UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (date of earliest event reported):
July 25, 2006

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

Delaware	1-8351	31-0791746
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

2600 Chemed Center, 255 East 5th Street, Cincinnati, OH	45202
(Address of principal executive offices)	(Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

[_] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[_] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 230.425)

[_] Pre-commencement communications pursuant to Rule 14d-2(b) under Exchange Act (17 CFR 230.425)

[_] Pre-commencement communications pursuant to Rule 13e-4 (c) under Exchange Act (17 CFR 230.425)

Item 2.02 Results of Operations and Financial Condition

On July 25, 2006 Chemed Corporation issued a press release announcing its financial results for the quarter ended June 30, 2006. A copy of the release is furnished herewith as Exhibit 99.

Item 9.01 Financial Statements and Exhibits

c) Exhibit
(99) Registrant's press release dated July 25, 2006

SIGNATURES

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

CHEMED CORPORATION

Dated: July 26, 2006

By: /s/ Arthur V. Tucker, Jr.

Arthur V. Tucker, Jr.
Vice President and Controller

Exhibit 99

Chemed Reports Second-Quarter 2006 Results;
Diluted EPS from Continuing Operations of $.48, up 14%

CINCINNATI--(BUSINESS WIRE)--July 25, 2006--Chemed Corporation (Chemed) (NYSE:CHE), which operates VITAS Healthcare Corporation (VITAS), the nation's largest provider of end-of-life care, and Roto-Rooter, the nation's largest commercial and residential plumbing and drain cleaning services provider, today reported financial results for its second quarter ended June 30, 2006, versus the comparable prior-year period, as follows:

Consolidated operating results from Continuing Operations:

-- Revenue increased 10% to $250 million

-- Diluted EPS from Continuing Operations of $.48

-- Adjusted diluted EPS from Continuing Operations, excluding certain items, of $.49

VITAS segment operating results:

-- Net Patient Revenue of $172 million, up 12%, including $2.3 million of Medicare Cap accrual

-- Average Daily Census (ADC) of 10,904, up 10%

-- Admissions of 13,069, an increase of 3.3%

-- Average Length of Stay in the quarter was 68.0 days

-- Net income of $11.4 million, up 7.5%

-- Adjusted EBITDA of $20.4 million, an increase of 3.4%

-- Adjusted EBITDA margin of 11.8%

Roto-Rooter segment operating results:

-- Revenue of $78 million, an increase of 7%

-- Job count of 198,708, up 0.6%

-- Net Income of $7.0 million, up 19.2%

-- Adjusted EBITDA of $12.7 million, an increase of 13%

-- Adjusted EBITDA margin of 16.4%

In the second quarter of 2006, VITAS recorded a Medicare contractual billing adjustment (Medicare Cap). This accrual reduced revenues by $2.3 million and negatively impacted diluted EPS in the quarter by $0.05 per share.

Medicare Cap affected two hospice programs in the second quarter of 2006. The Phoenix program, acquired in December 2004, recorded an estimated Medicare Cap billing limitation of $1.7 million. A second program, with an average daily census of approximately 250, recorded $600,000 of Medicare Cap.

The Phoenix program is estimated to have a calendar year 2006 aggregate Medicare Cap liability ranging from $2.5 million to $4.0 million. The majority of VITAS' Phoenix patients are referred from assisted living facilities (ALF), which typically have longer lengths of stay. VITAS has been unable to generate a sustainable level of high acuity patients from other referral sources adequate to offset the ALF lengths of stay. The Company anticipates Phoenix will continue to have a Medicare Cap liability in 2007 ranging from $1.5 million to $3.0 million. This will make the Phoenix program breakeven to a modest loss in 2007.

The other program with a second-quarter 2006 Medicare Cap accrual of $600,000 is not anticipated to require additional cap accrual in the second half of 2006. This forecast is based upon improving metrics from management's efforts to rebalance patient mix in the second half of the year. Including the Medicare Cap, this program is forecasted to generate $3.0 million in operating profit in 2006.

A third hospice program is forecasted to reach a Medicare billing limitation in the third quarter of 2006. This third program, with an ADC of slightly less than 300, is estimated to have a Medicare billing limitation ranging from $1.0 million to $1.5 million for the full-year 2006, with the majority of this liability being incurred in the third quarter. Assuming the Medicare Cap accrual is at the high end of the range, this program is estimated to generate $2.5 million in operating profit in 2006.

Historically, VITAS' operating model has been able to avoid any Medicare billing limitations. This had been achieved by admitting a significant number of high acuity patients, those patients in the later stage of their terminal illness. High acuity intakes are reflected in VITAS' overall median length of stay (MLOS), which is typically 13 days or less. MLOS means that half of all patients admitted to VITAS are discharged in 13 days or less of entering the program. This compares to the National Hospice and Palliative Care Organization's (NHPCO) industry MLOS estimate of 22 days.

