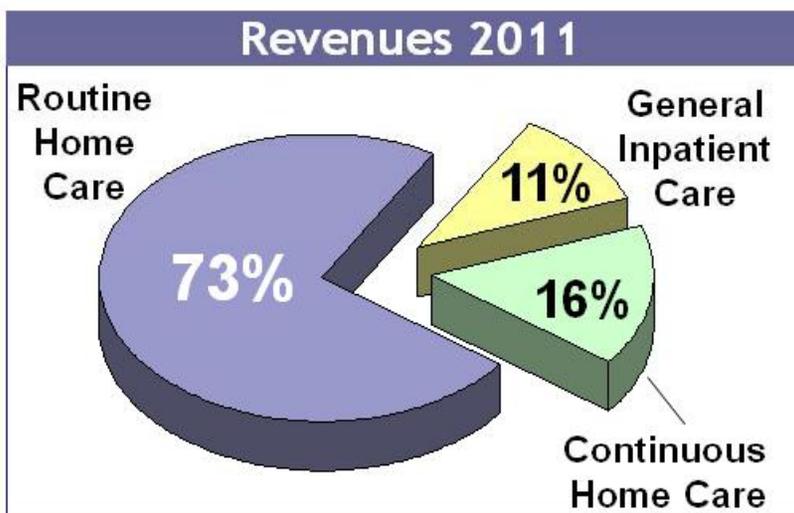
- ▶ If arbitrage of buying at low multiples is exhausted
- ▶ If after-tax proceeds can be reinvested at higher return, risk adjusted
- ▶ If Chemed's capital structure and cash flow without Roto-Rooter provide it significant flexibility to support continued growth of VITAS
- ▶ If tax-free spin-off creates stockholder value



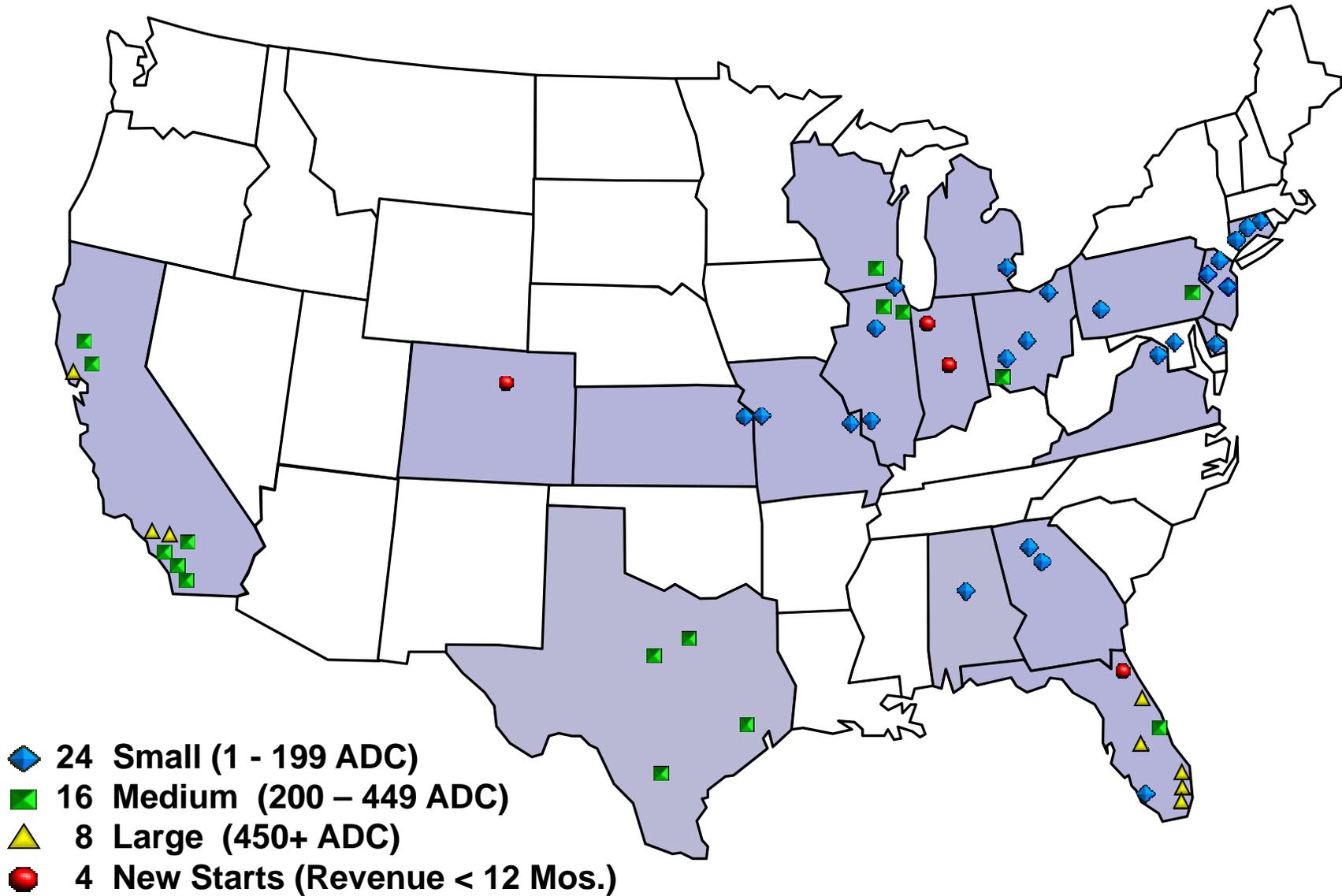
Innovative
Hospice Care®
VITAS®

VITAS Healthcare Company Overview

- ◆ Largest provider of hospice services for patients with severe, life-limiting illnesses with approximately 7% - 8% of the U.S. market share
- ◆ Operates a comprehensive range of hospice services through 52 operating programs in 18 states and the District of Columbia
- ◆ Utilizes a standardized model for patient care which is intended to maximize quality and enhance patient satisfaction
- ◆ Operating statistics:
 - ▶ Service revenues and sales: \$265 million (Q2 2012)
 - ▶ Average daily census per established program: approximately 300 ADC, largest approximately 1,500 (Q2 2012)
 - ▶ Average length of stay: 74.0 (Q2 2012)
- ◆ Approximately 11,300 employees, including approximately 4,600 nurses (Q2 2012)

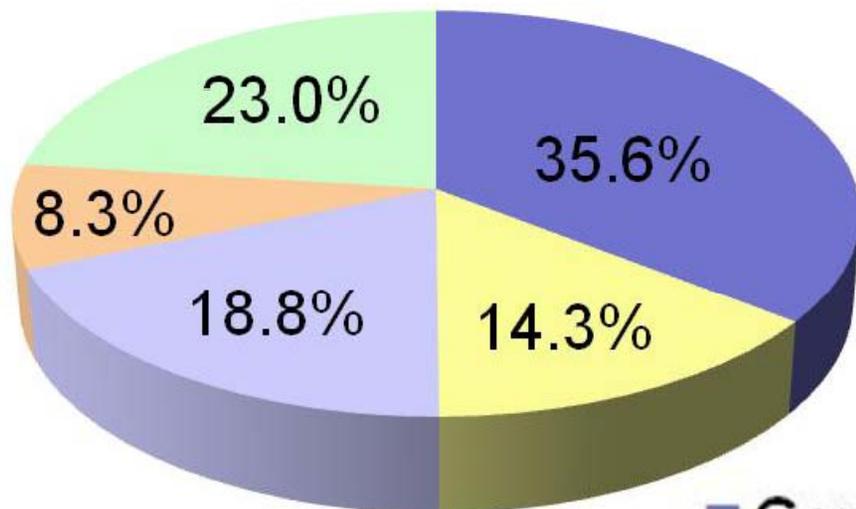


VITAS – Locations & ADC (as of June 30, 2012)

