SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1996

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Transition period from --------------- to -------------

Commission File Number: 1-8351

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

DELAWARE	31-0791746
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

2600 Chemed Center, 255 East Fifth Street, Cincinnati, Ohio	45202-4726
(Address of principal executive offices)	(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Capital Stock - Par Value $1 Per Share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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 by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the voting stock held by non-affiliates of the registrant, based upon the closing price of said stock on the New York Stock Exchange Composite Transaction Listing on March 19, 1997 ($36.37 per share), was $356,412,720.

At March 19, 1997, 10,032,289 shares of Chemed Corporation Capital Stock (par value $1 per share) were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

DOCUMENT	WHERE INCORPORATED
1996 Annual Report to Stockholders (Specified Portions)	Parts I, II and IV
Proxy Statement for Annual Meeting to be held May 19, 1997.	Part III

CHEMED CORPORATION

1996 FORM 10-K ANNUAL REPORT

TABLE OF CONTENTS

PART I

ITEM 1. BUSINESS

GENERAL

Chemed Corporation was incorporated in Delaware in 1970 as a subsidiary of W. R. Grace & Co. and succeeded to the business of W. R. Grace & Co.'s Specialty Products Group as of April 30, 1971 and remained a subsidiary of W. R. Grace & Co. until March 10, 1982. As used herein, "Company" refers to Chemed Corporation, "Chemed" refers to Chemed Corporation and its subsidiaries and "Grace" refers to W. R. Grace & Co. and its subsidiaries.

On March 10, 1982, the Company transferred to Dearborn Chemical Company, a wholly owned subsidiary of the Company, the business and assets of the Company's Dearborn Group, including the stock of certain subsidiaries within the Dearborn Group, plus $185 million in cash, and Dearborn Chemical Company assumed the Dearborn Group's liabilities. Thereafter, on March 10, 1982 the Company transferred all of the stock of Dearborn Chemical Company to Grace in exchange for 16,740,802 shares of the capital stock of the Company owned by Grace with the result that Grace no longer has any ownership interest in the Company.

On December 31, 1986, the Company completed the sale of substantially all of the business and assets of Vestal Laboratories, Inc., a wholly owned subsidiary ("Vestal"). The Company received cash payments aggregating approximately $67.4 million over the four-year period following the closing, the substantial portion of which was received on December 31, 1986.

On April 2, 1991, the Company completed the sale of DuBois Chemicals, Inc. ("DuBois"), a wholly owned subsidiary, to the Diversey Corporation ("Diversey"), a subsidiary of The Molson Companies Ltd. Under the terms of the sale, Diversey agreed to pay the Company net cash payments aggregating $223,386,000, including deferred payments aggregating $32,432,000. As of December 31, 1996, the Company had received cash payments totaling $221,738,000.

On December 21, 1992, the Company acquired The Veratex Corporation and related businesses ("Veratex Group") from Omnicare, Inc., a publicly traded company in which Chemed currently maintains a 1 percent ownership interest. The purchase price was $62,120,000 in cash paid at closing, plus a post-closing payment of $1,514,000 (paid in April 1993) based on the net assets of Veratex.

Effective January 1, 1994, the Company acquired all the capital stock of Patient Care, Inc. ("Patient Care"), for cash payments aggregating $20,582,000, including deferred payments with a present value of $6,582,000, plus 17,500 shares of the Company's Capital Stock. An additional cash payment of $1,000,000 was made on March 31, 1996 and another payment of $1,000,000 will be made on March 31, 1997.

In July 1995, the Company's Omnia Group (formerly Veratex Group) completed the sale of the business and assets of its Veratex Retail division to Henry Schein, Inc. ("HSI") for $10 million in cash plus a $4.1 million note for which payment was received in December 1995.

Effective September 17, 1996, the Company completed a merger of a subsidiary of the Company, Chemed Acquisition Corp., and Roto-Rooter, Inc. pursuant to a Tender Offer commenced on August 8, 1996 to acquire any and all of the outstanding shares of Common Stock of Roto-Rooter, Inc. for $41.00 per share in cash.

During 1996, the Company conducted its business operations in four segments: National Sanitary Supply Company ("National Sanitary Supply"), Roto-Rooter Group ("Roto- Rooter"), Omnia Group ("Omnia") and Patient Care.

FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS

The required segment and geographic data for the Company's continuing operations (as described below) for the three years ended December 31, 1994, 1995 and 1996, are shown in the "Sales and Profit Statistics by Business Segment" and the "Additional Segment Data" on pages 34, 35 and 38 of the 1996 Annual Report to Stockholders and are incorporated herein by reference.

DESCRIPTION OF BUSINESS BY SEGMENT

The information called for by this item is included within Note 1 of the Notes to Financial Statements appearing on page 25 of the 1996 Annual Report to Stockholders and is incorporated herein by reference.

PRODUCT AND MARKET DEVELOPMENT

Each segment of Chemed's business engages in a continuing program for the development and marketing of new products. While new product and new market development are important factors for the growth of each active segment of Chemed's business, Chemed does not expect that any new product or marketing effort, including those in the development stage, will require the investment of a material amount of Chemed's assets.

RAW MATERIALS

The principal raw materials needed for each active segment of Chemed's United States manufacturing operations are purchased from United States sources. No segment of Chemed experienced any material raw material shortages during 1996, although such shortages may occur in the future. Products manufactured and sold by Chemed's active business segments generally may be reformulated to avoid the adverse impact of a specific raw material shortage.

PATENTS, SERVICE MARKS AND LICENSES

The Roto-Rooter(R) trademark and service mark have been used and advertised since 1935 by Roto-Rooter Corporation, a wholly owned subsidiary of Roto-Rooter, Inc., a 100 percent-owned subsidiary of the Company. The Roto-Rooter(R) marks are among the most highly recognized trademarks and service marks in the United States. Chemed considers the Roto-Rooter(R) marks to be a valuable asset and a significant factor in the marketing of Roto-Rooter's franchises, products and services and the products and services provided by its franchisees.

INVENTORIES

Chemed maintains local warehousing and delivery arrangements throughout the United States to provide prompt delivery service to its customers. Inventories on hand for each active segment are not considered high in relation to industry standards for the business involved. In general, terms and conditions of sale for each segment follow usual and customary industry standards.

COMPETITION

NATIONAL SANITARY SUPPLY

Chemed considers National Sanitary Supply (with its subsidiaries Century Papers, Inc. and NSS Development) to be a leader in the janitorial maintenance supply distribution market in the western, southwestern and midwestern United States (Arizona, California, Colorado, Indiana, Louisiana, Michigan, Mississippi, Missouri, Nevada, New Mexico, Ohio, Oklahoma, Oregon, Tennessee, Texas, Utah and Washington). This subsidiary markets a broad line of cleaning chemicals, paper goods, plastic products, waste handling products and other janitorial supplies to a wide range of customers. The market for sanitary maintenance and paper supplies is highly competitive and entry is relatively easy. Competition is, however, highly fragmented in most geographic markets. In the United States, approximately 9,000 firms compete in the sanitary maintenance supply distribution business on a local or regional basis. The principal competitive factors in this market are the level of service provided; range of products offered; speed, efficiency and reliability of delivery; and price. There is a number of local janitorial supply companies that compete with National Sanitary Supply in its market. The principal competitive factors in the janitorial supply market in order of importance are breadth of product line, prompt delivery and price. While remaining price competitive, National Sanitary Supply maintains a product line that is generally broader than its competitors and has earned an excellent reputation for prompt delivery and customer service.

Federal, state and local governmental agencies accounted for approximately 8 percent of National Sanitary Supply's total sales for 1996. These sales are attributable to over 1,200 different agencies whose purchasing decisions are made separately. While it is believed that the loss of the sales to these agencies in the aggregate would be material, the decentralized purchasing decisions make the loss of a significant number of such accounts at any given time unlikely. Other than sales to the aforementioned entities, in 1996 no one customer accounted for more than 4 percent of net sales.

ROTO-ROOTER

All aspects of the sewer, drain, and pipe cleaning and appliance and plumbing repair businesses are highly competitive. Competition is, however, fragmented in most markets with local and regional firms providing the primary competition. The principal methods of competition are advertising, range of services provided, speed and quality of customer service, service guarantees, and pricing.

No individual customer or market group is critical to the total sales of this segment.

OMNIA

In distributing medical and dental products, Omnia competes with manufacturers and distributors of disposable paper, cotton and gauze products. Omnia competes in this market on the basis of customer service, product quality and price. At times, its pricing policy has been subject to considerable competitive pressures, limiting the ability to implement price increases.

Omnia has contracts with several customers, the loss of any one or more of which could have a material adverse effect on this segment.

PATIENT CARE

The home healthcare services industry and, in particular, the nursing and personal care segment is highly competitive. Patient Care competes with numerous local, regional and national home healthcare services companies. Patient Care competes on the basis of quality, cost-effectiveness and its ability to service its referral base quickly throughout its regional markets.

Patient Care has contracts with several customers, the loss of any one or more of which could have a material adverse effect on this segment.

RESEARCH AND DEVELOPMENT

Chemed engages in a continuous program directed toward the development of new products and processes, the improvement of existing products and processes, and the development of new and different uses of existing products. The research and development expenditures from continuing operations have not been nor are they expected to be material.

ENVIRONMENTAL MATTERS

Chemed's operations are subject to various federal, state and local laws and regulations regarding the environmental aspects of the manufacture and distribution of chemical products. Chemed, to the best of its knowledge, is currently in compliance in all material respects with the environmental laws and regulations affecting its operations. Such environmental laws, regulations and enforcement proceedings have not required Chemed to make material increases in or modifications to its capital expenditures and they have not had a material adverse effect on sales or net income.

In connection with the sale of DuBois to the Diversey Corporation, the Company contractually assumed for a period of ten years the estimated liability for potential environmental cleanup and related costs arising from the sale of DuBois up to a maximum of $25,500,000. Based upon an updated assessment of the Company's environmental-related liability by the Company's environmental adviser, the Company has accrued a total of $10,835,000 for this potential liability, of which $3,430,000 has been paid to Diversey Corporation through December 31, 1996. Prior to the sale of DuBois, DuBois had been designated as a Potentially Responsible Party ("PRP") at fourteen Superfund sites by the U.S. Environmental Protection Agency ("USEPA"). With respect to all of these sites, the Company has been unable to locate any records indicating it disposed of waste of any kind at such sites. Nevertheless, it settled claims at five such sites at minimal cost. In addition, because there was a number of other financially responsible companies designated as PRPs relative to these sites, management believes that it is unlikely that such actions will have a material effect on the Company's financial condition or results of operations. With respect to one of these sites, the Company's involvement is based on the location of one of its manufacturing plants. Currently, the USEPA and the state governmental agency are attempting to resolve jurisdictional issues, and action against PRPs is not proceeding.

Capital expenditures for the purposes of complying with environmental laws and regulations during 1997 and 1998 with respect to continuing operations are not expected to be material in amount; there can be no assurance, however, that presently unforeseen legislative or enforcement actions will not require additional expenditures.

EMPLOYEES

On December 31, 1996, Chemed had a total of 7,886 employees; 7,808 were located in the United States and 78 were in Canada.

ITEM 2. PROPERTIES

Chemed has plants and offices in various locations in the United States and Canada. The major facilities operated by Chemed are listed below by industry segment. All "owned" property is held in fee and is not subject to any major encumbrance. Except as otherwise shown, the leases have terms ranging from one year to ten years. Management does not foresee any difficulty in renewing or replacing the remainder of its current leases. Chemed considers all of its major operating properties to be maintained in good operating condition and to be generally adequate for present and anticipated needs.

Location	Type	Owned	Leased
	ROTO-ROOTER GROUP		
Cincinnati, OH (1)	Office and service facilities	16,000 sq. ft.	23,000 sq. ft.
West Des Moines, IA	Office, manufacturing and distribution center facilities	29,000 sq. ft.	--
Northeastern U.S. Area (2)	Office and service facilities	32,000 sq. ft.	43,000 sq. ft.
Central U.S. Area (3)	Office and service facilities	17,000 sq. ft.	24,000 sq. ft.
Mid-Atlantic U.S. Area (4)	Office and service facilities	18,000 sq. ft.	23,000 sq. ft.
Midwestern U.S. Area (5)	Office and service facilities	10,000 sq. ft.	25,000 sq. ft.
Southeastern U.S. Area (6)	Office and service facilities	46,000 sq. ft.	80,000 sq. ft.
Western U.S. Area (7)	Office and service facilities	19,000 sq. ft.	43,000 sq. ft.
Canada (8)	Office and service facilities	--	13,000 sq. ft.
	NATIONAL SANITARY SUPPLY COMPANY		
Los Angeles, CA	Office, manufacturing and distribution center	145,000 sq. ft.	76,000 sq. ft.

(NATIONAL SANITARY SUPPLY COMPANY - CONTINUED)

Location	Type	Owned	Leased
San Francisco, CA (Area)	Office and distribution center	--	67,000 sq. ft.
Tempe, AZ	Office and distribution center	69,000 sq. ft.	--
Denver, CO	Office and distribution center	--	53,000 sq. ft.
Marion, IN	Office and distribution center	30,000 sq. ft.	--
Tupelo, MS	Office and distribution center	--	33,000 sq. ft.
St. Louis, MO	Office and distribution center	--	16,000 sq. ft.
Las Vegas, NV	Office and distribution center	24,000 sq. ft.	--
Albuquerque, NM	Office and distribution center	--	21,000 sq. ft.
Fairfield, OH	Office and distribution center	--	38,000 sq. ft.
Toledo, OH	Office and distribution center	--	65,000 sq. ft.
Portland, OR	Office and distribution center	56,000 sq. ft.	--
Memphis, TN	Office and distribution center	--	66,000 sq. ft.
Amarillo, TX	Office and distribution center	--	28,000 sq. ft.
Beaumont, TX	Office and distribution center	--	14,000 sq. ft.
Corpus Christi, TX	Office and distribution center	--	58,000 sq. ft.
Dallas, TX	Office and distribution center	54,000 sq. ft.	--

Location	Type	Owned	Leased
(NATIONAL SANITARY SUPPLY COMPANY - CONTINUED)			
El Paso, TX	Office and distribution center	18,000 sq. ft.	--
Houston, TX	Office and distribution center	--	102,000 sq. ft.
Laredo, TX	Office and distribution center	--	10,000 sq. ft.
McAllen, TX	Office and distribution center	--	9,000 sq. ft.
New Braunfels, TX	Office and distribution center	--	54,000 sq. ft.
Oklahoma City, OK	Office and distribution center	--	75,000 sq. ft.
Kansas City, MO	Office and distribution center	--	25,000 sq. ft.
Salt Lake City, UT	Office and distribution center	--	20,000 sq. ft.
Seattle, WA	Office and distribution center	--	15,000 sq. ft.
Western, Midwestern and Southwestern U.S. (9)	Branch sales offices	3,000 sq. ft.	187,000 sq. ft.
OMNIA			
Troy, MI (10)	Office	--	68,000 sq. ft.
Detroit, MI	Manufacturing facility	64,000 sq. ft.	--
Lexington, KY	Office and distribution center	--	157,000 sq. ft.
Lakeland, FL	Office, manufacturing and distribution center	--	76,000 sq. ft.
Rialto, CA (11)	Office, manufacturing and distribution center	132,000 sq. ft.	--
PATIENT CARE			
New Jersey (12)	Office	--	57,000 sq. ft.
Connecticut (13)	Office	--	9,000 sq. ft.