Typically, VITAS hospice programs with the lowest MLOS also have the highest percentage of cap cushion. VITAS defines cap cushion as the difference between the maximum Medicare billing potential based upon total admissions and the actual billings in a program.

At the end of the second quarter of 2006, VITAS had 5 programs with an ADC greater than 450 and representing 42% of total ADC. All of these programs had an MLOS of 13 days or less.

VITAS has 17 programs with ADC from 200 to 450. These programs represent 49% of total ADC. Three of these programs are forecasted to have Medicare Cap limitations in 2006 and were discussed earlier. Of the remaining 14 programs, 8 have an MLOS of 13 days or less and 5 programs have an MLOS between 13 and 18 days. One program has an MLOS of 26 days, an average length of stay of 75 days and an estimated full-year cap cushion of over 50% and is in the process of expanding its inpatient capacity.

VITAS has 20 programs with an average daily census of less than 200 patients. Nine of these programs are start-ups and make up 1% of average daily census. The remaining 11 programs represent 8% of total average daily census and have median lengths of stay ranging from 7 to 20 days.

In most of VITAS' base programs, the MLOS, average daily census, admissions and discharges are relatively stable and predictable quarter to quarter. However, programs experiencing exceptionally strong growth rates are inherently more volatile and will have significant fluctuations in these metrics. This volatility increases the potential for a sudden shift in metrics in any given quarter. A severe decline in admissions and/or discharges could result in the program having a less optimal patient mix and potentially have Medicare billing limitations. To the extent the program has a predictable level of high acuity patient admissions, the program's patient mix can be rebalanced and continue to contractually bill Medicare for 100% of services provided. From a business model perspective, hospice programs that are slightly above or below the Medicare Cap are essentially maximizing revenue, profitability and operating margin for that program.

Given the industry trend to longer lengths of stay, it is highly probable that VITAS' hospice programs will continue to expand Medicare billings on a per patient basis. As this trend of revenue growth continues, certain hospice programs have greater potential of being in a Medicare contractual billing limitation situation. The Company believes its relatively low MLOS in its hospice programs provides a competitive advantage to minimize the financial impact of Medicare Cap as well as limit the duration of time the program remains in a Medicare Cap situation.

VITAS

VITAS generated net revenue growth of 12.0% over the prior-year period. Net income for the quarter was $11.4 million, an increase of 8% over the prior-year period. ADC increased 10% to 10,904 and admissions increased 3.3% to 13,069. Routine home care direct gross margins, before the reduction in revenue from contractual billing limitations, were 49.6%, up 20 basis points over the prior year and increased 210 basis points sequentially. Continuous care direct gross margins were 20.3%, an increase of 80 basis points when compared to the prior year and 200 basis points sequentially. Inpatient direct care margins were 21.0% in the quarter, which is 200 basis points below the prior-year period and 210 basis points below the first quarter of 2006. June 2006 occupancy was abnormally low, resulting in occupancy in the full quarter of 79.5%. VITAS targets occupancy rates to be at 80% or higher.

Central support costs for VITAS, which are classified as selling, general and administrative expenses in the Consolidating Statement of Income, totaled $13.7 million, including $0.3 million in OIG investigation legal expenses. Excluding the OIG expense, central support costs increased 1.4% when compared to the prior-year quarter and increased 2.1% sequentially. Adjusted EBITDA was $20.4 million in the quarter, an increase of 3.4% over the prior year.

VITAS' Average Length of Stay (ALOS) for patients discharged in the quarter was 68.0 days and our median length of stay was 13 days. This compares to an ALOS of 72.4 days in the first quarter of 2006 and 66.8 days in the second quarter of 2005.

Roto-Rooter Segment

Roto-Rooter's plumbing and drain cleaning business generated sales of $78 million for the second quarter of 2006, 6.9% higher than the $73 million reported in the comparable prior-year quarter. Net income for the quarter was $7.0 million, an increase of 19% over the prior year. Adjusted EBITDA in the second quarter of 2006 totaled $12.7 million, an increase of 12.5% over the second quarter of 2005 and an adjusted EBITDA margin of 16.4%, an increase of 80 basis points over the prior-year period.

Job count in the second quarter of 2006 increased 0.6% over the prior-year period. Commercial plumbing job count increased 4.2% and commercial drain cleaning increased 1.6% over the prior-year quarter. Residential plumbing jobs decreased 1.3% and residential drain cleaning jobs expanded 0.1% when compared to the second quarter of 2005. Overall, commercial jobs increased 2.4% and residential jobs declined 0.3%. This is a favorable shift in job mix since a commercial job will typically average significantly more revenue than a residential job. Accordingly, this continued shift of job mix has a positive impact on aggregate revenue.