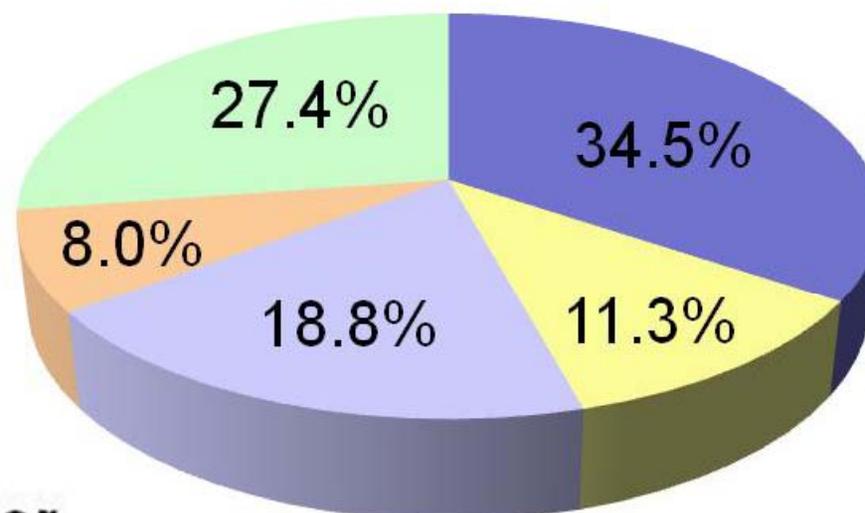


Admissions by Diagnosis – 2010*

Industry*



VITAS

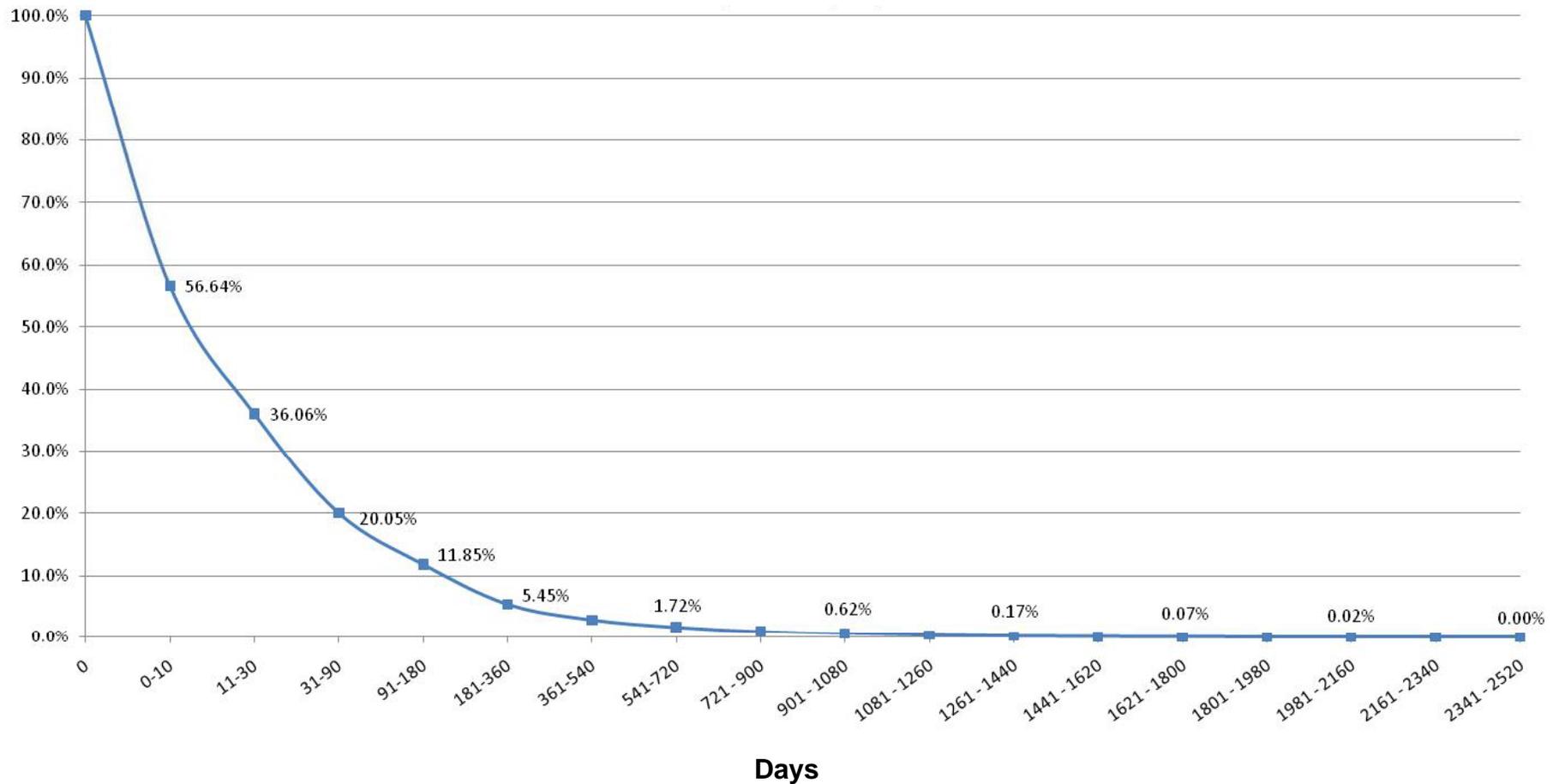


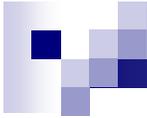
- Cancer
- Cardio
- Neurological
- Respiratory
- All other