Location	Type	Owned	Leased
	(PATIENT CARE - CONTINUED)		
New York (11)	Office	--	43,000 sq. ft.
Louisville, KY	Office	--	6,000 sq. ft.
	CORPORATE		
CORPORATE (15)			
Cincinnati, OH	Corporate offices and related facilities	--	48,000 sq. ft.

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(1) Excludes 6,000 square feet that formerly housed a service facility. This location is now leased to an outside third party.

(2) Comprising locations in Stoughton and Woburn, Massachusetts; Stratford and Bloomfield, Connecticut; West Seneca, West Hempstead, Staten Island, Rochester, Farmingdale and Hawthorne, New York; and Cranston, Rhode Island.

(3) Comprising locations in Atlanta and Decatur, Georgia; Birmingham, Alabama; Little Rock, Arkansas; Memphis and Nashville, Tennessee; Charlotte, North Carolina; and St. Louis, Missouri.

(4) Comprising locations in Pennsauken and North Brunswick, New Jersey; Levittown, Pennsylvania; Fairfax, Virginia; Newark, Delaware; and Baltimore and Jessup, Maryland.

(5) Comprising locations in Cleveland and Columbus, Ohio; Newnan, Georgia; and Wilmerding, Pennsylvania.

(6) Comprising locations in Jacksonville, Longwood, Pompano Beach, Miami, Fort Myers, St. Petersburg, Boca Raton, Dayton Beach, and Orlando, Florida; Raleigh, North Carolina; and Virginia Beach, Virginia.

(7) Comprising locations in Houston and San Antonio, Texas; Addison, Schaumburg and Posen, Illinois; Commerce City, Colorado; Honolulu, Hawaii; Minneapolis, Minnesota; Tacoma, Washington; Phoenix and Tucson, Arizona; and Fresno, California.

(8) Comprising locations in Delta, British Columbia; Boucherville, Quebec; and Winnipeg, Manitoba.

(9) Comprising facilities in Anaheim, Bakersfield, Baldwin Park, Chatsworth, Chico, Colton, Fresno, Grover Beach, Palm Springs, Sacramento, San Diego, Santa Barbara and Santa Rosa, California; Tucson and Yuma, Arizona; Farmington, Gallup and Santa Fe, New Mexico; St. George, Utah; Bend, Eugene, Pendleton and Salem, Oregon; Eagle, Fort Collins, Grand Junction and Colorado Springs, Colorado; Dayton, Ohio; Austin, Bryan, Freeport, Fort Worth, Lubbock, Lufkin, Tyler and Victoria, Texas; Columbus, Mississippi; Baton Rouge, Lake Charles and Lafayette, Louisiana; Indianapolis and Fort Wayne, Indiana; and Ann Arbor and Detroit, Michigan.

(10) Excludes 28,000 square feet of office space that housed the Veratex Retail operation which was sold in July 1995. The lease on these facilities expires in 1997. Approximately 4,000 square feet of this space have been sublet to an outside third party and the remainder is vacant as of December 31, 1996.

(11) Excludes 36,000 square feet of office, manufacturing and warehouse facilities in Pomona, California that are leased to an outside third party.

(12) Comprising locations in Princeton, Ridgewood, Montclair, Orange, Providence, Westfield and West Orange, New Jersey.

(13) Comprising locations in Greenwich, Madison and Newington, Connecticut.

(14) Comprising locations in Brooklyn, Manhattan, Queens, Bronx and Staten Island, New York.

(15) Excludes 92,000 square feet in current Cincinnati, Ohio office facilities that are sublet to outside parties - portions of this space may revert to the Company beginning in the year 2000. Includes 38,000 square feet leased for the Company's corporate office facilities.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

EXECUTIVE OFFICERS OF THE COMPANY

Name	Age	Office	First Elected
Edward L. Hutton	77	Chairman and Chief Executive Officer	November 3, 1993 (1)
Kevin J. McNamara	43	President	August 2, 1994 (2)
Paul C. Voet	50	Executive Vice President	May 20, 1991 (3)
Timothy S. O'Toole	41	Executive Vice President and Treasurer	May 18, 1992 (4)
Sandra E. Laney	53	Senior Vice President and Chief Administrative Officer	November 3, 1993 (5)
Arthur V. Tucker, Jr.	47	Vice President and Controller	May 20, 1991 (6)

(1) Mr. E. L. Hutton is the Chairman and Chief Executive Officer of the Company and has held these positions since November 1993. Previously, from April 1970 to November 1993, Mr. E. L. Hutton held the positions of President and Chief Executive Officer of the Company. Mr. E. L. Hutton is the father of Mr. T. C. Hutton, a director and a Vice President of the Company.

(2) Mr. K. J. McNamara is President of the Company and has held this position since August 1994. Previously, he served as an Executive Vice President, Secretary and General Counsel of the Company, since November 1993, August 1986 and August 1986, respectively. He previously held the position of Vice President of the Company, from August 1986 to May 1992.

(3) Mr. P. C. Voet is an Executive Vice President of the Company and has held this position since May 1991. From May 1988 to November 1993, he served the Company as Vice Chairman. Mr. Voet is President and Chief Executive Officer of National Sanitary Supply.

(4) Mr. T. S. O'Toole is an Executive Vice President and the Treasurer of the Company and has held these positions since May 1992 and February 1989, respectively. Mr. O'Toole is Chairman and Chief Executive Officer of Patient Care, Inc. and has held these positions since April 1995.

(5) Ms. S. E. Laney is Senior Vice President and the Chief Administrative Officer of the Company and has held these positions since November 1993 and May 1991, respectively. Previously, from May 1984 to November 1993, she held the position of Vice President of the Company.

(6) Mr. A. V. Tucker, Jr. is a Vice President and Controller of the Company and has held these positions since February 1989. From May 1983 to February 1989, he held the position of Assistant Controller of the Company.

Each executive officer holds office until the annual election at the next annual organizational meeting of the Board of Directors of the Company which is scheduled to be held on May 19, 1997.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The Company's Capital Stock (par value $1 per share) is traded on the New York Stock Exchange under the symbol CHE. The range of the high and low sale prices on the New York Stock Exchange and dividends paid per share for each quarter of 1995 and 1996 are set forth below.

	Closing		
	High	Low	Dividends Paid Per Share
1996			
First Quarter	$40-1/8	$36-7/8	$.52
Second Quarter	39	35-7/8	.52
Third Quarter	39-1/8	35-1/2	.52
Fourth Quarter	39	35-1/8	.52
1995			
First Quarter	$33-7/8	$31-1/4	$.51
Second Quarter	35-7/8	30-3/4	.51
Third Quarter	36-1/2	33-1/2	.52
Fourth Quarter	40-1/8	34-5/8	.52

Future dividends are necessarily dependent upon the Company's earnings and financial condition, compliance with certain debt covenants and other factors not presently determinable.

As of March 19, 1997, there were approximately 5,633 stockholders of record of the Company's Capital Stock. This number only includes stockholders of record and does not include stockholders with shares beneficially held for them in nominee name or within clearinghouse positions of brokers, banks or other institutions.

ITEM 6. SELECTED FINANCIAL DATA.

The information called for by this Item for the five years ended December 31, 1996 is set forth on pages 36 and 37 of the 1996 Annual Report to Stockholders and is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The information called for by this Item is set forth on pages 40 through 43 of the 1996 Annual Report to Stockholders and is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The consolidated financial statements, together with the report thereon of Price Waterhouse dated February 4, 1997, appearing on pages 19 through 35 and 38 of the 1996 Annual Report to Stockholders, along with the Supplementary Data (Unaudited Summary of Quarterly Results) appearing on page 39, are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The directors of the Company are:

Edward L. Hutton	Walter L. Krebs
James A. Cunningham	Sandra E. Laney
James H. Devlin	Kevin J. McNamara
Charles H. Erhart, Jr.	John M. Mount
Joel F. Gemunder	Timothy S. O'Toole
Lawrence J. Gillis	D. Walter Robbins, Jr.
Patrick P. Grace	Paul C. Voet
Thomas C. Hutton	George J. Walsh III

Except for information relating to Mr. Cunningham, the additional information required under this Item with respect to the directors and executive officers is set forth in the Company's 1997 Proxy Statement and in Part I hereof under the caption "Executive Officers of the Registrant" and is incorporated herein by reference. Mr. Cunningham, who is 52 years old, is a Senior Chemical Adviser with Schroder Wertheim & Co. Incorporated, New York, New York (an investment banking, asset management and securities firm) and has held this position since March 1992. Previously, he was Managing Director of Furman Selz Incorporated, New York, New York (an institutional investment company) and held this position from October 1990 to March 1992. Mr. Cunningham is a director of National Sanitary Supply Company.

ITEM 11. EXECUTIVE COMPENSATION.

Information required under this Item is set forth in the Company's 1997 Proxy Statement, which is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Information required under this Item is set forth in the Company's 1997 Proxy Statement, which is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information required under this Item is set forth in the Company's 1997 Proxy Statement, which is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULE AND REPORTS ON FORM 8-K.

EXHIBITS

3.1	Certificate of Incorporation of Chemed Corporation.*
3.2	By-Laws of Chemed Corporation.*
10.1	Agreement and Plan of Merger among Diversey U.S. Holdings, Inc., D. C. Acquisition Inc., Chemed Corporation and DuBois Chemicals, Inc., dated as of February 25, 1991.*
10.2	Stock Purchase Agreement between Omnicare, Inc. and Chemed Corporation, dated as of August 5, 1992.*
10.4	1981 Stock Incentive Plan, as amended through May 20, 1991.*,**
10.5	1983 Incentive Stock Option Plan, as amended through May 20, 1991.*,**
10.6	1986 Stock Incentive Plan, as amended through May 20, 1991.*,**
10.7	1988 Stock Incentive Plan, as amended through May 20, 1991.*,**
10.8	1993 Stock Incentive Plan.*,**
10.9	Excess Benefits Plan, as amended effective November 1, 1985.*,**
10.10	Non-Employee Directors' Deferred Compensation Plan.*,**
10.11	Directors Emeriti Plan.*,**
10.12	Employment Contracts with Executives.*,**
10.13	Amendment No. 8 to Employment Contracts with Executives.**
10.14	1995 Stock Incentive Plan.*,**
10.15	Split Dollar Agreement with Executives.*,**
10.16	Split Dollar Agreement with Edward L. Hutton.*,**
10.17	Split Dollar Agreement with Paul C. Voet.*,**
10.18	Amendment No. 7 to Employment Agreement with Edward L. Hutton.**
11.	Statement re: Computation of Earnings Per Common Share.
13.	1996 Annual Report to Stockholders.
21.	Subsidiaries of Chemed Corporation.

23. Consent of Independent Accountants.

24. Powers of Attorney.

27. Financial Data Schedule +

* This exhibit is being filed by means of incorporation by reference (see Index to Exhibits on page E-1). Each other exhibit is being filed with this Annual Report on Form 10-K.

** Management contract or compensatory plan or arrangement.

\+ Not filed herewith.

FINANCIAL STATEMENT SCHEDULE

See Index to Financial Statements and Financial Statement Schedule on page S-1.

REPORTS ON FORM 8-K

A Form 8-K was filed October 2, 1996 announcing Chemed Corporation's acquisition of all the outstanding shares of Common Stock of Roto-Rooter, Inc. for $41.00 per share in cash.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

March 27, 1997 By /s/ Edward L. Hutton

Edward L. Hutton
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Edward L. Hutton Edward L. Hutton	Chairman and Chief Executive Officer and a Director (Principal Executive Officer)	
/s/ Timothy S. O'Toole Timothy S. O'Toole	Executive Vice President and Treasurer and a Director (Principal Financial Officer)	
/s/ Arthur V.Tucker, Jr. Arthur V. Tucker, Jr.	Vice President and Controller (Principal Accounting Officer)	March 27, 1997

James A. Cunningham*	Walter L. Krebs*	
James H. Devlin*	Sandra E. Laney*	
Charles H. Erhart, Jr.*	Kevin J. McNamara*	
Joel F. Gemunder	John M. Mount*	--Directors
Lawrence J. Gillis*	D. Walter Robbins, Jr.*	
Patrick P. Grace*	Paul C. Voet*	
Thomas C. Hutton*	George J. Walsh III*	

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* Naomi C. Dallob by signing her name hereto signs this document on behalf of each of the persons indicated above pursuant to powers of attorney duly executed by such persons and filed with the Securities and Exchange Commission.

March 27, 1997 /s/ Naomi C. Dallob
Date Naomi C. Dallob (Attorney-in-Fact)

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE

1994, 1995 AND 1996

* Indicates page numbers in Chemed Corporation 1996 Annual Report to Stockholders.

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The consolidated financial statements of Chemed Corporation listed above, appearing in the 1996 Annual Report to Stockholders, are incorporated herein by reference. The Financial Statement Schedule should be read in conjunction with the consolidated financial statements listed above. Schedules not included have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto as listed above.

REPORT OF INDEPENDENT ACCOUNTANTS ON
FINANCIAL STATEMENT SCHEDULE

To the Board of Directors
of Chemed Corporation

Our audits of the consolidated financial statements referred to in our report dated February 4, 1997 appearing on page 19 of the 1996 Annual Report to Stockholders of Chemed Corporation (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedule listed in Item 14 of this Form 10-K. In our opinion, the Financial Statement Schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ Price Waterhouse LLP
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PRICE WATERHOUSE LLP

Cincinnati, Ohio
February 4, 1997

SCHEDULE II

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
VALUATION AND QUALIFYING ACCOUNTS (a)
(in thousands)
Dr/(Cr)

Description	Balance at Beginning of Period	Additions: (Charged) Credited to Costs and Expenses	Additions: (Charged) Credited to Other Accounts	Additions: Applicable to Companies Acquired in Period	Deductions (b)	Balance at End of Period
Allowances for doubtful accounts (c) -						
For the year 1996.........	$ (3,519)	$(1,511)	$ (78)	$ (16)	$ 2,199	$ (2,925)
For the year 1995.........	$ (2,974)	$(2,443)	$ (72)	$ -	$ 1,970	$ (3,519)
For the year 1994.........	$ (2,391)	$(1,774)	$ -	$ (218)	$ 1,409	$ (2,974)
Allowances for doubtful accounts - notes receivable (d) -						
For the year 1996.........	$ (247)	$ 8	$ 78	$ -	$ 41	$ (120)
For the year 1995.........	$ (267)	$ (64)	$ 72	$ -	$ 12	$ (247)
For the year 1994.........	$ (493)	$ (81)	$ -	$ -	$ 307	$ (267)

(a) Amounts are presented on a continuing operations basis.