Guidance for 2006

VITAS is estimated to generate full-year revenue growth of 13.0% to 15.5%, increased admissions of 5.0% to 6.0% and adjusted EBITDA margins of 12.5% to 13.0%. This guidance assumes a Medicare price increase that will blend to 3.5% in the fourth quarter of 2006 and includes an estimated full-year Medicare contractual billing limitation between $4.0 million and $6.1 million.

Roto-Rooter is estimated to generate a 6.0% to 7.0% increase in revenue in 2006, job count growth between 0.5% and 1.0% and adjusted EBITDA margins averaging between 16.5% and 17.0%.

Based upon these factors, an effective tax rate of 39% and average diluted share count of 26.7 million in the second half of 2006, our expectation is that full-year 2006 earnings per diluted share from continuing operations, excluding any charges or credits not indicative of ongoing operations and excluding $.03 expense for stock options required under SFAS 123R, will be in the range of $2.13 to $2.25.

Conference Call

Chemed will host a conference call and webcast at 11 a.m., ET, on Wednesday, July 26, 2006, to discuss the Company's quarterly results and provide an update on its business. The dial-in number for the conference call is (866) 543-6411 for U.S. and Canadian participants and (617) 213-8900 for international participants. The participant pass code is 58893678. A live webcast of the call can be accessed on Chemed's website at www.chemed.com by clicking on Investor Relations Home.

A taped replay of the conference call will be available beginning approximately two hours after the call's conclusion. It can be accessed by dialing (888) 286-8010 for U.S. and Canadian callers and (617) 801-6888 for international callers and will be available for one week following the live call. The replay pass code is 78981828. An archived webcast will also be available at www.chemed.com and will remain available for 14 days following the live call.

Chemed Corporation operates in the healthcare field through its VITAS Healthcare Corporation subsidiary. VITAS provides daily hospice services to over 11,000 patients with severe, life-limiting illnesses. This type of care is focused on making the terminally ill patient's final days as comfortable and pain-free as possible.

Chemed operates in the residential and commercial plumbing and drain cleaning industry under the brand name Roto-Rooter. Roto-Rooter provides plumbing and drain service through company-owned branches, independent contractors and franchisees in the United States and Canada. Roto-Rooter also has licensed master franchisees in Indonesia, Singapore, Japan, Mexico and the Philippines.

This press release contains information about Chemed's EBITDA and Adjusted EBITDA, which are not measures derived in accordance with generally accepted accounting principles and which exclude components that are important to understanding Chemed's financial performance. Chemed provides EBITDA and Adjusted EBITDA to help investors and others evaluate its 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 EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for comparable measures calculated and presented in accordance with GAAP. A reconciliation of Chemed's net income to its Adjusted EBITDA is presented in the tables following the text of this press release.

Forward-Looking Statements

Certain statements contained in this press release 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.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005 (cc)	2006	2005 (cc)
Continuing Operations				
Service revenues and sales	$249,783	$226,309	$496,021	$444,946
Cost of services provided and goods sold (aa)	180,925	161,120	358,822	314,072
Selling, general and administrative expenses (aa)	38,644	37,968	77,119	75,887
Depreciation	4,117	3,928	8,265	7,848
Amortization	1,417	1,231	2,813	2,423
Total costs and expenses	225,103	204,247	447,019	400,230
Income from operations	24,680	22,062	49,002	44,716
Interest expense	(4,300)	(5,039)	(9,645)	(10,874)
Loss on extinguishment of debt	-	-	(430)	(3,971)
Other income--net	524	600	2,019	1,327
Income before income taxes	20,904	17,623	40,946	31,198
Income taxes	(8,062)	(6,512)	(15,889)	(12,182)
Income from continuing operations	12,842	11,111	25,057	19,016
Discontinued Operations (bb)	-	(2,226)	-	(2,015)
Net Income	$ 12,842	$ 8,885	$ 25,057	$ 17,001
Earnings Per Share (aa)				
Income from continuing operations	$ 0.49	$ 0.44	$ 0.96	$ 0.75
Net income	$ 0.49	$ 0.35	$ 0.96	$ 0.67

Average number of shares outstanding	26,201	25,489	26,123	25,319
Diluted Earnings Per Share (aa)				
Income from continuing operations	$ 0.48	$ 0.42	$ 0.93	$ 0.73
Net income	$ 0.48	$ 0.34	$ 0.93	$ 0.65
Average number of shares outstanding	26,846	26,214	26,815	26,059