*Most recent industry data per NHPCO

2011 Discharge Rate – Total

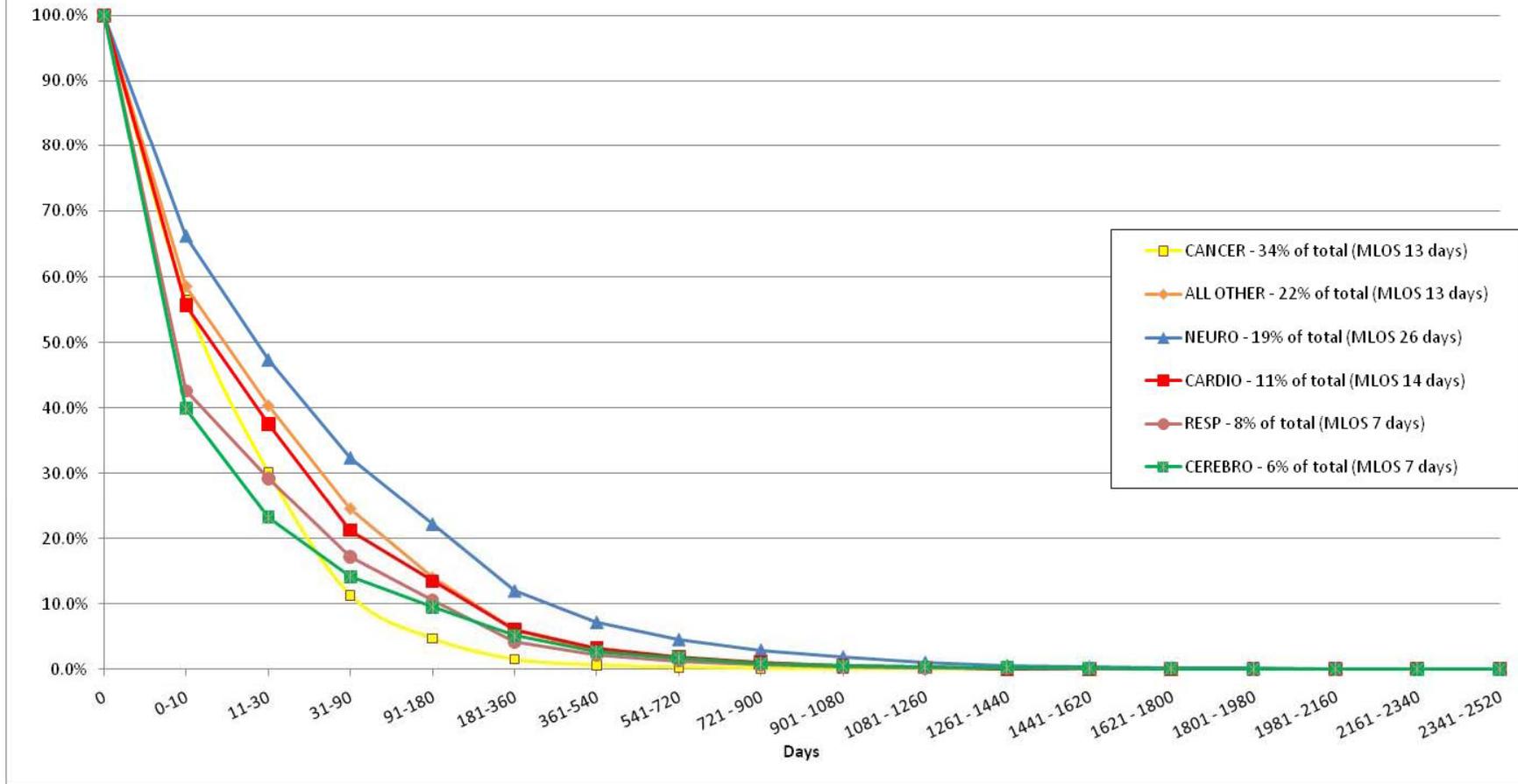
Population: 60,396 patients





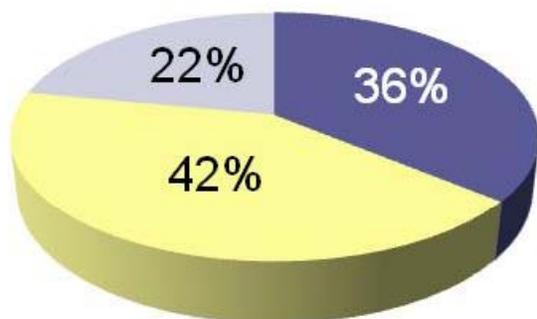
2011 Discharge Rate - Top Five Diagnosis

Population: 60,396 patients



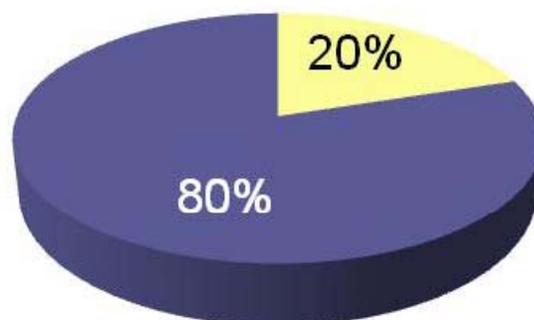
2010 Industry Market Penetration

by Death



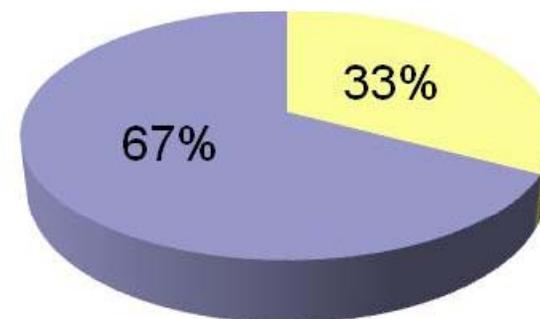
- Hospice Patients Served
- "Non-Anticipatory" Deaths
- "Anticipatory" Non-Hospice Deaths

by Maximum Potential Days of Care



- Hospice Patients Days of Care
- Un-Served Potential Days of Care

by Reasonable Potential Days of Care



- Hospice Patients Days of Care
- Un-Served Potential Days of Care

Actual Data*

ALOS 67.4
Median 19.7

Assumptions

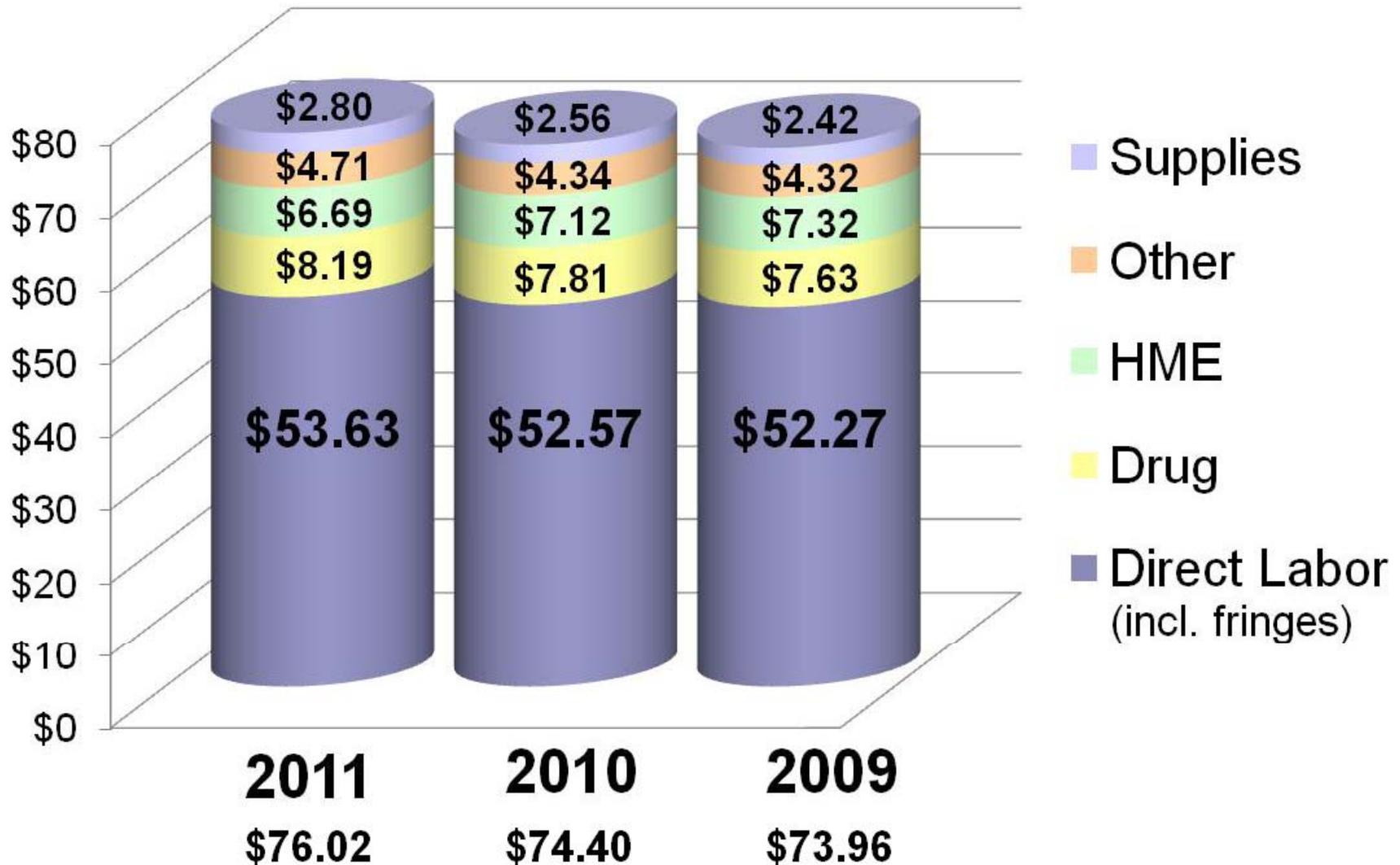
ALOS 180
Median 180

Assumptions

ALOS 110
Median 50

2010: 2,452,000 U. S. Deaths*
1,950,000 "Hospice Appropriate" Deaths*
1,029,000 Actual Deaths in Hospice*