(b) Deductions include accounts considered uncollectible or written off, payments, companies divested, etc.

(c) Classified in consolidated balance sheet as a reduction of accounts receivable.

(d) Classified in consolidated balance sheet as a reduction of other assets.

INDEX TO EXHIBITS

Exhibit Number		Page Number or Incorporation by Reference: File No. and Filing Date	Previous Exhibit No.
3.1	Certificate of Incorporation of Chemed Corporation	Form S-3 Reg. No. 33-44177 11/26/91	4.1
3.2	By-Laws of Chemed Corporation	Form 10-K 3/28/89	2
10.1	Agreement and Plan of Merger among Diversey U.S. Holdings, Inc., D.C. Acquisition Inc., Chemed Corporation and DuBois Chemicals, Inc., dated as of February 25, 1991	Form 8-K 3/11/91	1
10.2	Stock Purchase Agreement between Omnicare, Inc. and Chemed Corporation dated as of August 5, 1992	Form 10-K 3/25/93	5
10.4	1981 Stock Incentive Plan, as amended through May 20, 1991	Form 10- K 3/27/92	7
10.5	1983 Incentive Stock Option Plan, as amended through May 20, 1991	Form 10-K 3/27/92	8
10.6	1986 Stock Incentive Plan, as amended through May 20, 1991	Form 10-K 3/27/92	9
10.7	1988 Stock Incentive Plan, as amended through May 20, 1991	Form 10-K 3/27/92	10
10.8	1993 Stock Incentive Plan	Form 10-K 3/29/94	10.8
10.9	Excess Benefits Plan, as amended effective November 1, 1985	Form 10-Q 11/12/85	10.10
10.10	Non-Employee Directors' Deferred Compensation Plan	Form 10-K 3/24/88	10.11
10.11	Directors Emeriti Plan	Form 10-Q 5/12/88	10.12

Exhibit Number		File No. and Filing Date	Previous Exhibit No.
		Page Number or Incorporation by Reference	
10.12	Employee Contracts with Executives	Form 10-K 3/28/89	10.13
10.13	Amendment No. 8 to Employment Contracts with Executives	*	
10.14	1995 Stock Incentive Plan	Form 10-K 3/28/96	10.15
10.15	Split Dollar Agreements	Form 10-K 3/28/96	10.16
10.16	Split Dollar Agreement with Edward L. Hutton	Form 10-K 3/28/96	10.17
10.17	Split Dollar Agreement with Paul C. Voet	Form 10-K 3/28/96	10.18
10.18	Amendment No. 7 to Employment Agreement with Edward L. Hutton	*	
11	Statement re: Computation of Earnings Per Common Share	*	
13	1996 Annual Report to Stockholders	*	
21	Subsidiaries of Chemed Corporation	*	
23	Consent of Independent Accountants	*	
24	Powers of Attorney	*	
27	Financial Data Schedule	*	

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* Filed herewith.

+ Not filed herewith.

EXHIBIT 10.13

AMENDMENT NO. 8
TO EMPLOYMENT AGREEMENT

AGREEMENT dated as of May 20, 1996 between ________________ ("Employee") and Chemed Corporation (the "Company").

WHEREAS, Employee and the Company have entered into an Employment Agreement dated as of May 2, 1988 and amended May 15, 1989, May 21, 1990, May 20, 1991, May 18, 1992, May 17, 1993, May 16, 1994 and May 15, 1995 ("Employment Agreement"); and

WHEREAS, Employee and the Company desire to further amend the Employment Agreement in certain respects.

NOW, THEREFORE, Employee and the Company mutually agree that the Employment Agreement shall be amended, effective as of May 20, 1996, as follows:

A. The date, amended as of May 15, 1995, set forth in Section 1.2 of the Employment Agreement, is hereby deleted and the date of May 3, 2001 is hereby substituted therefor.

B. The base salary amount set forth in the first sentence of Section 2.1 of the Employment Agreement is hereby deleted and the base salary amount of $________ per annum is hereby substituted.

C. The amount of unrestricted stock award recognized in lieu of incentive compensation in 1995 is $____________.

D. Section 3.4(b)(iii) is hereby amended to read as follows: Section 3.4(b)(iii) The fair market value of all shares of Chemed Corporation capital stock and its subsidiaries' common stock subject to stock awards granted to Employee under one or more stock incentive plans of Chemed Corporation or of any of its subsidiaries which have vesting during the 12 months prior to the Employee's termination, such fair market value to be determined as of the date of vesting of any such shares. Such monthly severance payments shall be made for a period equal to the balance of the term of employment provided in Section 1.2.

Except as specifically amended in this Amendment No. 8 to Employment Agreement, the Employment Agreement, as amended, shall continue in full force and effect in accordance with its terms, conditions and provisions.

IN WITNESS WHEREOF, the parties have duly executed this amendatory agreement as of the date first above written.

EMPLOYEE

CHEMED CORPORATION

Kevin J. McNamara
President

SCHEDULE TO EXHIBIT 10.13

Name and Position	Minimum Annual Base Salary and Bonus	Current (a) Stock Award Compensation	Current Expiration Date of Agreement
Kevin J. McNamara President	270,180,00 179,467.00	25,680.24	5/3/2001
Paul C. Voet Executive Vice President	285,344.00 135,210.00	-0-	5/3/2001
Timothy S. O'Toole Executive Vice President and Treasurer	161,666.80 70,447.00	32,263.22	5/3/2001
Sandra E. Laney Senior Vice President and Chief Administrative Officer	162,583.48 174,033.00	24,215.94	5/3/2001
Arthur V. Tucker Vice President and Controller	107,250.08 48,123.00	8,044.89	5/3/2001

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(a) Amount of unrestricted stock award recognized in lieu of incentive compensation in 1995.

EXHIBIT 10.18

AMENDMENT NO. 7
TO EMPLOYMENT AGREEMENT

AGREEMENT dated as of May 20, 1996 between Edward L. Hutton ("Employee") and Chemed Corporation (the "Company").

WHEREAS, Employee and the Company have entered into an Employment Agreement dated as of May 2, 1988 and amended May 15, 1989, May 21, 1990, May 20, 1991, May 18, 1992, May 17, 1993 and May 16, 1994 ("Employment Agreement"); and

WHEREAS, Employee and the Company desire to further amend the Employment Agreement in certain respects.

NOW, THEREFORE, Employee and the Company mutually agree that the Employment Agreement shall be amended, effective as of May 20, 1996, as follows:

A. The amount of unrestricted stock award recognized in lieu of incentive compensation in 1995 is $370,076.50.

B. The base salary amount set forth in the first sentence of Section 2.1 of the Employment Agreement is hereby deleted and the base salary amount of $550,000 per annum is hereby substituted.

C. Section 3.4(b)(iii) is hereby amended to read as follows: ss.3.4(b)(iii) The fair market value of all shares of Chemed Corporation capital stock and its subsidiaries' common stock subject to stock awards granted to Employee under one or more stock incentive plans of Chemed Corporation or of any of its subsidiaries which have vested during the 12 months prior to the Employee's termination, such fair market value to be determined as of the date of vesting of any such shares. Such monthly severance payments shall be made for a period equal to the balance of the term of employment provided in ss.1.2.

Except as specifically amended in this Amendment No. 7 to Employment Agreement, the Employment Agreement, as amended, shall continue in full force and effect in accordance with its terms, conditions and provisions.

IN WITNESS WHEREOF, the parties have duly executed this amendatory agreement as of the date first above written.

EMPLOYEE

Edward L. Hutton

CHEMED CORPORATION

Kevin J. McNamara
President

EXHIBIT 11

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATIONS OF EARNINGS PER COMMON SHARE AS SHOWN
IN ANNUAL REPORT ON FORM 10-K

(in thousands except per share data)

	1994	
	Income from Continuing Operations	Net Income
Computation of Earnings per Common and Common Equivalent Share: (a)		
Reported income	$14,532	$43,922
Average number of shares used to compute earnings per common share	9,856	9,856
Effect of unexercised stock options	59	59
Average number of shares used to compute earnings per common and common equivalent share	$ 9,915	$ 9,915
Earnings per common and common equivalent share	$ 1.47	$ 4.43
Computation of Earnings per Common Share Assuming Full Dilution: (a)		
Reported income	$14,532	$43,922
Average number of shares used to compute earnings per common share	9,856	9,856
Effect of unexercised stock options	68	68
Average number of shares used to compute earnings per common share assuming full dilution	9,924	9,924
Earnings per share assuming full dilution	$ 1.46	$ 4.43

(a) This calculation is submitted in accordance with Regulation S-K Item 601(b)(11) although not required by APB Opinion No. 15 because it results in dilution of less than 3 percent.

EXHIBIT 11

(Continued)

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATIONS OF EARNINGS PER COMMON SHARE AS SHOWN
IN ANNUAL REPORT ON FORM 10-K
(in thousands except per share data)

	1995	
	Income from Continuing Operations	Net Income
Computation of Earnings per Common and Common Equivalent Share: (a)		
Reported income	$20,439	$23,182
	=======	=======
Average number of shares used to compute earnings per common share	9,861	9,861
Effect of unexercised stock options	50	50
	-------	-------
Average number of shares used to compute earnings per common and common equivalent share	$ 9,911	$ 9,911
	=======	=======
Earnings per common and common equivalent share	$ 2.06	$ 2.34
	=======	=======
Computation of Earnings per Common Share Assuming Full Dilution: (a)		
Reported income	$20,439	$23,182
	=======	=======
Average number of shares used to compute earnings per common share	9,861	9,861
Effect of unexercised stock options	83	83
	-------	-------
Average number of shares used to compute earnings per common share assuming full dilution	9,944	9,944
	=======	=======
Earnings per share assuming full dilution	$ 2.06	$ 2.33
	=======	=======

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(a) This calculation is submitted in accordance with Regulation S-K Item 601(b)(11) although not required by APB Opinion No. 15 because it results in dilution of less than 3 percent.

EXHIBIT 11
(Continued)

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
COMPUTATIONS OF EARNINGS PER COMMON SHARE AS SHOWN
IN ANNUAL REPORT ON FORM 10-K
(in thousands except per share data)

	1996	
	Income from Continuing Operations	Net Income
Computation of Earnings per Common and Common Equivalent Share: (a)		
Reported income	$31,728	$32,328
Average number of shares used to compute earnings per common share	9,836	9,836
Effect of unexercised stock options	59	59
Average number of shares used to compute earnings per common and common equivalent share	9,895	9,895
Earnings per common and common equivalent share	$ 3.21	$ 3.27
Computation of Earnings per Common Share Assuming Full Dilution: (a)		
Reported income	$31,728	$32,328
Average number of shares used to compute earnings per common share	9,836	9,836
Effect of unexercised stock options	60	60
Average number of shares used to compute earnings per common share assuming full dilution	9,896	9,896
Earnings per share assuming full dilution	$ 3.21	$ 3.27

(a) This calculation is submitted in accordance with Regulation S-K Item 601(b)(11) although not required by APB Opinion No. 15 because it results in dilution of less than 3 percent.

FINANCIAL REVIEW

CONTENTS

[PRICE WATERHOUSE LLP LOGO]

REPORT OF INDEPENDENT ACCOUNTANTS

To the Stockholders and Board of Directors of Chemed Corporation

In our opinion, the consolidated financial statements appearing on pages 20 through 35 and on page 38 of this report present fairly, in all material respects, the financial position of Chemed Corporation and its subsidiaries ("the Company") at December 31, 1996 and 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ Price Waterhouse LLP

Cincinnati, Ohio
February 4, 1997

STATEMENT OF ACCOUNTING POLICIES

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Chemed Corporation and its majority-owned subsidiaries. All significant intercompany transactions have been eliminated.

CASH EQUIVALENTS

Cash equivalents comprise short-term, highly liquid investments that have been purchased within three months of their date of maturity.

MARKETABLE SECURITIES AND OTHER INVESTMENTS

Marketable securities and other investments are recorded at their estimated fair values. In calculating realized gains and losses on the sales of investments, the specific-identification method is used to determine the cost of investments sold.

INVENTORIES

Inventories are stated at the lower of cost or market. For determining the value of inventories, the average-cost method is used by the National Sanitary Supply segment, and the first-in, first-out ("FIFO") method is used by the Roto-Rooter and Omnia segments.

DEPRECIATION AND PROPERTIES AND EQUIPMENT

Depreciation of properties and equipment is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance, repairs, renewals and betterments that do not materially prolong the useful lives of the assets are expensed as incurred. The cost of property retired or sold and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is reflected currently in income.

INTANGIBLE ASSETS

Goodwill and identifiable intangible assets arise from purchase business combinations and are amortized using the straight-line method over the estimated useful lives of the assets, but not in excess of 40 years.

The lives of the Company's gross intangible assets at December 31, 1996, are (in thousands):

1 - 10 years	$ 3,101
11 - 20 years	2,370
21 - 30 years	4,931
31 - 40 years	223,095

The Company periodically makes an estimation and valuation of the future benefits of its intangible assets based on key financial indicators. If the projected undiscounted cash flows of a major business unit indicate that goodwill or identifiable intangible assets have been impaired, a write-down to fair value is made.

REVENUE RECOGNITION

Revenues received under prepaid contractual service agreements are recognized on a straight-line basis over the life of the contract. All other sales and service revenues are recognized when the products are delivered or the services are provided.

COMPUTATION OF EARNINGS PER SHARE

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.

PENSIONS AND RETIREMENT PLANS

The Company's major pension and retirement plans and other similar employee benefit plans are defined contribution plans. Contributions are based on employees' compensation and are funded currently.

EMPLOYEE STOCK OWNERSHIP PLANS

Contributions to the Company's Employee Stock Ownership Plans ("ESOPs") are based on established debt repayment schedules. Shares are allocated to participants based on the principal and interest payments made during the period. The Company's policy is to record its ESOP expense by applying the transition rule under the level-principal amortization concept.