(aa) Included in the results of operations are the following significant credits/(charges) which may not be indicative of ongoing operations (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Cost of services provided and goods sold				
Favorable adjustment to casualty insurance accruals related to prior years' experience	$ -	$ -	$ -	$ 1,663
Selling, general and administrative expenses				
Legal costs associated with OIG investigation	(342)	(254)	(474)	(254)
Long-term incentive compensation	-	(1,837)	-	(2,946)
Stock option expense	(18)	-	(18)	(215)
Adjustments to transaction-related costs of the VITAS acquisition	-	671	-	671
Loss on extinguishment of debt	-	-	(430)	(3,971)
Pretax impact on earnings	(360)	(1,420)	(922)	(5,052)
Income tax benefit/(charge) on the above	136	779	343	2,070
Aftertax impact on earnings	$ (224)	$ (641)	$ (579)	$ (2,982)

(bb) Discontinued operations represents the results of operations and loss on disposal of Service America.

(cc) Reclassified to conform to 2006 presentation.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET
(in thousands, except per share data)(unaudited)

	June 30,	
	2006	2005 (cc)
Assets		
Current assets		
Cash and cash equivalents	$ 6,816	$ 17,870
Accounts receivable less allowances	94,833	84,973
Inventories	6,210	7,309
Current deferred income taxes	21,871	20,687
Prepaid income taxes	12,709	8,360
Current assets of discontinued operations	-	4,656

Prepaid expenses and other current assets	9,255	9,499
Total current assets	151,694	153,354
Investments of deferred compensation plans held in trust	23,731	19,610
Other investments	1,445	1,445
Note receivable	12,500	12,500
Properties and equipment, at cost less accumulated depreciation	66,474	59,432
Identifiable intangible assets less accumulated amortization	73,150	74,896
Goodwill	433,877	437,738
Noncurrent assets of discontinued operations	-	681
Other assets	20,692	22,571
Total Assets	$783,563	$782,227
Liabilities		
Current liabilities		
Accounts payable	$ 48,591	$ 39,899
Current portion of long-term debt	207	1,176
Income taxes	4,172	6,922
Accrued insurance	40,049	27,392
Accrued compensation	28,071	31,100
Current liabilities of discontinued operations	-	7,605
Other current liabilities	30,914	29,184
Total current liabilities	152,004	143,278
Deferred income taxes	22,829	17,630
Long-term debt	169,397	234,541
Deferred compensation liabilities	23,503	19,555
Noncurrent liabilities of discontinued operations	-	779
Other liabilities	3,441	7,456
Total Liabilities	371,174	423,239
Stockholders' Equity		
Capital stock	28,812	27,897
Paid-in capital	249,460	218,876
Retained earnings	193,089	155,484
Treasury stock, at cost	(61,340)	(44,572)
Unearned compensation	-	(488)
Deferred compensation payable in Company stock	2,422	2,333
Notes receivable for shares sold	(54)	(542)
Total Stockholders' Equity	412,389	358,988
Total Liabilities and Stockholders' Equity	$783,563	$782,227
Book Value Per Share	$ 15.71	$ 13.99

(cc) Reclassified to conform to 2006 presentation.

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

	Six Months Ended June 30,	
	2006	2005
Cash Flows from Operating Activities		
Net income	$ 25,057	$ 17,001
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,078	10,271
Provision for uncollectible accounts receivable	4,005	3,343
Provision for deferred income taxes	4,001	(2,206)
Amortization of debt issuance costs	882	962

Write off unamortized debt issuance costs	430	2,871
Noncash long-term incentive compensation	-	2,574
Discontinued operations	-	2,015
Changes in operating assets and liabilities, excluding amounts acquired in business combinations		
Increase in accounts receivable	(3,828)	(23,653)
Decrease/(increase) in inventories	289	(290)
Decrease in prepaid expenses and other current assets	513	343
Decrease in accounts payable and other current liabilities	(15,949)	(2,673)
Increase in income taxes	2,189	7,859
Decrease in other assets	(2,892)	(1,328)
Increase in other liabilities	1,972	390
Excess tax benefit on share-based compensation	(4,941)	-
Noncash expense of internally financed ESOPs	-	572
Other sources	679	676
Net cash provided by continuing operations	23,485	18,727
Net cash used by discontinued operations	-	(1,559)
Net cash provided by operating activities	23,485	17,168
Cash Flows from Investing Activities		
Capital expenditures	(9,474)	(11,455)
Net uses from the sale of discontinued operations	(2,990)	(5,478)
Business combinations, net of cash acquired	(814)	(5,495)
Proceeds from sales of property and equipment	161	96
Other uses	(358)	(107)
Net cash used by investing activities	(13,475)	(22,439)
Cash Flows from Financing Activities		
Repayment of long-term debt	(84,499)	(140,978)
Net increase in revolving line of credit	19,000	-
Excess tax benefit on share-based compensation	4,941	-
Issuance of capital stock, net of costs	3,849	8,766
Purchases of treasury stock	(3,992)	(3,574)
Dividends paid	(3,156)	(3,060)
Increase in cash overdrafts payable	3,397	7,347
Debt issuance costs	(154)	(1,755)
Proceeds from long-term debt	-	85,000
Other sources/(uses)	287	(53)
Net cash used by financing activities	(60,327)	(48,307)
Decrease in Cash and Cash Equivalents	(50,317)	(53,578)
Cash and cash equivalents at beginning of year	57,133	71,448
Cash and cash equivalents at end of period	$ 6,816	$ 17,870