VITAS – Homecare Direct Cost Driver



VITAS – Summary of Operations^(a)

For The Years Ended December 31, 2004 through 2011
(in thousands, except percentages)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	2004	2005	2006	2007	2008	2009	2010	2011	Average Annual Inc./Dec.)
(1) Service Revenues and Sales	\$ 531,136	\$ 618,613	\$ 699,092	\$ 755,426	\$ 808,445	\$ 854,343	\$ 925,810	\$ 986,272	9.2%
(2) EBITDA (b)	65,685	65,259	89,983	111,131	120,568	133,680	147,428	147,902	12.3%
(3) Adj. EBITDA (b)	64,553	80,455	85,880	103,953	115,278	129,685	143,656	144,944	12.2%
(4) Adj. EBITDA Margin (b)	12.2%	13.0%	12.3%	13.8%	14.3%	15.2%	15.5%	14.7%	n.a.
(5) Net Income (GAAP)	33,052	34,982	43,546	61,034	64,304 (c)	71,696 (c)	79,796	80,358	13.5%
(6) Adj. Net Income (b)	32,961	44,659	49,249	59,974	64,010 (c)	72,059 (c)	80,465	81,186	13.7%

(a) Assumes VITAS was purchased on January 1, 2004

(b) See Appendix at the back of this presentation for reconciliation from GAAP reported results to adjusted (non-GAAP) results

(c) Restated to include stock award amortization

VITAS – Operating Results ^(a)

(in thousands, except percentages)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	2003 (b)	2004 (b)	2005	2006	2007	2008	2009	2010	2011	Average Annual Inc./ (Dec.)
(1) Net Service Revenue	\$ 441,017	\$ 531,136	\$ 618,633	\$ 699,092	\$ 755,426	\$ 808,445	\$ 854,343	\$ 925,810	\$ 986,272	10.6%
(2) Cost of services provided	\$ 345,189	\$ 415,341	\$ 484,609	\$ 557,260	\$ 586,435	\$ 625,177	\$ 653,212	\$ 709,094	\$ 766,732	10.5%
(3) Gross profit	\$ 95,828	\$ 115,795	\$ 134,024	\$ 141,832	\$ 168,991	\$ 183,268	\$ 201,131	\$ 216,716	\$ 219,540	10.9%
(4) Selling and G&A expenses	\$ 53,526	\$ 51,266	\$ 54,141	\$ 56,961	\$ 65,103	\$ 67,750	\$ 71,643	\$ 73,755	\$ 75,698	4.4%
(5) Depreciation & amortization	\$ 9,285	\$ 10,149	\$ 11,504	\$ 12,669	\$ 15,430	\$ 16,984	\$ 17,973	\$ 18,900	\$ 18,480	9.0%
(6) Other operating expense	\$ -	\$ -	\$ 17,350	\$ 272	\$ -	\$ -	\$ -	\$ -	\$ -	n.a
(7) Income from operations	\$ 33,017	\$ 54,380	\$ 51,029	\$ 71,930	\$ 88,458	\$ 98,534	\$ 111,515	\$ 124,061	\$ 125,362	18.1%
(8) EBITDA	\$ 42,986	\$ 65,685	\$ 65,259	\$ 89,983	\$ 111,131	\$ 120,568	\$ 133,680	\$ 147,428	\$ 147,902	16.7%
(9) Adjusted EBITDA	\$ 42,302	\$ 64,553	\$ 80,455	\$ 85,880	\$ 103,953	\$ 115,278	\$ 129,685	\$ 143,656	\$ 144,944	16.6%
Percent of Sales										
(10) Net Service Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
(11) Cost of services provided	78.3%	78.2%	78.3%	79.7%	77.6%	77.3%	76.5%	76.6%	77.7%	
(12) Gross profit	21.7%	21.8%	21.7%	20.3%	22.4%	22.7%	23.5%	23.4%	22.3%	
(13) Selling and G&A expenses	12.1%	9.7%	8.8%	8.1%	8.6%	8.4%	8.4%	8.0%	7.7%	
(14) Depreciation & amortization	2.1%	1.9%	1.9%	1.8%	2.0%	2.1%	2.1%	2.0%	1.9%	
(15) Other operating expense	0.0%	0.0%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
(16) Income from operations	7.5%	10.2%	8.2%	10.3%	11.7%	12.2%	13.1%	13.4%	12.7%	
(17) EBITDA	9.7%	12.4%	10.5%	12.9%	14.7%	14.9%	15.6%	15.9%	15.0%	
(18) Adjusted EBITDA	9.6%	12.2%	13.0%	12.3%	13.8%	14.3%	15.2%	15.5%	14.7%	

(a) Continuing operations

(b) VITAS was acquired in February 2004. This schedule assumes VITAS was acquired January 1, 2003.

VITAS – Results from Continuing Operations

(\$000)

	(1)	(2)	(3)	(4)	(5)	(6)
	Full Year Results			Six Months Ended June 30,		
	2010	2011	Fav/(Unfav) % Growth	2011	2012	Fav/(Unfav) % Growth
(1) Service Revenues Before Medicare Cap	\$925,200	\$987,866	6.8%	\$478,126	\$523,483	9.5%
(2) Medicare Cap	610	(1,594)	(361.3%)	642	2,577	301.4%
(3) Net Service Revenues and Sales	\$925,810	\$986,272	6.5%	\$478,768	\$526,060	9.9%
(4) Net Income	\$ 79,796	\$ 80,358	0.7%	\$ 36,714	\$ 40,060	9.1%
(5) Adj. EBITDA (a)	143,656	144,944	0.9%	67,090	72,544	8.1%
(6) Adj. EBITDA Margin (a)	15.5%	14.7%	(0.8) pts.	14.0%	13.8%	(0.2) pts.
(7) Capital Expenditures	16,787	20,093	(19.7%)	10,092	13,236	(31.2%)

(a) Reconciliation from GAAP reported results to adjusted (Non-GAAP) results is provided in the Appendix at the back of this presentation

Future of VITAS

Short-term

- ◆ Continue organic growth
- ◆ Acquisitions
 - ▶ Fragmented industry
 - ▶ Dominated by “Mom & Pop” not-for-profits
 - ▶ Average operating margin in hospice is 4% - 6%*
 - ▶ 50% of hospices have negative margin*
 - ▶ Economies of scale
- ◆ Access to reasonably priced capital critical to expansion

Long-term

- ◆ Government reimbursement structure will drive VITAS' future
- ◆ Consolidation
 - ▶ Will “pure play” dominate industry? → Consolidation continues
 - ▶ Will continuum of care dominate? → Acquire other healthcare providers
 - ▶ Self referral → Divest VITAS to diverse healthcare provider
 - ▶ Control of patient

*Source - MedPac

VITAS – Operating Metrics (\$000)