STOCK-BASED COMPENSATION PLANS

The Company has elected to continue using Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, to account for stock-based compensation plans.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

RECLASSIFICATIONS

Certain amounts in the 1995 and 1994 financial statements have been reclassified to conform with the 1996 presentation.

CONSOLIDATED STATEMENT OF INCOME

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

(in thousands, except per share data) For the Years Ended December 31,	1996	1995	1994
CONTINUING OPERATIONS			
Sales	$ 399,776	$ 444,301	$ 415,807
Service revenues	284,041	254,864	229,220
Total sales and service revenues	683,817	699,165	645,027
Cost of goods sold	271,885	306,345	284,973
Cost of services provided	171,397	157,461	142,696
Selling and marketing expenses	99,038	99,162	96,144
General and administrative expenses	98,155	91,416	81,417
Depreciation	11,960	11,819	10,686
Nonrecurring expenses (Note 3)	--	538	1,705
Total costs and expenses	652,435	666,741	617,621
Income from operations	31,382	32,424	27,406
Interest expense	(8,950)	(8,466)	(8,807)
Other income--net (Note 5)	34,953	17,001	11,175
Income before income taxes and minority interest	57,385	40,959	29,774
Income taxes (Note 6)	(21,866)	(15,614)	(10,954)
Minority interest in earnings of subsidiaries (Notes 1 and 2)	(3,791)	(4,906)	(4,288)
Income from continuing operations	31,728	20,439	14,532
DISCONTINUED OPERATIONS (Note 4)	600	2,743	29,390
NET INCOME	$ 32,328	$ 23,182	$ 43,922
EARNINGS PER COMMON SHARE			
Income from continuing operations	$ 3.23	$ 2.07	$ 1.47
Net income	$ 3.29	$ 2.35	$ 4.46
Average number of shares outstanding	9,836	9,861	9,856

The Statement of Accounting Policies and the accompanying Notes to Financial Statements are integral parts of this statement.

CONSOLIDATED BALANCE SHEET

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

(in thousands, except share and per share data) December 31,	1996	1995
ASSETS		
Current assets		
Cash and cash equivalents (Note 7)	$ 11,935	$ 19,187
Marketable securities (Note 7)	--	10,094
Accounts receivable less allowances of $2,925 (1995--$3,519)	77,622	87,177
Inventories (Note 8)	52,388	58,251
Statutory deposits	19,962	18,943
Other current assets (Notes 6 and 15)	30,452	25,785
Total current assets	192,359	219,437
Other investments (Note 15)	62,098	90,176
Properties and equipment, at cost less accumulated depreciation (Note 9)	83,259	77,131
Identifiable intangible assets less accumulated amortization of $3,977 (1995--$2,886)	17,295	18,140
Goodwill less accumulated amortization of $25,292 (1995--$20,978)	186,933	119,486
Other assets	17,406	7,498
Total Assets	$ 559,350	$ 531,868
LIABILITIES		
Current liabilities		
Accounts payable	$ 25,747	$ 28,411
Bank notes and loans payable (Note 10)	5,000	25,000
Current portion of long-term debt (Note 11)	12,550	7,089
Income taxes (Note 6)	5,209	11,965
Deferred contract revenue	24,735	23,512
Other current liabilities (Note 12)	51,307	49,027
Total current liabilities	124,548	145,004
Deferred income taxes (Note 6)	6,650	15,819
Long-term debt (Note 11)	158,168	85,368
Other liabilities (Note 12)	41,273	36,030
Minority interest (Notes 1 and 2)	10,820	40,990
Total Liabilities	341,459	323,211
STOCKHOLDERS' EQUITY		
Capital stock--authorized 15,000,000 shares $1 par; issued 12,767,565 shares (1995--12,598,418 shares)	12,768	12,598
Paid-in capital	150,296	145,290
Retained earnings	139,262	127,141
Treasury stock--2,815,655 shares (1995--2,748,192 shares), at cost	(82,943)	(79,996)
Unearned compensation--ESOPs (Note 13)	(27,554)	(33,355)
Unrealized appreciation on investments (Note 15)	26,062	36,979
Total Stockholders' Equity	217,891	208,657
Commitments and contingencies (Notes 12 and 14)		
Total Liabilities and Stockholders' Equity	$ 559,350	$ 531,868

The Statement of Accounting Policies and the accompanying Notes to Financial Statements are integral parts of this statement.

CONSOLIDATED STATEMENT OF CASH FLOWS

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

(in thousands) For the Years Ended December 31,	1996	1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 32,328	$ 23,182	$ 43,922
Adjustments to reconcile net income to net cash provided by operations:			
Gains on sales of investments (Note 5)	(28,166)	(9,078)	(5,471)
Depreciation and amortization	18,847	18,205	15,807
Minority interest in earnings of subsidiaries (Notes 1 and 2)	3,791	4,906	4,288
Provision for deferred income taxes (Note 6)	(2,152)	(846)	1,101
Provision for uncollectible accounts receivable	1,503	2,507	1,855
Discontinued operations (Note 4)	(600)	(2,743)	(29,390)
Changes in operating assets and liabilities, excluding amounts acquired in business combinations:			
Decrease/(increase) in accounts receivable	8,010	(6,660)	(13,300)
Increase in statutory reserve requirements	(1,019)	(4,535)	(1,232)
Decrease/(increase) in inventories and other current assets	5,831	(2,237)	(6,610)
Increase in accounts payable, deferred contract revenue and other current liabilities	660	1,113	11,679
Decrease in income taxes (Note 6)	(2,199)	(2,160)	(426)
Other--net	(1,069)	(2,818)	1,149
Net cash provided by operating activities	35,765	18,836	23,372
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Roto-Rooter minority interest	(96,247)	--	--
Proceeds from sales of investments (Notes 5 and 15)	42,501	32,437	9,196
Capital expenditures	(19,026)	(15,413)	(18,400)
Business combinations, net of cash acquired (Note 2)	(9,933)	(11,928)	(18,383)
Net proceeds from sale of discontinued operations (Note 4)	(2,140)	2,401	49,496
Purchases of investments	(8)	(1,948)	(29,788)
Net proceeds from sale of divested operations (Note 4)	--	14,046	--
Other--net	469	228	2,449
Net cash provided/(used) by investing activities	(84,384)	19,823	(5,430)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of long-term debt (Note 11)	85,000	--	10,000
Dividends paid	(20,440)	(20,319)	(20,114)
Decrease in bank notes and loans payable (Note 10)	(20,000)	--	--
Purchases of treasury stock	(3,653)	(2,966)	(771)
Repayment of long-term debt (Note 11)	(1,288)	(1,252)	(18,232)
Issuance of capital stock (Note 16)	533	868	786
Other--net	1,215	(525)	496
Net cash provided/(used) by financing activities	41,367	(24,194)	(27,835)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(7,252)	14,465	(9,893)
Cash and cash equivalents at beginning of year	19,187	4,722	14,615
Cash and cash equivalents at end of year	$ 11,935	$ 19,187	$ 4,722

The Statement of Accounting Policies and the accompanying Notes to Financial Statements are integral parts of this statement.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

(in thousands, except per share data)	Capital Stock	Paid-in Capital	Retained Earnings	Treasury Stock--at Cost	Unearned Compen-sation--ESOPs	Unrealized Appreci-ation on Invest-ments	Total
Balance, December 31, 1993	$12,088	$ 132,095	$ 99,851	$(63,914)	$(42,969)	$ --	$ 137,151
Net income	--	--	43,922	--	--	--	43,922
Dividends paid ($2.04 per share) ..	--	--	(20,114)	--	--	--	(20,114)
Increase in unrealized appreciation on investments (Note 15)	--	--	--	--	--	20,941	20,941
Stock awards and exercise of stock options (Note 16)	263	7,329	--	(6,545)	--	--	1,047
Purchases of treasury stock	--	--	--	(771)	--	--	(771)
Decrease in unearned compensation --ESOPs (Note 13)	--	--	--	--	4,483	--	4,483
Other	18	(691)	334	--	--	--	(339)
Balance, December 31, 1994 ..	12,369	138,733	123,993	(71,230)	(38,486)	20,941	186,320
Net income	--	--	23,182	--	--	--	23,182
Dividends paid ($2.06 per share) ..	--	--	(20,319)	--	--	--	(20,319)
Increase in unrealized appreciation on investments (Note 15)	--	--	--	--	--	16,038	16,038
Decrease in unearned compensation --ESOPs (Note 13)	--	--	--	--	5,131	--	5,131
Purchases of treasury stock	--	--	--	(2,966)	--	--	(2,966)
Stock awards and exercise of stock options (Note 16)	229	6,972	--	(5,800)	--	--	1,401
Other	--	(415)	285	--	--	--	(130)
BALANCE, DECEMBER 31, 1995 ..	12,598	145,290	127,141	(79,996)	(33,355)	36,979	208,657
NET INCOME	--	--	32,328	--	--	--	32,328
DIVIDENDS PAID ($2.08 PER SHARE) ..	--	--	(20,440)	--	--	--	(20,440)
DECREASE IN UNREALIZED APPRECIATION ON INVESTMENTS (NOTE 15)	--	--	--	--	--	(10,917)	(10,917)
DECREASE IN UNEARNED COMPENSATION--ESOPS (NOTE 13) ..	--	--	--	--	5,801	--	5,801
RECLASSIFICATION OF EMPLOYEE BENEFIT TRUST ASSETS (NOTE 13) .	--	--	--	5,085	--	--	5,085
PURCHASES OF TREASURY STOCK	--	--	--	(3,653)	--	--	(3,653)
STOCK AWARDS AND EXERCISE OF STOCK OPTIONS (NOTE 16)	170	5,382	--	(4,379)	--	--	1,173
OTHER	--	(376)	233	--	--	--	(143)
BALANCE, DECEMBER 31, 1996 ..	$12,768	$ 150,296	$ 139,262	$(82,943)	$(27,554)	$ 26,062	$ 217,891

The Statement of Accounting Policies and the accompanying Notes to Financial Statements are integral parts of this statement.

NOTES TO FINANCIAL STATEMENTS

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

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1. SEGMENTS AND NATURE OF THE BUSINESS

Chemed is a diversified public corporation with strategic positions in plumbing, drain cleaning, and residential appliance and air-conditioning repair (Roto-Rooter); sanitary-maintenance-product distribution services (National Sanitary Supply); home healthcare services (Patient Care); and medical and dental disposable-product supply and supportive services for the primary, acute and long-term care markets (Omnia). Relative contributions to operating profit are 50%, 26%, 15% and 9%, respectively. The business segments are defined as follows:

-The Roto-Rooter segment includes the combined operations of the Roto-Rooter Group ("Roto-Rooter"), a group of 100%-owned businesses, which provide repair and maintenance services to residential and commercial accounts. Such services include sewer, drain and pipe cleaning, plumbing services and appliance repair and maintenance and are delivered through both company-owned and franchised locations. Roto-Rooter also manufactures and sells certain products and equipment used to provide such services.

-The National Sanitary Supply segment includes the consolidated operations of National Sanitary Supply Company ("National Sanitary Supply"), an 83%-owned subsidiary, which sells and distributes sanitary maintenance and paper supplies including cleaners, floor finishes, hand soaps, paper towels and tissues, cleaning equipment, packaging supplies, business paper and general maintenance products used by commercial, institutional and industrial businesses.

-The Patient Care segment includes the consolidated operations of the 100%-owned businesses comprising the Company's Patient Care Group ("Patient Care"), which offers complete, professional home-healthcare services primarily in the New York-New Jersey-Connecticut area. Services provided to patients at home include skilled nursing; home health aid; physical, speech, respiratory and occupational therapies; medical social work; nutrition; and other specialized services.

-The Omnia segment includes the combined operations of the 100%-owned businesses comprising the Company's Omnia Group ("Omnia"), which manufactures medical and dental supplies and distributes them to dealers throughout the United States. Products include disposable paper, cotton and gauze proprietary items and various other dental and medical supplies.

Substantially all of the Company's sales and service revenues from continuing operations are generated from business within the United States. The Company's risk of significant credit loss is not concentrated due to the diversity of the Company's customer base and the broad geographic areas the Company serves. Nevertheless, management establishes policies regarding the extension of credit and compliance therewith.

Financial data by business segment are shown on pages 34, 35 and 38 of this annual report. The segment data for 1996, 1995 and 1994 are an integral part of these financial statements.

2. BUSINESS COMBINATIONS

Effective September 1, 1996, the Company acquired all of the outstanding shares of Roto-Rooter Inc. it did not already own (approximately 2,261,000 shares) for $41 per share in cash. As a result, the Company's ownership interest in Roto-Rooter increased from 58% to 100%. The aggregate estimated purchase price of $102,100,000, including acquisition-related expenses, represents a premium of $67,900,000 (goodwill) over the fair value of the net assets acquired.

Also during 1996, seven business combinations were completed within the Roto-Rooter, National Sanitary Supply and Patient Care segments for aggregate purchase prices of $9,933,000 in cash. The results of operations of these businesses were not material in relation to the Company's results of operations in either 1996 or 1995.

During the second quarter of 1995, Omnia acquired the business and assets of the medical division of Central States Diversified Inc. ("CSDM") for $7,650,000 in cash. CSDM manufactures and distributes disposable paper products marketed under the Pro-Tex-Mor brand.

Also during 1995, five business combinations were completed in the Roto-Rooter segment for aggregate purchase prices of $2,490,000 in cash.

Effective January 1, 1994, Chemed acquired all of the capital stock of Patient Care Inc. for cash payments aggregating $20,582,000, including deferred payments with a present value of $6,271,000, plus 17,500 shares of Chemed Capital Stock. In December 1995, the Company recorded an additional $2,000,000 arising from contingent consideration associated with the purchase transaction. This additional purchase price was recorded as goodwill. Half of this amount was paid in March 1996 and half is payable in March 1997.

Also during 1994, five business combinations were completed within the Roto-Rooter and National Sanitary Supply segments for aggregate purchase prices of $1,795,000 in cash.

The results of business combinations completed in 1995 and 1994 were not material to the Company's results of operations in either 1995 or 1994.