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED JUNE 30, 2006 AND 2005
(in thousands)(unaudited)

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
2006				
Service revenues and sales	$ 172,242	$ 77,541	$ -	$ 249,783
Cost of services provided and goods sold	138,519	42,406	-	180,925
Selling, general and administrative expenses (a)	13,725	22,232	2,687	38,644
Depreciation	2,122	1,914	81	4,117
Amortization	1,084	20	313	1,417
Total costs and expenses	155,450	66,572	3,081	225,103

Income/(loss) from operations	16,792	10,969	(3,081)	24,680
Interest expense	(38)	(109)	(4,153)	(4,300)
Intercompany interest income/(expense)	1,395	949	(2,344)	-
Other income--net	45	(89)	568	524
Income/(loss) before income taxes	18,194	11,720	(9,010)	20,904
Income taxes (a)	(6,795)	(4,717)	3,450	(8,062)
Net income/(loss)	$ 11,399	$ 7,003	$ (5,560)	$ 12,842

2005				
Service revenues and sales	$ 153,748	$ 72,561	$ -	$ 226,309
Cost of services provided and goods sold	120,854	40,266	-	161,120
Selling, general and administrative expenses (b)	13,446	21,024	3,498	37,968
Depreciation	1,770	2,086	72	3,928
Amortization	984	23	224	1,231
Total costs and expenses	137,054	63,399	3,794	204,247
Income/(loss) from operations	16,694	9,162	(3,794)	22,062
Interest expense	(33)	(97)	(4,909)	(5,039)
Intercompany interest income/(expense)	681	516	(1,197)	-
Other income--net	14	146	440	600
Income/(loss) before income taxes	17,356	9,727	(9,460)	17,623
Income taxes (b)	(6,753)	(3,852)	4,093	(6,512)
Income/(loss) from continuing operations	10,603	5,875	(5,367)	11,111
Discontinued operations	-	-	(2,226)	(2,226)
Net income/(loss)	$ 10,603	$ 5,875	$ (7,593)	$ 8,885

The "Footnotes to Financial Statements" are integral parts of this financial information.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2006 AND 2005
(in thousands)(unaudited)

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
2006				
Service revenues and sales	$ 340,616	$155,405	$ -	$ 496,021
Cost of services provided and goods sold	273,977	84,845	-	358,822
Selling, general and administrative expenses (a)	26,961	44,774	5,384	77,119
Depreciation	4,195	3,883	187	8,265
Amortization	2,168	40	605	2,813
Total costs and expenses	307,301	133,542	6,176	447,019
Income/(loss) from operations	33,315	21,863	(6,176)	49,002
Interest expense	(69)	(282)	(9,294)	(9,645)
Intercompany interest income/(expense)	2,349	1,801	(4,150)	-
Loss on extinguishment of debt (a)	-	-	(430)	(430)
Other income--net	57	273	1,689	2,019

Income/(loss) before income taxes	35,652	23,655	(18,361)	40,946
Income taxes (a)	(13,396)	(9,451)	6,958	(15,889)
Net income/(loss)	$ 22,256	$ 14,204	$ (11,403)	$ 25,057

2005				
Service revenues and sales	$ 299,738	$145,208	$ -	$ 444,946
Cost of services provided and goods sold (b)	236,074	77,998	-	314,072
Selling, general and administrative expenses (b)	26,475	42,154	7,258	75,887
Depreciation	3,555	4,148	145	7,848
Amortization	1,979	49	395	2,423
Total costs and expenses	268,083	124,349	7,798	400,230
Income/(loss) from operations	31,655	20,859	(7,798)	44,716
Interest expense	(71)	(279)	(10,524)	(10,874)
Intercompany interest income/(expense)	1,190	940	(2,130)	-
Loss on extinguishment of debt (b)	-	-	(3,971)	(3,971)
Other income--net	122	442	763	1,327
Income/(loss) before income taxes	32,896	21,962	(23,660)	31,198
Income taxes (b)	(12,683)	(8,777)	9,278	(12,182)
Income/(loss) from continuing operations	20,213	13,185	(14,382)	19,016
Discontinued operations	-	-	(2,015)	(2,015)
Net income/(loss)	$ 20,213	$ 13,185	$ (16,397)	$ 17,001