Operating Metrics	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	2008			2009				2010				2011				2012	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
(1) Average Daily Census (ADC)	11,846	12,033	11,829	11,728	11,920	12,117	12,149	12,322	12,584	12,857	13,080	12,919	13,311	13,658	13,724	13,703	14,111
(2) Admissions	13,956	13,317	13,314	14,168	13,840	13,735	13,677	14,844	14,423	14,483	14,176	15,798	15,294	14,879	15,191	16,322	15,912
(3) Discharges	13,707	13,279	13,693	13,865	13,740	13,441	13,667	14,461	14,132	14,076	15,038	15,552	14,855	14,682	15,289	16,196	15,508
(4) Average Length of Stay (ALOS) (Days):	73.2	74.1	83.1	76.6	73.4	78.0	76.4	75.8	77.4	78.2	80.8	78.9	77.1	80.1	79.0	82.4	74.0
(5) Median Length of Stay (Days)	13	15	14	13	14	14	14	13	14	15	15	13	14	15	14	14	14
(6) Total Revenue Before Medicare Cap Reduction (\$000)	\$199,048	\$204,956	\$206,091	\$208,687	(d) \$210,798	\$217,110	\$219,391	\$221,191	\$226,603	\$234,081	\$243,324	\$234,663	\$243,463	\$252,560	\$257,180	\$258,270	\$265,213
(7) Medicare Cap Reduction	-	-	(\$235)	(\$270)	\$505	(\$43)	(\$1,835)	\$1,749	\$35	(\$117)	(\$1,056)	\$1,010	(\$368)	\$384	(\$2,620)	\$2,577	-
(8) Revenue After Medicare Cap Reduction (\$000)	\$199,048	\$204,956	\$205,856	\$208,417	(d) \$211,303	\$217,067	\$217,556	\$222,940	\$226,638	\$233,964	\$242,268	\$235,673	\$243,095	\$252,944	\$254,560	\$260,847	\$265,213
(9) % Routine Home Care	72.8%	73.0%	72.6%	71.1% (e)	72.1%	72.3%	72.6%	71.1%	72.1%	72.3%	72.6%	71.8%	72.7%	72.9%	73.4%	72.2%	72.9%
(10) % InPatient	12.2%	11.8%	11.4%	12.2% (e)	11.2%	11.1%	11.2%	11.9%	11.5%	11.1%	11.2%	11.7%	11.2%	11.2%	10.8%	11.3%	11.0%
(11) % Continuous Care	15.0%	15.2%	16.0%	16.7% (e)	16.7%	16.6%	16.2%	17.0%	16.4%	16.6%	16.2%	16.5%	16.1%	15.9%	15.8%	16.5%	16.1%
(12) % Medicare Cap	0.0%	0.0%	0.1%	(0.1%) (e)	0.2%	-	(0.8%)	0.8%	-	(0.1%)	(0.4%)	0.4%	(0.2%)	0.2%	(1.0%)	1.0%	0.0%
Direct Care Margins: (a)																	
(13) Routine Home Care	51.5%	52.4%	53.3%	51.5% (e)	52.1%	51.7%	52.5%	51.3%	52.5%	52.7%	54.4%	51.5%	52.4%	52.4%	53.2%	50.4%	52.4%
(14) In Patient Care	17.8%	16.6%	14.9%	17.4% (e)	16.6%	12.8%	11.6%	15.2%	12.3%	12.3%	14.4%	13.0%	13.3%	12.4%	13.1%	14.1%	12.7%
(15) Continuous Care	17.6%	18.0%	20.1%	19.1% (e)	20.2%	20.6%	20.1%	20.7%	21.2%	21.1%	22.6%	20.5%	20.2%	20.7%	19.9%	19.9%	19.7%
(16) Gross Profit (Direct and Indirect) (\$000) (b) (c)	\$43,518	\$48,271	\$51,697	\$48,786	(d) \$49,127	\$50,885	\$52,333	\$50,847	\$51,381	\$53,967	\$60,521	\$51,373	\$53,155	\$56,537	\$58,476	\$55,227	\$57,374
(17) Gross Profit Margin (b) (c)	21.9%	23.6%	25.1%	23.4% (d)	23.2%	23.4%	24.1%	22.8%	22.7%	23.1%	25.0%	21.8%	21.9%	22.4%	23.0%	21.2%	21.6%
(18) Pro Forma Selling, General & Admin Exp (c)	\$17,273	\$17,100	\$17,230	\$17,546	(d) \$17,877	\$18,227	\$17,993	\$18,145	\$18,404	\$18,370	\$18,836	\$18,711	\$19,735	\$18,945	\$18,306	\$19,748	\$20,471
(19) Pro Forma Adjusted EBITDA (\$000) (c)	\$26,277	\$31,056	\$34,340	\$31,202	(d) \$31,311	\$32,861	\$34,311	\$32,778	\$33,050	\$35,580	\$42,247	\$33,230	\$33,860	\$37,825	\$40,030	\$35,489	\$37,055
(20) Pro Forma Adjusted EBITDA Margin (c)	13.2%	15.2%	16.7%	15.0% (d)	14.8%	15.1%	15.8%	14.7%	14.6%	15.2%	17.4%	14.1%	13.9%	15.0%	15.7%	13.6%	14.0%