The following data present the unaudited pro forma consolidated results of the Company, assuming the 42% minority interest in Roto-Rooter had been acquired on January 1 of each period presented (in thousands, except per share data):

	For the Years Ended December 31, 1996	1995
Income from continuing operations	$31,781	$19,475
Net income	32,381	22,218
Earnings per share:		
Income from continuing operations	3.23	1.97
Net income	3.29	2.26

The excess of the purchase price over the fair value of the net assets acquired in business combinations is classified as goodwill. A summary of net assets acquired in business combinations, all of which have been recorded under purchase accounting rules, follows (in thousands):

	December 31, 1996	1995	1994
Working capital	$ 4,367	$ (1,238)	$ 8,646
Properties and equipment	246	621	451
Identifiable intangible assets	246	969	--
Goodwill	4,220	9,607	22,051
Deferred income taxes	(716)	(762)	3,649
Long-term debt	(350)	(316)	(7,492)
Other assets and liabilities--net	1,934	5,150	(507)
Total net assets	9,947	14,031	26,798
Less--cash and cash equivalents acquired	(14)	(103)	(182)
-capital stock issued	--	--	(500)
-present value of deferred payments	--	(2,000)	(7,733)
Net cash used	$ 9,933	$ 11,928	$ 18,383

3. NONRECURRING EXPENSES

Nonrecurring expenses amounting to $538,000 pretax ($355,000 aftertax; $208,000, or $.02 per share, after minority interest) were incurred by Roto-Rooter in the third quarter of 1995 as a result of discussions related to Chemed's proposal to acquire the 42% minority interest in Roto-Rooter common stock. The discussions were terminated in August 1995.

In the third quarter of 1994, nonrecurring expenses of $1,705,000 ($1,107,000 aftertax, or $.12 per share) were recorded as the result of reducing staff at various locations and refocusing marketing efforts within the Omnia segment.

4. DISCONTINUED AND DIVESTED OPERATIONS

DISCONTINUED OPERATIONS

On November 30, 1994, the Company sold 6,280,000 shares (adjusted for Omnicare's two-for-one stock split in June 1996) of the capital stock of Omnicare Inc. ("Omnicare"), a publicly traded affiliate in which Chemed previously had maintained an equity interest. Also, during the first six months of 1994, the Company sold a total of 959,600 shares of Omnicare stock. As a result, the Company recorded gains aggregating $23,358,000 (net of income taxes of $20,248,000) during 1994. These gains and the equity earnings in Omnicare prior to December 1, 1994, are classified as discontinued operations. At December 31, 1994, the Company held 2,888,000 shares, or 6%, of the Omnicare capital stock. The Company currently holds shares representing less than 1% of the Omnicare capital stock outstanding at December 31, 1996.

As a result of settling various issues and periodically reevaluating the adequacy of the Company's accruals for tax and other liabilities relative to the sale of DuBois Chemicals Inc. ("DuBois") in April 1991, the Company recorded favorable adjustments to discontinued operations in 1996, 1995 and 1994.

Discontinued operations, as shown on the accompanying consolidated statement of income, comprise the following (in thousands):

	For the Years Ended December 31,		
	1996	1995	1994
Adjustments to the tax provision on the gain on the sale of DuBois	$ 823	$ 2,743	$ 3,236
Gains on sales of Omnicare stock	--	--	23,358
Equity earnings in Omnicare prior to December 1, 1994	--	--	2,225
Adjustment to the expense accruals related to the gain on the sale of DuBois	(223)	--	571
Total discontinued operations	$ 600	$ 2,743	$29,390

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

DIVESTED OPERATIONS

During the third quarter of 1995, The Omnia Group completed the sale of the business and assets of its Veratex Retail division to Henry Schein Inc. for $14,046,000 in cash. This sale resulted in an immaterial gain which was recorded in 1995.

5. OTHER INCOME--NET

Other income--net comprises the following (in thousands):

	For the Years Ended December 31,		
	1996	1995	1994
Gain on sales of investments	$28,166	$ 9,078	$ 5,471
Interest income	3,191	4,203	2,739
Dividend income	3,110	3,190	3,057
Other--net	486	530	(92)
Total other income -net	$34,953	$17,001	$11,175

6. INCOME TAXES

The provision for income taxes comprises the following (in thousands):

	For the Years Ended December 31,		
	1996	1995	1994
CONTINUING OPERATIONS:			
Current			
U.S. federal	$21,055	$14,272	$ 7,517
U.S. state and local	2,963	2,188	2,336
Deferred U.S. federal	(2,152)	(846)	1,101
Total	$21,866	$15,614	$10,954
DISCONTINUED OPERATIONS:			
Current			
U.S. federal	$ 1,000	$ 2,461	$19,820
U.S. state and local	(1,247)	(4,156)	(2,850)
Deferred U.S. federal	(691)	(1,048)	(323)
Total	$ (938)	$(2,743)	$16,647

A summary of the significant temporary differences that give rise to deferred income tax assets/(liabilities) follows (in thousands):

	December 31,	
	1996	1995
Accruals related to discontinued operations	$ 7,123	$ 6,544
Accrued insurance expense	6,423	5,803
Deferred compensation	3,512	1,187
Severance payments	2,674	285
Employee benefit accruals	1,544	1,457
Bad debt allowances	1,015	1,235
Other	4,086	4,625
Gross deferred income tax assets	26,377	21,136
Market valuation of investments	(14,034)	(19,050)
Accelerated tax depreciation	(6,639)	(6,440)
Cash to accrual adjustments	(1,305)	(1,209)

Investment basis difference	(1,132)	(1,691)
Other	(1,673)	(2,576)
Gross deferred income tax liabilities	(24,783)	(30,966)
Net deferred income tax assets/(liabilities)	$ 1,594	$(9,830)

Based on the Company's history of prior operating earnings and its expectations for future growth, management has determined that the operating income of the Company will, more likely than not, be sufficient to ensure the full realization of the gross deferred income tax assets.

Included in other current assets at December 31, 1996, are deferred income tax assets of $8,244,000 (December 31, 1995--$5,989,000).

The difference between the effective tax rate for continuing operations and the statutory U.S. federal income tax rate is explained as follows:

	For the Years Ended December 31,		
	1996	1995	1994
Statutory U.S. federal income tax rate	35.0%	35.0%	35.0%
State and local income taxes, less federal income tax benefit	3.2	3.6	5.2
Nondeductible amortization of goodwill	2.1	2.6	3.1
Domestic dividend exclusion	(1.2)	(1.7)	(2.3)
Tax benefit on dividends paid to ESOPs	(1.2)	(1.6)	(2.1)
Other--net	.2	.2	(2.1)
Effective tax rate	38.1%	38.1%	36.8%

The total amount of income taxes paid during the year ended December 31, 1996, was $26,513,000 (1995--$18,253,000; 1994--$28,533,000).

7. CASH EQUIVALENTS AND MARKETABLE SECURITIES

Included in cash and cash equivalents at December 31, 1996, are cash equivalents in the amount of $11,122,000 (1995--$8,804,000). The cash equivalents at both dates consist of investments in various money market funds and repurchase agreements yielding interest at a weighted average rate of 5.2% in 1996 and 5.4% in 1995.

From time to time throughout the year, the Company invests its excess cash in repurchase agreements directly with major commercial banks. The collateral is not physically held by the Company, but the term of such repurchase agreements is less than 10 days. Investments of significant amounts are spread among a number of banks, and the amounts invested in each bank are varied constantly.

Included in marketable securities at December 31, 1995, was a U.S. Treasury Note with a value of $9,994,000 yielding 7.2%, which matured in 1996.

8. INVENTORIES

A summary of inventories follows (in thousands):

	December 31, 1996	December 31, 1995
Raw materials	$ 6,515	$ 7,921
Finished goods and general merchandise	45,873	50,330
Total inventories	$52,388	$58,251

9. PROPERTIES AND EQUIPMENT

A summary of properties and equipment follows (in thousands):

	December 31, 1996	December 31, 1995
Land	$ 8,039	$ 8,035
Buildings	31,273	29,567
Furniture and fixtures	31,212	26,301
Machinery and equipment	35,573	30,900
Transportation equipment	26,915	24,198
Projects under construction	6,900	5,204
Total properties and equipment	139,912	124,205
Less accumulated depreciation	(56,653)	(47,074)
Net properties and equipment	$ 83,259	$ 77,131

10. BANK NOTES AND LOANS PAYABLE

At December 31, 1996, the Company had $5,000,000 of borrowings outstanding under an uncommitted line of credit with Sanwa Bank Ltd. At December 31, 1995, the Company had $25,000,000 of borrowings outstanding under a credit agreement with Bank of America. In addition, the Company had approximately $27,298,000 of unused lines of credit with various banks at December 31, 1996.

The Company's short-term borrowings provide temporary capital for operations. Borrowings under the credit agreement were subject to maintaining certain financial covenants, with which the Company complied. There are no restrictions on any cash balances maintained at the banks. The weighted average interest rate on short-term borrowings at December 31, 1996, was 6.2% (December 31, 1995--6.1%).

11. LONG-TERM DEBT

A summary of the Company's long-term debt follows (in thousands):

December 31,

	1996	1995
Revolving Credit:		
6.00%, due 2001	$ 85,000	$ --
Senior Notes:		
8.15%, due 2000 - 2004	50,000	50,000
10.67%, due 1996 - 2003	7,000	8,000
Employee Stock Ownership Plans Loan Guarantees: 6.83% (1995--6.80%), due 1996 - 2000	27,554	33,355
Other	1,164	1,102
Subtotal	170,718	92,457
Less current portion	(12,550)	(7,089)
Long-term debt, less current portion	$158,168	$ 85,368

REVOLVING CREDIT AGREEMENT

In June 1996, the Company entered into an amended revolving credit agreement with Bank of America National Trust and Savings Association to borrow up to $85,000,000 at any time during the five-year period ending June 20, 2001. Unpaid principal is due on June 20, 2001. The interest rate is based on various stipulated market rates of interest.

SENIOR NOTES

On December 22, 1992, the Company borrowed $50,000,000 from several insurance companies. Principal is repayable in five annual installments of $10,000,000 beginning on December 15, 2000, and bears interest at the rate of 8.15% per annum. Interest is payable on June 15 and December 15 of each year.

On November 10, 1988, the Company borrowed $31,000,000 from a consortium of insurance companies. Of this amount, $21,000,000 was due and paid on November 1, 1993, and annual installments of $1,000,000 were due and paid on November 1, 1994, 1995 and 1996. The remaining $7,000,000 bears interest at the rate of 10.67% with annual principal payments of $1,000,000 due on November 1, 1997 through 2003. Interest is payable on May 1 and November 1 of each year.

EMPLOYEE STOCK OWNERSHIP PLANS
("ESOPS") LOAN GUARANTEES

The Company has guaranteed ESOP loans made by various institutional lenders. Payments by the ESOPs, including both principal and interest, are to be made in quarterly installments over the next four years, the final payments being due on June 30, 2000. The loans, secured in part by the unallocated shares of the Company's capital stock held by the ESOP trusts, currently bear interest at an average annual rate of 6.83% (1995--6.80%). Such rates are subject to adjustments for changes in interest rates of specified U.S. Treasury obligations, U.S. federal statutory income tax rates and certain federal tax law changes.

The market value of the unallocated shares of the Company's capital stock held by the ESOPs at December 31, 1996, based on that day's closing price of $36.50 was $21,849,000 as compared with aggregate loan guarantees of $27,554,000.

OTHER

Other long-term debt has arisen from the assumption of loans in connection with various acquisitions. Interest rates range from 5% to 9%, and the obligations are due on various dates through 2009.

The following is a schedule by year of required long-term debt payments as of December 31, 1996 (in thousands):

1997	$ 12,550
1998	10,653
1999	6,522
2000	12,500
2001	96,157
After 2001	32,336
Total long-term debt	$170,718

The various loan agreements contain certain covenants which could restrict the amount of cash dividend payments, treasury stock purchases and certain other transactions of the Company. Under the most restrictive of these covenants, the Company is limited to incurring additional debt of $77,537,000, cannot permit its net worth to fall below $164,673,000 and is limited to incurring additional annual net rentals under operating leases with terms of three years or more aggregating $7,703,000. Also, the Company must maintain an interest coverage ratio (defined as the ratio of earnings before interest and taxes to interest expense) of at least 3.0. At December 31, 1996, the Company's interest coverage ratio was 4.3.

The total amount of interest paid during the year ended December 31, 1996, was $10,705,000 (1995--$7,972,000; 1994--$8,562,000).

12. OTHER LIABILITIES

At December 31, 1996, other current liabilities included accrued insurance liabilities of $19,395,000 and accrued wages of $7,249,000 (1995--$19,470,000 and $6,258,000, respectively).

Included in other liabilities at December 31, 1996, is an accrual of $7,405,000 for the Company's estimated liability for potential environmental cleanup and related costs arising from the sale of DuBois. The Company is contingently liable for additional DuBois-related environmental cleanup and related costs up to a maximum of $14,665,000. On the basis of a continuing evaluation of the Company's potential liability by the Company's environmental adviser, management believes that it is not probable this additional liability will be paid. Accordingly, no provision for this contingent liability has been recorded. Although it is not presently possible to reliably project the timing of payments related to the Company's potential liability for environmental costs, management believes that any adjustments to its recorded liability will not materially adversely affect its financial position or results of operations.

13. PENSION AND RETIREMENT PLANS

Retirement obligations under various plans cover substantially all full-time employees who meet age and/or service eligibility requirements. The major plans providing retirement benefits to the Company's employees are defined contribution plans.

The Company has established two ESOPs which purchased a total of $56,000,000 of the Company's capital stock. Substantially all Chemed headquarters and Omnia employees and substantially all employees of National Sanitary Supply, not covered by collective bargaining agreements, are participants in the ESOPs. Eligible employees of Roto-Rooter and Patient Care are covered by other defined contribution plans.

Expenses charged to continuing operations for the Company's pension and profit-sharing plans, ESOPs, excess benefit plans and other similar plans comprise the following (in thousands):

	For the Years Ended December 31,		
	1996	1995	1994
ESOPs:			
Interest expense	$ 824	$1,217	$1,322
Compensation cost	2,807	2,782	2,476
Pension, profit-sharing and other similar plans	4,112	3,391	2,518
Total	$7,743	$7,390	$6,316
Dividends on ESOP shares used for debt service	$2,676	$2,758	$2,820

At December 31, 1996, there were 668,471 allocated shares (December 31, 1995--555,687 shares) and 598,611 unallocated shares (December 31, 1995--757,437 shares) in the ESOP trusts.

The Company has a directors' deferred compensation plan and an excess benefit plan for key employees whose participation in the ESOPs is limited by ERISA rules. Accrued benefits are payable in shares of the Company's stock. The value of these benefits is invested in shares of the Company's stock, which are held by grantor trusts. The trusts' assets are included in other assets at December 31, 1996, and the corresponding liability is included in other liabilities. Prior to November 1996, the trusts' investments in Company shares were included in treasury stock, since securities laws made it impractical to pay out these benefits in shares of stock. At December 31, 1996, these trusts held 145,453 shares of the Company's stock (December 31, 1995--115,534 shares).