The "Footnotes to Financial Statements" are integral parts of this financial information.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATING SUMMARY OF EBITDA
FOR THE THREE MONTHS ENDED JUNE 30, 2006 AND 2005
(in thousands)(unaudited)

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
2006				
Net income/(loss)	$ 11,399	$ 7,003	$ (5,560)	$ 12,842
Add/(deduct):				
Interest expense	38	109	4,153	4,300
Income taxes	6,795	4,717	(3,450)	8,062
Depreciation	2,122	1,914	81	4,117
Amortization	1,084	20	313	1,417
EBITDA	21,438	13,763	(4,463)	30,738
Add/(deduct):				
Legal expenses of OIG investigation	342	-	-	342
Stock option expense	-	-	18	18
Advertising cost adjustment (c)	-	(87)	-	(87)
Interest income	(35)	(17)	(527)	(579)
Intercompany interest income/(expense)	(1,395)	(949)	2,344	-
Adjusted EBITDA	$ 20,350	$12,710	$ (2,628)	$ 30,432
2005				
Net income/(loss)	$ 10,603	$ 5,875	$ (7,593)	$ 8,885
Add/(deduct):				

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
Discontinued operations	-	-	2,226	2,226
Interest expense	33	97	4,909	5,039
Income taxes	6,753	3,852	(4,093)	6,512
Depreciation	1,770	2,086	72	3,928
Amortization	984	23	224	1,231
EBITDA	20,143	11,933	(4,255)	27,821
Add/(deduct):				
Long-term incentive compensation	-	-	1,837	1,837
Legal expenses of OIG Investigation	254	-	-	254
VITAS transaction expense adjustment	-	-	(671)	(671)
Advertising cost adjustment (c)	-	(76)	-	(76)
Interest income	(33)	(47)	(182)	(262)
Intercompany interest income/(expense)	(681)	(516)	1,197	-
Adjusted EBITDA	$ 19,683	$11,294	$ (2,074)	$ 28,903

The "Footnotes to Financial Statements" are integral parts of this financial information.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATING SUMMARY OF EBITDA
FOR THE SIX MONTHS ENDED JUNE 30, 2006 AND 2005
(in thousands)(unaudited)

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
2006				
Net income/(loss)	$ 22,256	$14,204	$ (11,403)	$ 25,057
Add/(deduct):				
Interest expense	69	282	9,294	9,645
Income taxes	13,396	9,451	(6,958)	15,889
Depreciation	4,195	3,883	187	8,265
Amortization	2,168	40	605	2,813
EBITDA	42,084	27,860	(8,275)	61,669
Add/(deduct):				
Legal expenses of OIG investigation	474	-	-	474
Stock option expense	-	-	18	18
Advertising cost adjustment (c)	-	(581)	-	(581)
Interest income	(76)	(40)	(1,435)	(1,551)
Intercompany interest income/(expense)	(2,349)	(1,801)	4,150	-
Loss on extinguishment of debt	-	-	430	430
Adjusted EBITDA	$ 40,133	$25,438	$ (5,112)	$ 60,459
2005				
Net income/(loss)	$ 20,213	$13,185	$ (16,397)	$ 17,001
Add/(deduct):				
Discontinued operations	-	-	2,015	2,015
Interest expense	71	279	10,524	10,874
Income taxes	12,683	8,777	(9,278)	12,182
Depreciation	3,555	4,148	145	7,848
Amortization	1,979	49	395	2,423
EBITDA	38,501	26,438	(12,596)	52,343
Add/(deduct):				
Long-term incentive compensation	-	-	2,946	2,946
Stock option expense	-	-	215	215

Prior-period insurance adjustment	-	(1,663)	-	(1,663)
Legal expenses of OIG Investigation	254	-	-	254
VITAS transaction expense adjustment			(671)	(671)
Advertising cost adjustment (c)	-	(629)	-	(629)
Interest income	(159)	(88)	(665)	(912)
Intercompany interest income/(expense)	(1,190)	(940)	2,130	-
Loss on extinguishment of debt	-	-	3,971	3,971
Adjusted EBITDA	$ 37,406	$23,118	$ (4,670)	$ 55,854