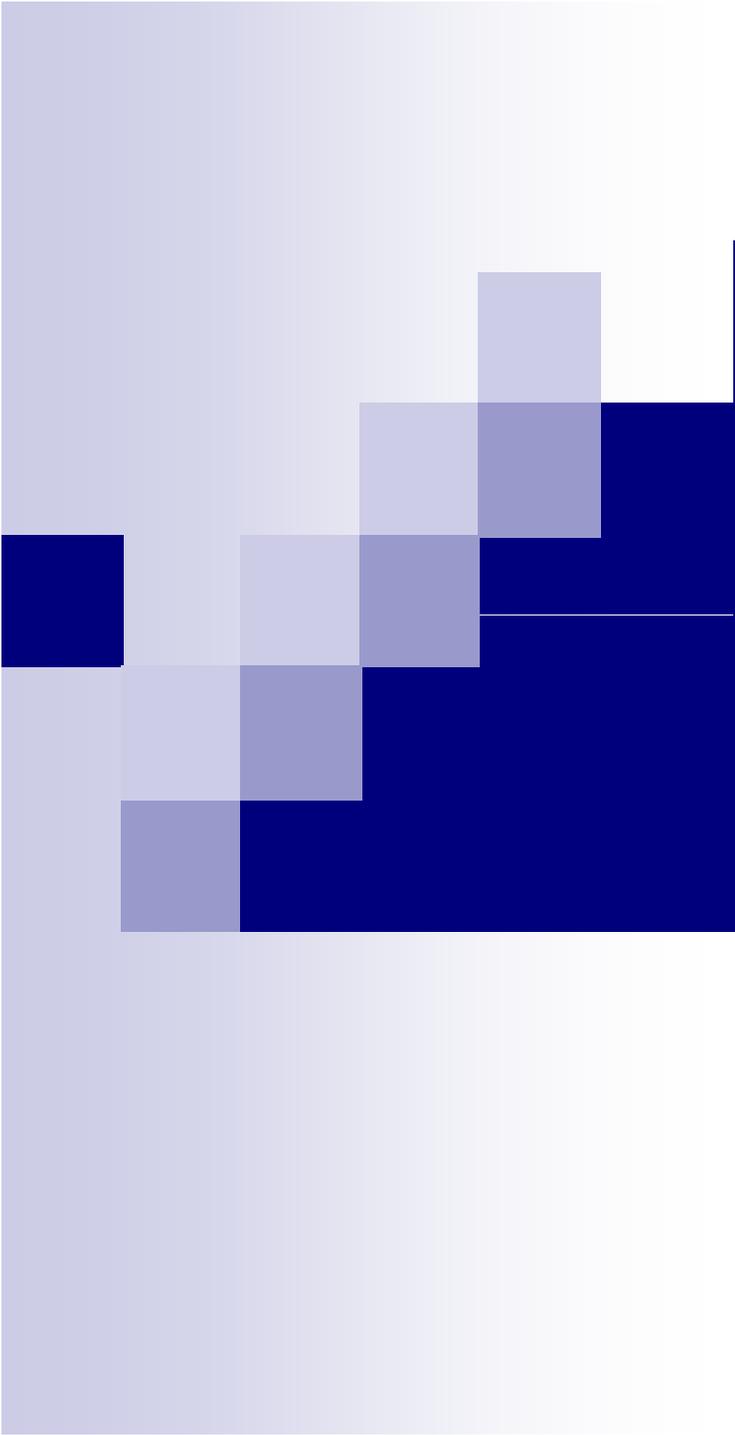
(a) Excludes any Medicare cap reduction

(b) Includes any Medicare cap reduction

(c) Excludes depreciation, amortization

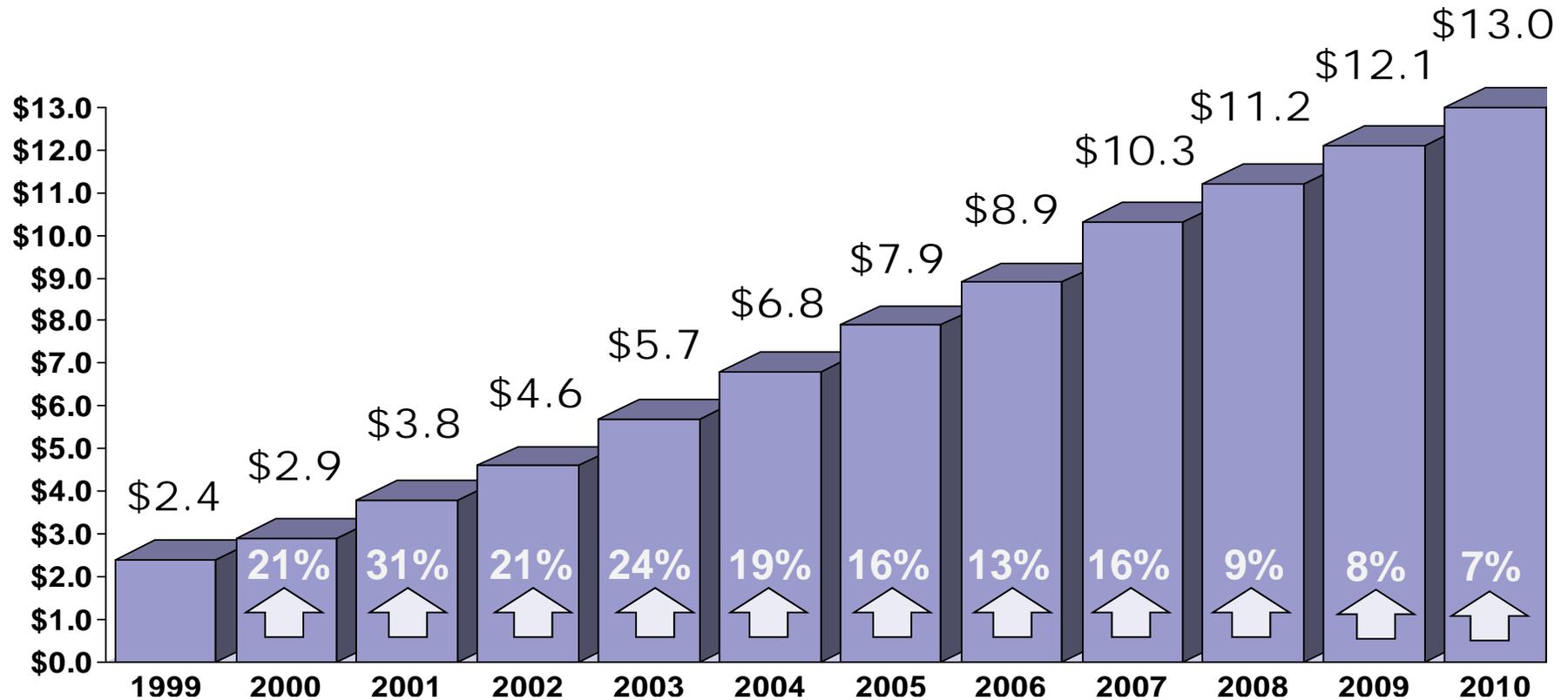
(d) Includes \$1,950 for fourth quarter BNAF adjustment

(e) Excludes \$1,950 for fourth quarter BNAF adjustment



Appendix

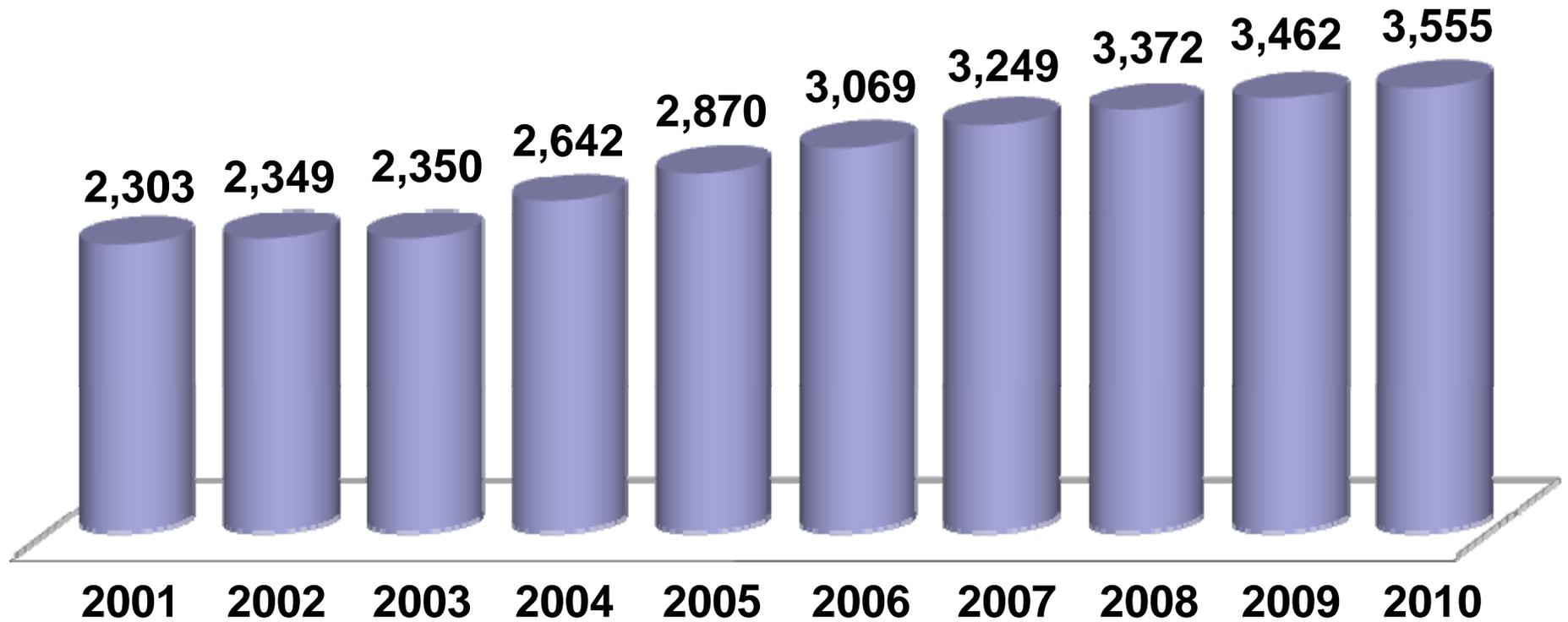
Medicare Hospice Spending (in billions)