14. LEASE ARRANGEMENTS

The Company, as lessee, has operating leases which cover its corporate office headquarters; various plant, warehouse and office facilities; office equipment; and plant and transportation equipment. The remaining terms of these leases range from one year to 10 years, and in most cases, management expects that these leases will be renewed or replaced by other leases in the normal course of business. All major plants and warehouses and substantially all equipment are owned by the Company.

The following is a summary of future minimum rental payments and sublease rentals to be received under operating leases that have initial or remaining noncancelable terms in excess of one year at December 31, 1996 (in thousands):

1997	$12,491
1998	9,586
1999	7,692
2000	6,850
2001	5,870
After 2001	18,113
TOTAL MINIMUM RENTAL PAYMENTS	60,602
LESS MINIMUM SUBLEASE RENTALS	(8,940)
NET MINIMUM RENTAL PAYMENTS	$51,662

Total rental expense incurred under operating leases follows (in thousands):

	For the Years Ended December 31,		
	1996	1995	1994
Total rental payments	$14,988	$13,353	$12,451
Less sublease rentals	(3,915)	(3,591)	(3,446)
Net rental expense	$11,073	$ 9,762	$ 9,005

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

15. FINANCIAL INSTRUMENTS

The following methods and assumptions are used in estimating the fair value of each class of the Company's financial instruments:

-For cash and cash equivalents, accounts receivable, statutory deposits and accounts payable, the carrying amount is a reasonable estimate of fair value because of the liquidity and short-term nature of these instruments.

-For marketable securities, carrying value and fair value are based upon quoted market prices.

-For other investments and other assets, fair value is based upon quoted market prices for these or similar securities, if available. Included in other investments is the Company's investment in privately held Vitas Healthcare Corporation ("Vitas"), which provides noncurative care to chronically ill patients. The market value of Vitas Common Stock Purchase Warrants at December 31, 1995, was based on the difference between Chemed's exercise price and an appraisal of the value of the underlying common stock. Since it is not practicable to obtain an updated appraisal, it has been assumed that the market value of the Vitas warrants is equal to book value at December 31, 1996 ($1,500,000). The value of the Vitas 9% Cumulative Preferred Stock is based on the present value of the mandatory redemption payments, using an interest rate of 15.0% (1995--8.2%), rates which management believes are reasonable in view of risk factors attendant to the investment.

-The fair value of the Company's long-term debt is estimated by discounting the future cash outlays associated with each debt instrument using interest rates currently available to the Company for debt issues with similar terms and remaining maturities.

The estimated fair values of the Company's financial instruments are as follows (in thousands):

	DECEMBER 31, 1996		December 31, 1995	
	CARRYING AMOUNT	FAIR VALUE	Carrying Amount	Fair Value
Other investments(a)	$ 78,541	$ 78,541	$ 98,438	$101,668
Note receivable(b)	--	--	5,864	5,909
Long-term debt	170,718	172,225	92,457	94,992

(a) Amounts for 1996 include $16,443,000 representing the current portion of Vitas preferred stock, which is recorded in other current assets on the balance sheet (1995--$8,262,000).
(b) The note receivable is included in other current assets.

The Company has classified its investments in equity securities and certain debt securities as either trading or available-for-sale. The trading category includes those investments which are held principally for the purpose of selling them in the near term. All other investments are classified in the available-for-sale category. Investments included in cash equivalents are considered to be trading securities and all other investments are considered to be available-for-sale.

Disclosures regarding the Company's investments which are classified as available-for-sale are summarized below (in thousands):

	December 31,	
	1996	1995
Aggregate fair value:		
Obligations of the U.S. Treasury	$ --	$ 9,994
Equity securities	78,541	98,438
Gross unrealized holding gains:		
Obligations of the U.S. Treasury	--	20
Equity securities	41,422	56,010
Gross unrealized holding losses of equity securities	1,326	--
Amortized cost:		
Obligations of the U.S. Treasury	--	9,974
Equity securities	38,445	42,428

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

The chart below summarizes information with respect to available-for-sale securities sold during the period (in thousands):

	For the Years Ended December 31, 1996	1995	1994
Proceeds from sale	$42,501	$32,437	$ 9,196
Gross realized gains	28,188	9,088	5,589
Gross realized losses	(22)	(10)	(2)

Included in marketable securities at December 31, 1995, is a Treasury Note with a fair value of $9,994,000, which matured in January 1996. Included in other investments is the noncurrent portion of the Company's investment in Vitas mandatorily redeemable preferred stock with a fair value of $9,150,000 at December 31, 1996 (December 31, 1995--$19,236,000).

16. STOCK INCENTIVE PLANS

The Company has seven Stock Incentive Plans under which 2,650,000 shares of Chemed Capital Stock are issued to key employees pursuant to the grant of stock awards and/or options to purchase such shares. All options granted under these plans provide for a purchase price equal to the market value of the stock at the date of grant. The latest plan, covering 500,000 shares, was adopted in May 1995.

Under the plan adopted in 1983, both nonstatutory and incentive stock options have been granted. Incentive stock options granted under the 1983 plan become exercisable in full six months following the date of the grant; nonstatutory options granted under the 1983 plan become exercisable in four annual installments commencing six months after the date of grant.

The other plans are not qualified, restricted or incentive stock option plans under the Internal Revenue Code. Additional options may not be granted under the plans adopted in 1978, 1981, 1983 and 1986 covering a total of 1,400,000 shares, but a number of options granted under those plans remains outstanding. Options granted under the 1988, 1993 and 1995 plans become exercisable six months following the date of grant in either three or four equal annual installments.

Data relating to the Company's stock issued to employees follow:

	1996 NUMBER OF SHARES	1996 AVERAGE PRICE	1995 Number of Shares	1995 Average Price	1994 Number of Shares	1994 Average Price
Stock Options:						
Outstanding at January 1 ...	627,666	$31.05	553,472	$29.38	628,967	$27.04
Granted	180,900	38.74	291,650	32.57	260,650	32.13
Exercised	(148,903)	28.61	(208,668)	28.77	(247,845)	26.17
Forfeited	(14,888)	33.96	(7,738)	30.81	(87,300)	29.92
Expired	(750)	36.38	(1,050)	31.81	(1,000)	28.94
Outstanding at December 31 .	644,025	33.70	627,666	31.05	553,472	29.38
Exercisable at December 31 .	320,467	32.34	325,385	30.03	280,193	28.32
Stock awards issued	20,791	39.63	20,538	33.55	15,946	30.94

The weighted average contractual life of options outstanding at December 31, 1996, was 8.1 years. The range of exercise prices for these options was from $21.94 to $38.75. At December 31, 1996, there were 114,923 shares available for granting of stock options and awards.

Total compensation cost recognized for stock awards, including awards granted by two of the Company's subsidiaries, National Sanitary Supply (83% owned) and Roto-Rooter Inc. (58% owned prior to September 1996), was $1,561,000 in 1996 (1995--$1,316,000; 1994--$1,032,000). The shares of capital stock were issued to key employees and directors at no cost and generally are restricted as to the transfer of ownership. Restrictions covering between 20% and 33% of each holder's shares lapse annually.

Summarized below are the pro forma results of operations of Chemed assuming the provisions of the fair-value-based method of valuing stock options, described in Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, had been applied to options granted in 1995 and 1996 by the Company and by National Sanitary Supply (in thousands, except per share data):

	For the Years Ended December 31, 1996	1995
Net income:		
As reported	$32,328	$23,182
Pro forma	31,689	22,798
Primary earnings per share:		
As reported	3.29	2.35
Pro forma	3.22	2.31
Per share average fair value of options granted:		
The Company	6.93	5.31
National Sanitary Supply	4.82	4.95

In view of the fact that the fair value method of accounting is applied to option grants issued only during 1995 and 1996, the above pro forma data do not reflect the full impact of applying such fair value method to Chemed's stock options.

The fair values of employee stock options were estimated using the Black-Scholes option pricing model and following key assumptions:

	For the Years Ended December 31, 1996	1995
The Company:		
Average risk-free interest rate	6.5%	7.1%
Expected volatility	22.3	22.5
National Sanitary Supply:		
Average risk-free interest rate	5.9	6.9
Expected volatility	42.5	42.5

For both the Company's and National Sanitary Supply's options, it has been assumed that the options have an expected life of six years. For the Company's options, it was assumed that the annual dividend was increased $.04 per share per year every other year beginning in 1997. For National Sanitary Supply options, it was assumed that the dividend was increased $.02 per share per year every year. These assumptions should not be construed to be an indication of future dividend amounts to be paid by the Company or by National Sanitary Supply.

SALES AND PROFIT STATISTICS BY BUSINESS SEGMENT(a)

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

(in thousands, except percentages and footnote data)	% OF TOTAL 1996	% of Total 1987	1996	1995
SALES AND SERVICE REVENUES FROM CONTINUING OPERATIONS(b)				
Roto-Rooter	29%	37%	$201,648	$179,722
National Sanitary Supply	45	63	310,125	340,913
Patient Care	15	--	99,565	90,727
Omnia	11	--	72,479	87,803
Total	100%	100%	$683,817	$699,165
OPERATING PROFIT FROM CONTINUING OPERATIONS(c)				
Roto-Rooter	50%	55%	$ 19,115	$ 15,908(e)
National Sanitary Supply	26	45	9,988	11,847
Patient Care	15	--	5,632	4,989
Omnia	9	--	3,226	5,957
Total	100%	100%	$ 37,961	$ 38,701

(a) The data are presented on a continuing operations basis, thus excluding DuBois Chemicals Inc., sold in April 1991. The data for 1996, 1995 and 1994 are covered by the report of independent accountants.

(b) Intersegment sales are not material. Total sales by segment consist of sales and services to unaffiliated companies. The Company does not derive 10% or more of its sales and service revenues from any one customer.

(c) Operating profit is total sales and service revenues less operating expenses and includes 100% of all consolidated operations. In computing operating profit, none of the following items has been added or deducted: general corporate expenses, interest expense, and other income--net.

1994	1993	1992	1991	1990	1989	1988	1987
$171,930	$136,428(d)	$104,688	$ 84,774(d)	$ 75,230	$ 66,842	$ 62,255	$ 55,233
308,280	296,865	288,731	267,508	265,424	262,351	179,191(d)	92,618
69,064	--	--	--	--	--	--	--
95,753	91,800	7,543	--	--	--	--	--
$645,027	$525,093	$400,962	$352,282	$340,654	$329,193	$241,446	$147,851
$ 15,967	$ 14,371(d)	$ 11,253	$ 8,499(d)	$ 8,049	$ 7,762	$ 8,267	$ 7,573
10,291	9,093	9,171	8,504	10,165	10,762	8,507(d)	6,157
2,790	--	--	--	--	--	--	--
5,415(f)	5,660	607	--	--	--	--	--
$ 34,463	$ 29,124	$ 21,031	$ 17,003	$ 18,214	$ 18,524	$ 16,774	$ 13,730

(d) The following significant business combinations, all in the United States, have been accounted for as purchase transactions:

Name	Business Segment	Effective Date of Acquisition	Amounts Reported in Year Acquired: Sales and Service Revenues	Amounts Reported in Year Acquired: Operating Profit
Service America Network Inc.	Roto-Rooter	July 1993	$18,576,000	$784,000
Service America Systems Inc.	Roto-Rooter	August 1991	5,557,000	773,000
Century Papers Inc.	National Sanitary Supply	July 1988	71,650,000	--*

*Operations were integrated into existing operations and amount is not determinable.

(e) Amount includes nonrecurring charges of $538,000 incurred as a result of discussions related to Chemed's proposal to acquire the 42% minority interest in Roto-Rooter.

(f) Amount includes nonrecurring charges of $648,000 related to the cost of staff reductions and refocusing marketing efforts.

SELECTED FINANCIAL DATA

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

(in thousands, except per share data, employee numbers, ratios and percentages)	1996	1995	1994
SUMMARY OF OPERATIONS			
Continuing operations			
Total sales and service revenues	$683,817	$699,165	$645,027
Gross profit	240,535	235,359	217,358
Depreciation	11,960	11,819	10,686
Income from operations	31,382	32,424	27,406
Income from continuing operations	31,728	20,439	14,532
Discontinued operations(a)	600	2,743	29,390
Cumulative effect of changes in accounting principles	--	--	--
Net income	32,328	23,182	43,922
Earnings per common share:			
Assuming full dilution--			
Income from continuing operations(b)	3.23	2.07	1.47
Net income	3.29	2.35	4.46
Primary--			
Income from continuing operations(b)	3.23	2.07	1.47
Net income	3.29	2.35	4.46
Average number of shares outstanding:			
Assuming full dilution	9,836	9,861	9,856
Primary	9,836	9,861	9,856
Cash dividends per share	$ 2.08	$ 2.06	$ 2.04
FINANCIAL POSITION--YEAR-END			
Cash, cash equivalents and marketable securities	$ 11,935	$ 29,281	$ 24,239
Working capital	67,811	74,433	55,061
Properties and equipment, at cost less accumulated depreciation	83,259	77,131	77,116
Total assets	559,350	531,868	505,483
Long-term debt	158,168	85,368	92,133
Stockholders' equity	217,891	208,657	186,320
Book value per share:			
Assuming full dilution	21.89	21.18	18.89
Primary	21.89	21.18	18.89
OTHER STATISTICS--CONTINUING OPERATIONS			
Net cash provided/(used) by continuing operations	$ 35,765	$ 18,836	$ 23,372
Capital expenditures	19,026	15,413	18,400
Number of employees	7,886	7,335	6,602
Number of sales and service representatives	4,976	4,500	3,919
Dividend payout ratio(c)	63.2%	87.7%	45.7%
Debt to total capital ratio:			
Total debt basis	43.4	32.0	35.7
Senior debt basis	43.4	32.0	35.7
Return on average equity(c)	16.5	11.9	28.4
Return on average total capital employed(c)	11.6	9.3	16.4
Current ratio	1.54	1.51	1.39

(a) Discontinued operations data include Omnicare Inc., discontinued in 1994; accrual adjustments from 1992 through 1996 related to the gain on the sale of DuBois Chemicals Inc. ("DuBois"); DuBois, sold in April 1991; and adjustments to accruals in 1991 and 1988 related to operations discontinued in 1986.

(b) Earnings per share assuming full dilution from continuing operations for years prior to 1989 are greater than the corresponding primary amounts due to the antidilutive impact of the convertible debt on earnings per common share from continuing operations.