The "Footnotes to Financial Statements" are integral parts of this financial information.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
RECONCILIATION OF ADJUSTED NET INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2006 AND 2005
(in thousands, except per share data)(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Net income/(loss) as reported	$ 12,842	$ 8,885	$25,057	$17,001
Add/(deduct):				
Discontinued operations	-	2,226	-	2,015
Aftertax prior period insurance adjustment	-	-	-	(1,014)
Aftertax cost of long-term incentive compensation (d)	-	1,152	-	1,847
Aftertax cost of legal expenses of OIG investigation	212	160	294	160
Aftertax stock option expense	12	-	12	137
Afertax VITAS transaction expense adjustment	-	(671)	-	(671)
Aftertax cost of loss on extinguishment of debt	-	-	273	2,523
Adjusted income from continuing operations	$ 13,066	$11,752	$25,636	$21,998
Earnings/(Loss) Per Share As Reported				
Net income/(loss)	$ 0.49	$ 0.35	$ 0.96	$ 0.67
Average number of shares outstanding	26,201	25,489	26,123	25,319
Diluted Earnings/(Loss) Per Share As Reported				
Net income/(loss)	$ 0.48	$ 0.34	$ 0.93	$ 0.65
Average number of shares outstanding	26,846	26,214	26,815	26,059
Adjusted Earnings Per Share				
Income from continuing operations	$ 0.50	$ 0.46	$ 0.98	$ 0.87
Average number of shares outstanding	26,201	25,489	26,123	25,319

Adjusted Diluted Earnings Per Share				
Income from continuing operations	$ 0.49	$ 0.45	$ 0.96	$ 0.84
Average number of shares outstanding	26,846	26,214	26,815	26,059

The "Footnotes to Financial Statements" are integral parts of this financial information.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
OPERATING STATISTICS FOR VITAS SEGMENT
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2006 AND 2005
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
OPERATING STATISTICS				
Net revenue ($000)				
Homecare	$123,162	$106,610	$238,620	$207,482
Inpatient	21,782	21,131	44,889	41,979
Continuous care	29,638	26,007	59,447	50,277
Total before Medicare cap allowance	174,582	153,748	342,956	299,738
Medicare cap allowance	(2,340)	-	(2,340)	-
Total	$172,242	$153,748	$340,616	$299,738
Net revenue as a percent of total before Medicare cap allowance				
Homecare	70.5 %	69.4 %	69.6 %	69.2 %
Inpatient	12.5	13.7	13.1	14.0
Continuous care	17.0	16.9	17.3	16.8
Total before Medicare cap allowance	100.0	100.0	100.0	100.0
Medicare cap allowance	(1.3)	-	(0.7)	-
Total	98.7 %	100.0 %	99.3 %	100.0 %
Average daily census ("ADC") (days)				
Homecare	6,469	5,750	6,292	5,589
Nursing home	3,493	3,260	3,429	3,230
Routine homecare	9,962	9,010	9,721	8,819
Inpatient	406	406	419	405
Continuous care	536	497	553	495
Total	10,904	9,913	10,693	9,719
Total Admissions	13,069	12,646	26,965	25,594
Total Discharges	12,603	12,153	26,015	24,741
Average length of stay (days)	68.0 (d)	66.8	70.3	66.4
Median length of stay (days)	13.0	12.0	13.0	12.0
ADC by major diagnosis				
Neurological	33.1 %	32.0 %	33.1 %	31.4 %
Cancer	20.0	21.4	20.2	22.3
Cardio	15.0	15.2	14.9	14.8
Respiratory	7.2	7.2	7.2	7.2
Other	24.7	24.2	24.6	24.3
Total	100.0 %	100.0 %	100.0 %	100.0 %

Admissions by major diagnosis				
Neurological	19.6 %	18.7 %	20.1 %	19.2 %
Cancer	35.0	36.6	34.4	35.5
Cardio	13.2	13.8	13.6	14.0
Respiratory	7.0	6.9	7.5	7.6
Other	25.2	24.0	24.4	23.7
Total	100.0 %	100.0 %	100.0 %	100.0 %
Direct patient care margins (e)				
Routine homecare	49.6 %	49.4 %	48.6 %	49.6 %
Inpatient	21.0	23.0	22.1	22.9
Continuous care	20.3	19.5	19.3	18.5
Homecare margin drivers (dollars per patient day)				
Labor costs	$ 48.15	$ 46.01	$ 49.65	$ 45.86
Drug costs	8.42	7.94	7.94	7.72
Home medical equipment	5.52	5.53	5.54	5.50
Medical supplies	2.11	2.14	2.13	2.15
Inpatient margin drivers (dollars per patient day)				
Labor costs	$ 257.69	$ 240.76	$ 252.04	$ 239.55
Continuous care margin drivers (dollars per patient day)				
Labor costs	$ 463.62	$ 443.83	$ 458.96	$ 438.56
Bad debt expense as a percent of revenues	0.9 %	0.9 %	0.9 %	0.9 %
Accounts receivable -- days of revenue outstanding	40.1	43.8	N.A.	N.A.