■ **17% Compounded annual growth rate from 1999 to 2010**

Source: MedPAC Report to the Congress – March 2011 and March 2012

Growth in Hospice Programs



Source: MedPAC Report to the Congress – March 2011 and March 2012

CHEMED CORPORATION
RECONCILIATION OF ADJUSTED EBITDA and ADJUSTED NET INCOME
FOR THE YEARS ENDED DECEMBER 31, 2004 THROUGH 2011
(IN THOUSANDS)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	2004	2005	2006	2007	2008	2009	2010	2011
Reconciliation of Adjusted EBITDA								
(1) Net income/(loss)	\$ 27,512	\$ 35,817	\$ 50,651	\$ 61,641	\$ 67,281	\$ 73,784	\$ 81,831	\$ 85,979
(2) Discontinued operations	(8,417)	411	7,071	(1,201)	1,088	253	-	-
(3) Interest expense	21,158	21,264	17,468	14,921	12,123	11,599	11,959	13,888
(4) Income taxes	13,736	18,428	32,562	37,721	47,035	46,583	52,000	54,577
(5) Depreciation	14,542	16,150	16,775	20,118	21,581	21,535	24,386	25,247
(6) Amortization	3,779	4,922	5,255	5,270	5,924	6,367	4,657	4,252
(7) EBITDA	72,310	96,992	129,782	138,470	155,032	160,121	174,833	183,943
Add/(deduct)								
(8) (Gains)/losses on investments	-	-	1,445	-	-	(1,211)	-	-
(9) Gain on sale of property	-	-	-	(1,138)	-	-	-	-
(10) Impairment loss on transportation equipment	-	-	-	-	2,699	-	-	-
(11) Severance charges	-	-	-	-	-	-	-	-
(12) Interest income	(1,874)	(2,198)	(2,691)	(3,304)	(743)	(423)	(444)	(426)
(13) Dividend income from VITAS	-	-	-	-	-	-	-	-
(14) Equity in earnings of VITAS	4,105	-	-	-	-	-	-	-
(15) Advertising cost adjustment	528	691	323	601	225	(540)	(679)	(1,240)
(16) Long-term incentive compensation	8,783	5,477	-	7,067	-	5,007	4,734	3,012
(17) Loss/(gain) on extinguishment of debt	3,330	3,971	430	13,798	(3,406)	-	-	-
(18) Legal expenses of OIG investigation	-	637	1,068	227	47	586	1,012	1,188
(19) Stock option expense	-	215	1,211	4,665	7,303	8,639	7,762	8,376
(20) Lawsuit settlement	3,135	17,350	272	1,927	-	882	1,853	2,299
(21) Debt registration expenses	1,191	-	-	-	-	-	-	-
(22) VITAS transactions costs	442	(959)	-	-	-	-	-	-
(23) Prior-period insurance adjustments	-	(1,663)	-	-	597	-	-	-
(24) Expenses associated with contested proxy solicitation	-	-	-	-	-	3,989	-	-
(25) Acquisition Expenses	-	-	-	-	-	-	324	121
(26) Other	-	-	(467)	(467)	-	-	-	-
(27) Adjusted EBITDA	\$ 91,950	\$ 120,513	\$ 131,373	\$ 161,846	\$ 161,754	\$ 177,050	\$ 189,395	\$ 197,273
Reconciliation of Adjusted Net Income								
(28) Net income/(loss)	\$ 27,512	\$ 35,817	\$ 50,651	\$ 61,641	\$ 67,281	\$ 73,784	\$ 81,831	\$ 85,979
Add/(deduct):								
(29) Discontinued operations	(8,417)	411	7,071	(1,201)	1,088	253	-	-
(30) (Gains)/losses on investments	-	-	918	-	-	-	-	-
(31) Gain on sale of property	-	-	-	(724)	-	-	-	-
(32) Impairment loss on transportation equipment	-	-	-	-	1,714	-	-	-
(33) Severance charges	-	-	-	-	-	-	-	-
(34) Dividend income from VITAS	-	-	-	-	-	-	-	-
(35) Equity in earnings of VITAS	4,105	-	-	-	-	-	-	-
(36) Long-term incentive compensation	5,437	3,434	-	4,427	-	3,134	2,957	1,880
(37) Loss/(gain) on extinguishment of debt	2,030	2,523	273	8,778	(2,156)	-	-	-
(38) Legal expenses of OIG investigation	-	397	662	141	28	363	627	737
(39) Stock option expense	-	137	769	2,962	4,619	5,464	4,909	5,298
(40) Lawsuit settlement	1,897	10,757	169	1,168	-	534	1,126	1,397
(41) Prior period tax adjustments	(1,620)	(1,961)	(2,115)	-	(322)	-	-	-
(42) Debt registration expenses	727	-	-	-	-	-	-	-
(43) VITAS transactions costs	222	(959)	-	-	-	-	-	-
(44) Prior-period insurance adjustments	-	(1,014)	-	-	358	-	-	-
(45) Non-cash interest on convertible debt	-	-	-	2,335	3,228	3,988	4,313	4,664
(46) Income tax impact of non-taxable investments	-	-	-	46	3,062	(756)	-	-
(47) Expenses associated with contested proxy solicitation	-	-	-	-	-	2,525	-	-
(48) Acquisition Expenses	-	-	-	-	-	-	198	75
(49) Other	-	-	(296)	(296)	-	-	-	-
(50) Adjusted net income	\$ 31,893	\$ 49,542	\$ 58,102	\$ 79,277	\$ 78,900	\$ 89,289	\$ 95,961	\$ 100,030

ROTO-ROOTER GROUP
RECONCILIATION OF ADJUSTED EBITDA and ADJUSTED NET INCOME
FOR THE YEARS ENDED DECEMBER 31, 2004 THROUGH 2011
(IN THOUSANDS)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	2004	2005	2006	2007	2008	2009	2010	2011
Reconciliation of Adjusted EBITDA								
(1) Net income	\$ 18,795	\$ 27,626	\$ 32,454	\$ 38,971	\$ 33,427	(a) \$ 33,040	(a) \$ 31,678	\$ 34,879
(2) Interest expense	206	563	368	495	246	186	233	358
(3) Income taxes	10,611	16,048	18,748	24,145	20,644	(a) 20,372	(a) 19,547	21,353
(4) Depreciation	8,583	8,271	7,665	8,365	8,294	8,068	7,775	8,130
(5) Amortization	119	90	72	54	313	(a) 441	(a) 514	599
(6) EBITDA	38,314	52,598	59,307	72,030	62,924	62,107	59,747	65,319
Add/(deduct)								
(7) Advertising cost adjustment	528	691	323	601	225	(540)	(679)	(1,240)
(8) Long-term incentive compensation	1,558	-	-	-	-	-	-	-
(9) Lawsuit settlement	3,135	-	-	1,927	-	882	1,853	2,299
(10) Prior-period insurance adjustments	-	(1,663)	-	-	597	-	-	-
(11) Interest income	(139)	(156)	(85)	(377)	(116)	(73)	(49)	(40)
(12) Intercompany interest income	(1,041)	(2,236)	(3,997)	(4,993)	(3,708)	(2,514)	(2,612)	(2,136)
(13) Acquisition expenses	-	-	-	-	-	-	256	(26)
(14) Adjusted EBITDA	<u>\$42,355</u>	<u>\$49,234</u>	<u>\$55,548</u>	<u>\$69,188</u>	<u>\$59,922</u>	<u>\$59,862</u>	<u>\$58,516</u>	<u>\$64,176</u>
Reconciliation of Adjusted Net Income								
(15) Net income	\$ 18,795	\$ 27,626	\$ 32,454	\$ 38,971	\$ 33,427	(a) \$ 33,040	(a) \$ 31,678	\$ 34,879
Add/(deduct):								
(16) Long-term incentive compensation	982	-	-	-	-	-	-	-
(17) Lawsuit settlement	1,897	-	-	1,168	-	534	1,126	1,397
(18) Prior-period insurance adjustments	-	(1,014)	-	-	358	-	-	-
(19) Prior-period tax adjustments	(630)	(1,126)	(1,251)	-	-	-	-	-
(20) Acquisition expenses	-	-	-	-	-	-	156	(16)
(21) Adjusted net income	<u>\$21,044</u>	<u>\$25,486</u>	<u>\$31,203</u>	<u>\$40,139</u>	<u>\$33,785</u>	(a) <u>\$33,574</u>	(a) <u>\$32,960</u>	<u>\$36,260</u>