1993	1992	1991	1990	1989	1988	1987
$525,093	$400,962	$352,282	$340,654	$329,193	$241,446	$ 147,851
175,900	138,517	123,077	118,235	110,618	87,071	65,577
8,817	6,348	5,899	5,413	4,811	3,738	3,049
23,163	15,180	9,500	11,147	11,281	9,529	7,636
14,843	12,506	9,858	3,616	2,908	416	632
2,986	3,145	43,109	12,938	23,274	22,972	19,730
1,651	--	--	--	--	732	--
19,480	15,651	52,967	16,554	26,182	24,120	20,362
1.52	1.28	.98	.35	.29	.29	.35
1.99	1.60	5.27	1.60	2.61	2.47	2.15
1.52	1.28	.98	.35	.29	.04	.07
1.99	1.60	5.27	1.60	2.61	2.60	2.28
9,778	9,803	10,059	10,371	10,042	10,879	11,006
9,778	9,803	10,059	10,371	10,042	9,280	8,939
$ 2.01	$ 2.00	$ 1.97	$ 1.96	$ 1.84	$ 1.72	$ 1.60
$ 15,815	$ 47,704	$ 83,044	$ 775	$ 5,346	$ 4,033	$ 4,387
30,741	62,452	82,675	14,377	28,236	24,740	10,064
70,758	62,872	44,391	36,802	38,574	36,335	25,034
430,253	404,944	364,335	277,169	285,600	276,276	218,314
98,059	103,778	77,928	82,151	85,834	90,405	46,504
137,151	133,511	139,407	109,504	119,121	109,276	111,754
14.00	13.68	14.08	10.75	11.61	13.19	14.69
14.00	13.68	14.08	10.75	11.61	11.65	12.71
$ 17,715	$ 15,563	$ 19,572	$ 13,505	$ 9,333	$ 7,589	$ (6,335)
13,851	8,232	11,416	7,128	7,723	10,259	5,597
4,834	3,856	3,325	2,965	2,851	2,633	1,796
2,552	1,790	1,665	1,409	1,356	1,223	967
101.0%	125.0%	37.4%	122.5%	70.5%	66.2%	70.2%
43.2	44.3	34.5	42.4	40.3	43.5	29.3
43.2	44.3	34.5	42.4	34.9	29.2	3.8
14.3	11.6	42.5	13.8	22.3	20.6	17.0
9.7	8.7	24.4	9.8	14.0	14.9	13.5
1.24	1.60	1.98	1.27	1.61	1.55	1.32

(c) These computations are based on the net income and, with respect to return on average capital employed, various related adjustments.

ADDITIONAL SEGMENT DATA(a)

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

(in thousands) For the Years Ended December 31,	1996	1995	1994
IDENTIFIABLE ASSETS			
Roto-Rooter	$ 208,345	$ 134,891	$ 127,602
National Sanitary Supply	111,445	121,427	122,175
Patient Care	47,494	46,211	38,857
Omnia	78,682	83,697	84,682
Total identifiable assets	445,966	386,226	373,316
Corporate assets(b)	113,384	145,642	132,167
Total assets	$ 559,350	$ 531,868	$ 505,483
CAPITAL EXPENDITURES			
Roto-Rooter	$ 6,920	$ 5,544	$ 6,214
National Sanitary Supply	3,996	3,393	6,715
Patient Care	2,484	2,608	2,541
Omnia	4,042	2,801	2,079
Subtotal	17,442	14,346	17,549
Corporate assets	1,584	1,067	851
Total capital expenditures	$ 19,026	$ 15,413	$ 18,400
DEPRECIATION AND AMORTIZATION(c)			
Roto-Rooter	$ 8,832	$ 7,646	$ 7,227
National Sanitary Supply	4,859	4,848	4,525
Patient Care	1,609	1,463	718
Omnia	2,210	2,727	2,643
Subtotal	17,510	16,684	15,113
Corporate assets	1,337	1,521	694
Total depreciation and amortization	$ 18,847	$ 18,205	$ 15,807
RECONCILIATION OF OPERATING PROFIT TO INCOME BEFORE INCOME TAXES AND MINORITY INTEREST			
Total operating profit	$ 37,961	$ 38,701	$ 34,463
Interest expense	(8,950)	(8,466)	(8,807)
Investment income, net of corporate expenses(d)	28,374	10,724	4,118
Income before income taxes and minority interest	$ 57,385	$ 40,959	$ 29,774

(a) The Additional Segment Data are covered by the report of independent accountants.

(b) Corporate assets consist primarily of cash and cash equivalents, marketable securities, properties and equipment and other investments.

(c) Depreciation and amortization include amortization of identifiable intangible assets, goodwill and other assets.

(d) Amounts are not allocable to segments and are included in various categories in the Consolidated Statement of Income.

UNAUDITED SUMMARY OF QUARTERLY RESULTS

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

(in thousands, except per share data)

1996	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
CONTINUING OPERATIONS					
TOTAL SALES AND SERVICE REVENUES .	$ 167,461	$ 170,471	$ 173,715	$ 172,170	$ 683,817
GROSS PROFIT	$ 57,758	$ 60,095	$ 60,378	$ 62,304	$ 240,535
INCOME FROM OPERATIONS	$ 7,011	$ 8,030	$ 8,696	$ 7,645	$ 31,382
INTEREST EXPENSE	(1,931)	(1,900)	(2,241)	(2,878)	(8,950)
OTHER INCOME--NET	16,298	5,181	1,633	11,841	34,953
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	21,378	11,311	8,088	16,608	57,385
INCOME TAXES	(7,974)	(4,237)	(3,200)	(6,455)	(21,866)
MINORITY INTEREST IN EARNINGS OF SUBSIDIARIES	(1,207)	(1,386)	(1,024)	(174)	(3,791)
INCOME FROM CONTINUING OPERATIONS	12,197	5,688	3,864	9,979	31,728
DISCONTINUED OPERATIONS	--	--	600	--	600
NET INCOME	$ 12,197	$ 5,688	$ 4,464	$ 9,979	$ 32,328
EARNINGS PER COMMON SHARE					
INCOME FROM CONTINUING OPERATIONS	$ 1.24	$ .58	$ .39	$ 1.01	$ 3.23
NET INCOME	$ 1.24	$ .58	$ .46	$ 1.01	$ 3.29
AVERAGE NUMBER OF SHARES OUTSTANDING	9,867	9,837	9,790	9,850	9,836

1995	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
Continuing Operations					
Total sales and service revenues .	$ 169,858	$ 177,344	$ 177,554	$ 174,409	$ 699,165
Gross profit	$ 57,092	$ 59,302	$ 59,223	$ 59,742	$ 235,359
Income from operations	$ 6,696	$ 7,851	$ 8,681	$ 9,196	$ 32,424
Interest expense	(2,103)	(2,119)	(2,117)	(2,127)	(8,466)
Other income--net	5,649	4,727	4,775	1,850	17,001
Income before income taxes and minority interest	10,242	10,459	11,339	8,919	40,959
Income taxes	(3,814)	(4,027)	(4,379)	(3,394)	(15,614)
Minority interest in earnings of subsidiaries	(1,043)	(1,127)	(1,252)	(1,484)	(4,906)
Income from continuing operations	5,385	5,305	5,708	4,041	20,439
Discontinued Operations	901	--	1,842	--	2,743
Net Income	$ 6,286	$ 5,305	$ 7,550	$ 4,041	$ 23,182
Earnings Per Common Share					
Income from continuing operations	$ .55	$ .54	$ .58	$ .41	$ 2.07
Net income	$ .64	$ .54	$ .77	$ .41	$ 2.35
Average number of shares outstanding	9,863	9,869	9,866	9,848	9,861

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES

Significant factors affecting the Company's consolidated cash flows during 1996 and financial position at December 31, 1996, include the following:

- The Company acquired all of the outstanding shares of Roto-Rooter Inc. that it did not already own, using approximately $96.2 million of cash;
- The Company increased its borrowings by $63.7 million to finance, in part, the acquisition of the Roto-Rooter minority interest;
- Proceeds from sales of investments aggregated $42.5 million;
- Cash generated by operations totaled $35.8 million; and
- Purchase business combinations completed in 1996 required cash outlays aggregating $9.9 million.

As a result of the foregoing, the ratio of total debt to total capital increased from 32% at December 31, 1995, to 43% at the end of 1996. Excluding the debt guarantees of the Employee Stock Ownership Plans ("ESOPs"), the total debt to total capital ratios were 35% and 23%, respectively, at December 31, 1996 and 1995. The Company's current ratio at December 31, 1996, remained at 1.5, the same as at December 31, 1995.

The Company had $27.3 million of unused lines of short-term credit with various banks at December 31, 1996.

CASH FLOW

The Company's cash flows for 1996 and 1995 are summarized as follows (in millions):

	For the Years Ended December 31, 1996	1995
Proceeds from sale of investments	$ 42.5	$ 32.4
Cash from operations	35.8	18.8
Cash dividends	(20.4)	(20.3)
Capital expenditures	(19.0)	(15.4)
Cash excess after capital requirements and dividends	38.9	15.5
Purchase of Roto-Rooter minority interest	(96.2)	--
Net change in long- and short-term debt (excluding ESOP guarantees)	63.7	(1.3)
Business combinations	(9.9)	(11.9)
Proceeds from sale of divested operations	--	16.4
Other--net	(3.8)	(4.2)
Increase/(decrease) in cash and cash equivalents	$ (7.3)	$ 14.5

For 1996, cash generated by operations, combined with the proceeds from the sales of investments, aggregated $78.3 million as compared with aggregate cash dividends and capital expenditures of $39.4 million. The excess cash after capital expenditures and dividends ($38.9 million), coupled with proceeds from increased borrowings ($63.7 million), provided funding for the purchase of the Roto-Rooter minority interest and other business combinations.

The increased level of cash generated by operations in 1996 was attributable, in part, to lower balances of accounts receivable and inventories resulting from the loss of a major customer in the National Sanitary Supply segment. Based on recent cash and earnings projections, it is expected that cash flow from operations will continue to be supplemented by sales of investments in 1997 (and to a lesser extent in later years) to fund the dividend and ordinary capital expenditure requirements of the Company's operations. Management views the Company's investment portfolio as a potential source of cash during the interim period in which the Company's dividend exceeds its core earnings from continuing operations (i.e., excluding gains on sales of investments). Unrealized aftertax gains on the Company's available-for-sale investments amounted to $26.0 million at December 31, 1996 ($37.0 million at December 31, 1995).

In February 1997, the Board of Directors declared a quarterly dividend of $.52 per share of capital stock, payable in March 1997 (the same rate paid in each of the prior six quarters). The dividend rate is set each quarter with a long-term perspective, taking into consideration the Company's financial position, earnings and cash flow, as well as interest rates, market conditions and other economic factors.

COMMITMENTS AND CONTINGENCIES

The Company's lease for corporate and general office facilities covers the period from April 1991 to April 2006. As a part of the 1991 sale of the Company's former DuBois Chemicals Inc. subsidiary ("DuBois") to Diversey Corporation ("Diversey"), a portion of this space was subleased to DuBois for varying terms expiring in the years 1998 through 2004. At December 31, 1996, the Company had net lease commitments aggregating $51.7 million.

In connection with the sale of DuBois, the Company provided allowances and reserves relating to several long-term costs associated with DuBois, including income tax matters, lease commitments and environmental costs. In the aggregate, the Company believes these allowances and reserves are adequate as of December 31, 1996.

Based on an updated assessment of Chemed's environmental-related liability under the DuBois sale agreement, Chemed's adviser has estimated Chemed's liability to be $10.8 million. Accordingly, at December 31, 1996, the Company is contingently liable for additional cleanup and related costs up to a maximum of $14.7 million, for which no provision has been recorded. Through December 31, 1996, the Company has reimbursed Diversey $3.4 million for environmental and related costs of DuBois.

The Company's various loan agreements and guarantees of indebtedness contain certain restrictive covenants; however, management believes that such covenants will not adversely affect the operations of the Company. Under the most restrictive of these covenants at December 31, 1996, the Company would be limited to incurring additional debt totaling $77.5 million and could not permit its net worth to fall below $164.7 million (versus a balance of $217.9 million at December 31, 1996). Also, the Company must maintain an interest coverage ratio of 3.0, and the Company is limited to incurring net rentals under operating leases with terms of three years or more aggregating $16.3 million. At December 31, 1996, the Company's interest coverage ratio was 4.3, and rentals under operating leases with terms of three or more years totaled $8.6 million for 1996.

Since 1991, the Company has carried an investment in the mandatorily redeemable preferred stock ($27 million par value) of Vitas Healthcare Corporation ("Vitas"), a privately held provider of hospice services to the terminally ill. Vitas is currently encountering reduced liquidity and is exploring long-term financing alternatives to increase its liquidity. Vitas' debt covenants did not permit the payment of the preferred dividend ($1,215,000) due to Chemed on January 15, 1997. Also, in December 1996, Vitas and the Company agreed to reschedule to June 1997 the mandatory redemption of preferred stock due in December 1996 ($8,262,000).

Vitas is in the process of restructuring its operations and financial position. On the basis of information currently available, management believes its investment in Vitas is fully recoverable and that no permanent impairment exists.

It is management's opinion that the Company has no long-range commitments that would have a significant impact on its liquidity, financial condition or the results of its operations. Due to the nature of the environmental liabilities, it is not possible to forecast the timing of the cash payments for these potential liabilities. Based on the Company's available credit lines, sources of borrowing and liquid investments, management believes its sources of capital and liquidity are satisfactory for the Company's needs for the foreseeable future.

RESULTS OF OPERATIONS

Set forth below by business segment are the growth in sales and service revenues and operating profit margin:

	Percent Increase/(Decrease) in Sales and Service Revenues	
	1996 vs. 1995	1995 vs. 1994
Roto-Rooter	12%	5%
National Sanitary Supply	(9)	11
Patient Care	10	31
Omnia	(17)	(8)
Total	(2)	8

	Operating Profit as a Percent of Sales and Service Revenues (Operating Margin)		
	1996	1995	1994
Roto-Rooter	9.5%	8.9%	9.3%
National Sanitary Supply	3.2	3.5	3.3
Patient Care	5.7	5.5	4.0
Omnia	4.5	6.8	5.7
Total	5.6	5.5	5.3

1996 VERSUS 1995

The Roto-Rooter segment recorded sales and service revenues of $201,648,000 during 1996, an increase of 12% versus revenues of $179,722,000 in 1995. This growth was attributable primarily to revenue increases of 20% and 12%, respectively, in Roto-Rooter's plumbing and sewer and drain cleaning businesses for the 1996 period. Plumbing and sewer and drain cleaning revenues account for 26% and 32%, respectively, of this segment's total revenues. Roto-Rooter's operating margin increased from 8.9% in 1995 to 9.5% in 1996, partially as the result of $538,000 of nonrecurring expenses recorded in 1995. Improved profitability of the service contract business in 1996 also contributed to this increase in operating margin.