The "Footnotes to Financial Statements" are integral parts of this financial information.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
FOOTNOTES TO FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2006 AND 2005
(unaudited)

(a) Included in the results of operations for the three and six months ended June 30, 2006 are the following significant credits/(charges) which may not be indicative of on going operations (in thousands):

	Three Months Ended June 30, 2006			
	VITAS	Roto-Rooter	Corporate	Consolidated
Selling, general and administrative expenses				
Costs associated with OIG investigation	$(342)	$ -	$ -	$ (342)
Stock option expense	-	-	(18)	(18)
Pretax impact on earnings	(342)	-	(18)	(360)
Income tax benefit on the above	130	-	6	136
Aftertax impact on earnings	$(212)	$ -	$ (12)	$ (224)

	Six Months Ended June 30, 2006			
	VITAS	Roto-Rooter	Corporate	Consolidated
Selling, general and administrative expenses				
Costs associated with OIG investigation	$(474)	$ -	$ -	$ (474)
Stock option expense	-	-	(18)	(18)
Loss on extinguishment of				

debt	-	-	(430)	(430)
Pretax impact on earnings	(474)	-	(448)	(922)
Income tax benefit on the above	180	-	163	343
Aftertax impact on earnings	$(294)	$ -	$ (285)	$ (579)

(b) Included in the results of operations for the three and six months ended June 30, 2005 are the following significant credits/(charges) which may not be indicative of on going operations (in thousands):

	Three Months Ended June 30, 2005			
	VITAS	Roto-Rooter	Corporate	Consolidated
Selling, general and administrative expenses				
Long-term incentive compensation	$ -	$ -	$ (1,837)	$ (1,837)
Costs associated with OIG investigation	(254)	-	-	(254)
Adjustments to transaction-related costs of the VITAS acquisition	-	-	671	671
Pretax impact on earnings	(254)	-	(1,166)	(1,420)
Income tax benefit on the above	94	-	685	779
Aftertax impact on earnings	$(160)	$ -	$ (481)	$ (641)

	Six Months Ended June 30, 2005			
	VITAS	Roto-Rooter	Corporate	Consolidated
Cost of services provided and goods sold				
Favorable adjustment to casualty insurance accruals related to prior years' experience	$ -	$ 1,663	$ -	$ 1,663
Selling, general and administrative expenses				
Long-term incentive compensation	-	-	(2,946)	(2,946)
Costs associated with OIG investigation	(254)	-	-	(254)
Stock option expense	-	-	(215)	(215)
Adjustments to transaction-related costs of the VITAS acquisition	-	-	671	671
Loss on extinguishment of debt	-	-	(3,971)	(3,971)
Pretax impact on earnings	(254)	1,663	(6,461)	(5,052)
Income tax benefit on the above	94	(649)	2,625	2,070
Aftertax impact on earnings	$(160)	$ 1,014	$ (3,836)	$ (2,982)

(c) Under Generally Accepted Accounting Principles ("GAAP"), the Roto-Rooter segment expenses all advertising, including the cost of telephone directories, immediately upon the initial release of the advertising. Telephone directories are generally in circulation 12 months. If a directory is in circulation for a time period greater or less than 12 months, the publisher adjusts the directory billing for the change in billing period. The timing of when a telephone directory is published can and does fluctuate significantly on a quarterly basis. This "direct expensing" results in significant fluctuations in quarterly advertising expense. In the second quarters of 2006 and 2005, GAAP advertising expense for Roto-Rooter totaled $4,914,000 and $4,491,000, respectively. If the expense of the telephone directories were spread over the periods they are in circulation, advertising expense for the second quarters of 2006 and 2005 would total $5,001,000 and $4,567,000, respectively. For the six months ended June 30, 2006 and 2005, GAAP advertising expense for Roto-Rooter totaled $9,338,000 and $8,323,000, respectively. If the expense of the telephone directories were spread over the periods they are in circulation, advertising expense for the first six months of 2006 and 2005 would total $9,919,000 and $8,952,000, respectively.

(d) VITAS has 5 large (greater than 450 ADC), 17 medium (greater than 200 but less than 450 ADC) and 20 small (less than 200 ADC) hospice programs.

(e) Amounts exclude medicare cap allowance and indirect patient care and administrative costs.

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