(a) Restated to include stock award amortization

VITAS HEALTHCARE GROUP
RECONCILIATION OF ADJUSTED EBITDA and ADJUSTED NET INCOME
FOR THE YEARS ENDED DECEMBER 31, 2004 THROUGH 2011 (a)
(IN THOUSANDS)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	2004	2005	2006	2007	2008	2009	2010	2011
Reconciliation of Adjusted EBITDA								
(1) Net income	\$ 33,052	\$ 34,982	\$ 43,546	\$ 61,034	\$ 64,304	(b) \$ 71,696	(b) \$ 79,796	\$ 80,358
(2) Discontinued operations	(91)	(1,477)	4,872	(1,201)	-	-	-	-
(3) Interest expense	128	153	191	146	155	374	131	229
(4) Income taxes	22,447	20,097	28,705	35,722	38,458	(b) 43,637	(b) 48,601	48,835
(5) Depreciation	6,192	7,557	8,753	11,446	13,000	13,269	16,161	16,583
(6) Amortization	3,957	3,947	3,916	3,984	4,651	(b) 4,704	(b) 2,739	1,897
(7) EBITDA	65,685	65,259	89,983	111,131	120,568	133,680	147,428	147,902
Add/(deduct)								
(8) Legal expenses of OIG investigation	-	637	1,068	227	46	586	1,012	1,188
(9) Lawsuit settlement	-	17,350	272	-	-	-	-	-
(10) Interest income	(373)	(237)	(114)	(151)	(137)	(267)	(220)	(295)
(11) Intercompany interest income	(759)	(2,554)	(5,329)	(7,254)	(5,199)	(4,314)	(4,632)	(3,998)
(12) Acquisition expenses	-	-	-	-	-	-	68	147
(13) Adjusted EBITDA	<u>\$ 64,553</u>	<u>\$ 80,455</u>	<u>\$ 85,880</u>	<u>\$ 103,953</u>	<u>\$ 115,278</u>	<u>\$ 129,685</u>	<u>\$ 143,656</u>	<u>\$ 144,944</u>
Reconciliation of Adjusted Net Income								
(14) Net income	\$ 33,052	\$ 34,982	\$ 43,546	\$ 61,034	\$ 64,304	(b) \$ 71,696	(b) \$ 79,796	\$ 80,358
(15) Add/(deduct):								
(16) Discontinued operations	(91)	(1,477)	4,872	(1,201)	-	-	-	-
(17) Legal expenses of OIG investigation	-	397	662	141	28	363	627	737
(18) Lawsuit settlement	-	10,757	169	-	-	-	-	-
(19) Prior-period tax adjustments	-	-	-	-	(322)	-	-	-
(20) Acquisition expenses	-	-	-	-	-	-	42	91
(21) Adjusted net income	<u>\$ 32,961</u>	<u>\$ 44,659</u>	<u>\$ 49,249</u>	<u>\$ 59,974</u>	<u>\$ 64,010</u>	(b) <u>\$ 72,059</u>	(b) <u>\$ 80,465</u>	<u>\$ 81,186</u>

(a) Assumes VITAS was purchased on January 1, 2004

(b) Restated to include stock award amortization

CHEMED CORPORATION
RECONCILIATION OF ADJUSTED EBITDA AND ADJUSTED NET INCOME
FOR THE FIRST SIX MONTHS OF 2012 AND 2011

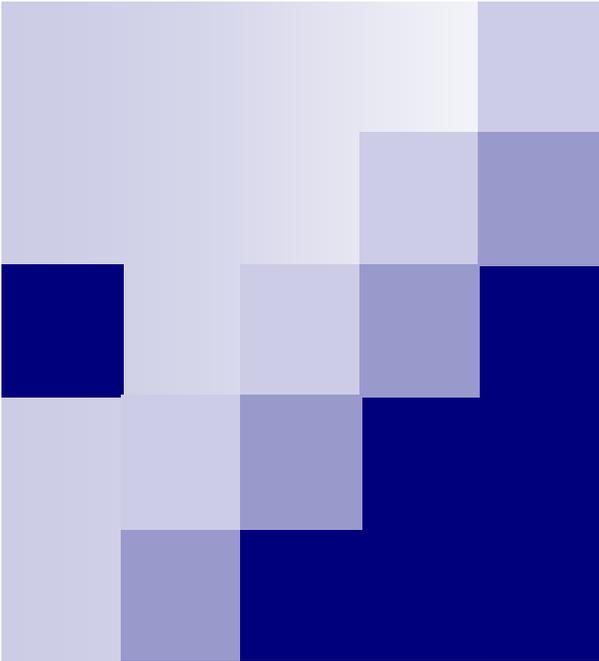
	(1) <u>2012</u>	(2) <u>2011</u>
Reconciliation of Adjusted EBITDA		
(1) Net income	\$ 41,719	\$ 38,387
(2) Interest expense	7,289	6,705
(3) Income taxes	26,619	24,114
(4) Depreciation	12,621	12,646
(5) Amortization	2,240	2,109
(6) EBITDA	<u>90,488</u>	<u>83,961</u>
Add/(deduct)		
(7) Interest income	(110)	(123)
(8) Advertising cost adjustment	(1,402)	(857)
(9) Long-term incentive compensation	-	3,012
(10) Legal expenses of OIG investigation	266	997
(11) Stock option expense	4,312	4,495
(12) Lawsuit settlement	924	681
(13) Acquisition expenses	35	109
(14) Adjusted EBITDA	<u>\$ 94,513</u>	<u>\$ 92,275</u>
Reconciliation of Adjusted Net Income		
(15) Net income	\$ 41,719	\$ 38,387
Add/(deduct):		
(16) Long-term incentive compensation	-	1,880
(17) Legal expenses of OIG investigation	165	618
(18) Stock option expense	2,727	2,843
(18) Lawsuit settlement	566	414
(19) Non-cash interest on convertible debt	2,472	2,287
(20) Acquisition expenses	21	67
(21) Adjusted net income	<u>\$ 47,670</u>	<u>\$ 46,496</u>

ROTO-ROOTER GROUP
RECONCILIATION OF ADJUSTED EBIT AND ADJUSTED EBITDA
FOR THE FIRST SIX MONTHS OF 2012 AND 2011

	(1)	(2)
	2012	2011
Reconciliation of Adjusted EBIT and EBITDA	<hr/>	<hr/>
(1) Net income	\$ 15,569	\$ 17,602
(2) Interest expense	214	142
(3) Income taxes	9,680	10,828
(4) EBIT	<hr/> 25,463	<hr/> 28,572
Add/(deduct)		
(5) Advertising cost adjustment	(1,402)	(857)
(6) Lawsuit settlement	727	681
(7) Interest income	(10)	(16)
(7) Intercompany interest income	(825)	(1,291)
(8) Acquisition expenses	35	(6)
(9) Adjusted EBIT	<hr/> 23,988	<hr/> 27,083
(10) Depreciation	4,171	4,009
(11) Amortization	311	287
(12) Adjusted EBITDA	<hr/> <hr/> \$ 28,470	<hr/> <hr/> \$ 31,379

VITAS HEALTHCARE GROUP
RECONCILIATION OF ADJUSTED EBITDA
FOR THE FIRST SIX MONTHS OF 2012 AND 2011

Reconciliation of Adjusted EBITDA		(1) 2012	(2) 2011
(1)	Net income	\$ 40,060	\$ 36,714
(2)	Interest expense	126	110
(3)	Income taxes	24,564	22,257
(4)	Depreciation	8,188	8,366
(5)	Amortization	978	1,003
(6)	EBITDA	<u>73,916</u>	<u>68,450</u>
	Add/(deduct)		
(7)	Legal expenses of OIG investigation	266	997
(8)	Interest income	(72)	(44)
(9)	Intercompany interest income	(1,566)	(2,428)
(10)	Acquisition expenses	-	115
(11)	Adjusted EBITDA	<u><u>\$ 72,544</u></u>	<u><u>\$ 67,090</u></u>



CHEMED

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