The National Sanitary Supply segment recorded sales of $310,125,000 during

1996, a decline of 9% versus sales of $340,913,000 in 1995. Also, National Sanitary Supply's operating margin declined from 3.5% during 1995 to 3.2% during 1996. The sales and margin declines primarily resulted from the loss of a large fast-food customer during the first quarter of 1996.

Revenues of the Patient Care segment increased 10% from $90,727,000 in 1995 to $99,565,000 in 1996, largely as a result of continued geographic expansion. In addition, the operating margin of this segment increased from 5.5% during 1995 to 5.7% during 1996.

The Omnia segment recorded sales of $72,479,000 during 1996, a decline of 17% versus sales of $87,803,000 recorded in 1995. Excluding sales of Omnia's retail division (sold in July 1995), this segment's sales for 1996 increased 7% as compared with sales for 1995. The operating margin of this segment declined from 6.8% during 1995 to 4.5% during 1996, due primarily to rapid reductions in paper prices in mid-1996.

Income from operations declined from $32,424,000 in 1995 to $31,382,000 in 1996, primarily as a result of operating profit declines in the Omnia and National Sanitary Supply segments, partially offset by operating profit increases in the Roto-Rooter and Patient Care segments.

Interest expense for 1996 totaled $8,950,000, an increase of $484,000 versus expense of $8,466,000 recorded in 1995. This increase was attributable to additional debt incurred to finance the purchase of the Roto-Rooter minority interest in 1996.

Other income increased from $17,001,000 in 1995 to $34,953,000 in 1996, primarily as a result of larger gains on the sales of investments recorded in 1996.

The Company's effective income tax rate was 38.1% in both 1996 and 1995.

Minority interest in earnings of subsidiaries declined from $4,906,000 in 1995 to $3,791,000 in 1996, largely as the result of the purchase of the Roto-Rooter minority interest in 1996.

Income from continuing operations increased 55% from $20,439,000 ($2.07 per share) in 1995 to $31,728,000 ($3.23 per share) in 1996. Excluding realized investment gains ($17,731,000 in 1996 and $5,882,000 in 1995) and nonrecurring charges ($208,000 in 1995), income from continuing operations declined 5% from $14,765,000 ($1.50 per share) in 1995 to $13,997,000 ($1.42 per share) in 1996.

Net income increased from $23,182,000 ($2.35 per share) in 1995 to $32,328,000 ($3.29 per share) in 1996. Net income included adjustments to the accruals related to operations discontinued in 1991 of $600,000 ($.06 per share) in 1996 and $2,743,000 ($.28 per share) in 1995.

1995 VERSUS 1994

Sales and service revenues of the Roto-Rooter segment for 1995 totaled $179,722,000, an increase of 5% over the $171,930,000 of revenues recorded for 1994. Plumbing revenues increased 17% to $43,209,000 and drain cleaning revenues increased 10% to $58,149,000 in 1995 versus revenues recorded in 1994. Service contract revenues increased .3% to $50,241,000 in 1995, when compared with revenues recorded in 1994. Excluding the revenues of Service America Systems Inc.'s ("Service America") maintenance and management subsidiary, which was sold effective March 31, 1995, Roto-Rooter's revenues for 1995 were 8% greater than revenues recorded in 1994. The operating margin of the Roto-Rooter segment declined from 9.3% in 1994 to 8.9% in 1995, largely as a result of $538,000 of nonrecurring costs incurred by Roto-Rooter in evaluating Chemed's proposal to acquire the 42% minority interest in Roto-Rooter (the proposal was withdrawn in August 1995). In addition, Roto-Rooter's operating margin was unfavorably impacted by declining margins of Service America, as a result of a higher-than-expected number of service calls in 1995.

Sales of the National Sanitary Supply segment increased 11% from $308,280,000 for 1994 to $340,913,000 for 1995. Most locations throughout the United States experienced sales volume increases resulting from enhanced sales and marketing efforts such as a full-line product catalog and promotional programs. A substantial portion of the sales growth was achieved through improved product pricing. The operating margin of this segment improved to 3.5% during 1995 from 3.3% during 1994, largely as a result of continued tight expense control during 1995.

Revenues of the Patient Care segment increased 31% from $69,064,000 in 1994 to $90,727,000 in 1995. This is primarily attributable to internal growth resulting from Patient Care's expanded training programs in 1995. As a result of the significant revenue growth, Patient Care was able to leverage its fixed costs and improve its operating margin from 4.0% in 1994 to 5.5% in 1995.

Sales of the Omnia segment declined from $95,753,000 in 1994 to $87,803,000 in 1995, primarily as a result of the sale of the Veratex Retail division in July 1995. Excluding the sales of the retail division and of the medical division of Central States Diversified ("CSDM") (acquired in May 1995), the sales of Omnia for 1995 increased 8% over sales for 1994. The operating margin of this segment increased from 5.7% in 1994 to 6.8% in 1995. Excluding $648,000 of nonrecurring severance and marketing costs in 1994, the operating margin would have been 6.3%. The 1995 operating margin was also favorably impacted by the CSDM acquisition and the higher profit margins of Omnia's core wholesale and manufacturing business.

Income from operations increased from $27,406,000 in 1994 to $32,424,000 in 1995, primarily as a result of increases in operating profit by all segments. In addition, the income-from-operations comparison for 1995 versus 1994 was aided by a lower level of nonrecurring expenses in 1995 as compared with such expenses in 1994 ($538,000 versus $1,705,000, respectively).

Other income increased from $11,175,000 in 1994 to $17,001,000 in 1995, primarily as a result of larger gains on the sales of investments during 1995 as compared with gains recorded in 1994. In addition, increased interest income for 1995, due primarily to higher cash and marketable securities balances, contributed to this growth.

The effective tax rate for 1995 was 38.1% as compared with 36.8% for 1994. The increase was attributable to lower favorable tax adjustments and ESOP dividend tax credits (as a percentage of pretax income) in 1995.

Chemed's income from continuing operations increased 41% from $14,532,000 ($1.47 per share) to $20,439,000 ($2.07 per share) in 1995 as a result of 18% growth in income from operations, coupled with larger gains from the sales of investments in 1995 as compared with 1994. Excluding nonrecurring expenses ($208,000 in 1995 and $1,107,000 in 1994) and realized investment gains ($5,882,000 in 1995 and $3,377,000 in 1994), income from continuing operations increased 20% from $12,262,000 ($1.24 per share) in 1994 to $14,765,000 ($1.50 per share) in 1995.

Net income for 1995 included discontinued operations of $2,743,000 ($.28 per share) from favorable adjustments to the tax accruals related to the sale of DuBois in 1991. Net income for 1994 included discontinued operations of $29,390,000 ($2.99 per share), largely from the Company's equity investment in Omnicare, which was discontinued in November 1994.

ACCOUNTING FOR ENVIRONMENTAL REMEDIATION LIABILITIES

In October 1996, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position No. 96-1 ("SOP 96-1"), Environmental Remediation Liabilities. SOP 96-1 is effective for financial statements covering fiscal years commencing after December 31, 1996. Since the Company's accounting policy for recording environmental liabilities substantially complies with SOP 96-1, the adoption of this statement is not expected to materially impact the Company's statement of financial position or results of operations.

OFFICERS AND DIRECTORS

OFFICERS

EDWARD L. HUTTON
Chairman & Chief Executive Officer

KEVIN J. MCNAMARA
President

TIMOTHY S. O'TOOLE
Executive Vice President & Treasurer

PAUL C. VOET
Executive Vice President

SANDRA E. LANEY
Senior Vice President & Chief Administrative Officer

ARTHUR V. TUCKER, JR.
Vice President & Controller

NAOMI C. DALLOB
Vice President & Secretary

JAMES H. DEVLIN
Vice President

LAWRENCE J. GILLIS
Vice President

THOMAS C. HUTTON
Vice President

D. MICHAEL LANEY
Vice President

DAVID J. LOHBECK
Vice President

DAVID G. SPARKS
Vice President

JANELLE M. JESSIE
Assistant Vice President

ANTHONY D. VAMVAS III
Assistant Vice President

PAULA W. KITTNER
Assistant Treasurer

MARK W. STEPHENS
Assistant Treasurer

MARIANNE LAMEY
Assistant Controller

LAURA A. VOLKER
Assistant Controller

JOYCE A. LAWRENCE
Assistant Secretary

DIRECTORS

EDWARD L. HUTTON
Chairman & Chief Executive Officer
of Chemed Corporation

KEVIN J. MCNAMARA
President of Chemed Corporation

JAMES A. CUNNINGHAM
Senior Chemical Adviser, Schroder Wertheim
& Company Inc.

JAMES H. DEVLIN
Vice President of Chemed Corporation; Chairman
& Chief Executive Officer of The Omnia Group

CHARLES H. ERHART, JR.
Former President of W.R. Grace & Co. (retired)

JOEL F. GEMUNDER
President of Omnicare Inc.

LAWRENCE J. GILLIS
Vice President of Chemed Corporation;
President of the Roto-Rooter Group

PATRICK P. GRACE
Consultant and investment adviser

THOMAS C. HUTTON
Vice President of Chemed Corporation

WALTER L. KREBS
Director--Financial Services of DiverseyLever Inc.
(Specialty Chemicals, Detroit, Mich.) (retired)

SANDRA E. LANEY
Senior Vice President & Chief Administrative Officer
of Chemed Corporation

JOHN M. MOUNT
Principal, Lynch-Mount Associates
(Management Consulting, Cincinnati, Ohio)

TIMOTHY S. O'TOOLE
Executive Vice President & Treasurer
of Chemed Corporation; Chairman
& Chief Executive Officer of Patient Care Inc.

D. WALTER ROBBINS, JR.
Consultant and former Vice Chairman
of W.R. Grace & Co. (retired)

PAUL C. VOET
Executive Vice President of Chemed Corporation;
President & Chief Executive Officer
of National Sanitary Supply Company

GEORGE J. WALSH III
Corporate & Real Estate Partner, Gould & Wilkie
(Law Firm, New York, N.Y.)

DIRECTORS EMERITI
NEAL GILLIATT
LEON LEVY
HERMAN B. WELLS

EXHIBIT 21
SUBSIDIARIES OF CHEMED CORPORATION

The following is a list of subsidiaries of the Company as of December 31, 1996. Other subsidiaries which have been omitted from the list would not, when considered in the aggregate, constitute a significant subsidiary. Each of the companies is incorporated under the laws of the state following its name. The percentage given for each company represents the percentage of voting securities of such company owned by the Company or, where indicated, subsidiaries of the Company as at December 31, 1996.

All of the majority owned companies listed below are included in the consolidated financial statements as of December 31, 1996.

Century Papers, Inc. (Texas, 100% by National Sanitary Supply Company)
Elder Care Solutions, Inc. (Kentucky, 100% by Patient Care, Inc.)
Jet Resource, Inc. (Delaware, 100%)
National Home Care, Inc. (New York, 100% by Patient Care, Inc.)
National Sanitary Supply Company (Delaware, 84%)
National Sanitary Supply Development, Inc. (Delaware, 100% by National Sanitary Supply Company)
Nurotoco of Massachusetts, Inc. (Massachusetts, 100% by Roto-Rooter Services Company)
Nurotoco of New Jersey, Inc. (Delaware, 80% by Roto-Rooter Services Company)
OCR Holding Company (Nevada, 100%)
Omnia I, Inc. (Delaware, 100% by OCR Holding Company)
The Omnia Corporation (Delaware, 100% by OCR Holding Company)
OnCall Craftsmen, Inc. (Ohio, 100% by Roto-Rooter Services Company)
Patient Care, Inc. (Delaware, 100% by Chemed Corporation)
Patient Care Medical Services, Inc. (New Jersey, 100% by Patient Care, Inc.)
Roto-Rooter Corporation (Iowa, 100% by Roto-Rooter, Inc.)
Roto-Rooter Development Company (Delaware, 100% by Roto-Rooter Corporation)
Roto-Rooter, Inc. (Delaware, 100% by Chemed Corporation)
Roto-Rooter Management Company (Delaware, 100% by Roto-Rooter, Inc.)
Roto-Rooter Services Company (Iowa, 100% by Roto-Rooter, Inc.)
RR Plumbing Services Corporation (New York, 49% by Roto-Rooter Services Company; included within the consolidated financial statements as a consolidated subsidiary)
Service America Network, Inc. (Florida, 100% by Service America Systems, Inc.)
Service America Systems, Inc. (Florida, 70% by Roto-Rooter, Inc. and 30% by Chemed)
Tidi Products, Inc. (Delaware, 100% by OCR Holding Company)
Unidisco, Inc. (Delaware, 100% by OCR Holding Company)

EXHIBIT 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 33-28594, 33-9549, 2-87202, 2-80712, 33-65244 and 33-61063) of Chemed Corporation of our report dated February 4, 1997 appearing on page 19 of the 1996 Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedule, which appears on page S-2 of this Form 10-K.

PRICE WATERHOUSE LLP

Cincinnati, Ohio
March 27, 1997

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as his true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1996, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 10, 1997

/s/ JAMES A. CUNNINGHAM

James A. Cunningham

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as his true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1996, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 10, 1997

/s/ JAMES H. DEVLIN

James H. Devlin

POWER OF ATTORNEY

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Dated: March 5, 1997

/s/ CHARLES H. ERHART, JR.

Charles H. Erhart, Jr.

POWER OF ATTORNEY

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Dated: March 3, 1997

/s/ LAWRENCE J. GILLIS

Lawrence J. Gillis

POWER OF ATTORNEY

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Dated: March 17, 1997

/s/ PATRICK P. GRACE

Patrick P. Grace

POWER OF ATTORNEY

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Dated: March 4, 1997

/s/ THOMAS C. HUTTON

Thomas C. Hutton

POWER OF ATTORNEY

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Dated: March 7, 1997

/s/ WALTER L. KREBS

Walter L. Krebs

POWER OF ATTORNEY

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Dated: March 3, 1997

/s/ SANDRA E. LANEY

Sandra E. Laney

POWER OF ATTORNEY

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Dated: March 7, 1997

/s/ KEVIN J. MCNAMARA

Kevin J. McNamara

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as his true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1996, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 7, 1997

/s/ JOHN M. MOUNT

John M. Mount

POWER OF ATTORNEY

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Dated: March 5, 1997

/s/ D. WALTER ROBBINS, JR.

D. Walter Robbins, Jr.

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as his true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1996, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 3, 1997

/s/ PAUL C. VOET

Paul C. Voet

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as his true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1996, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 10, 1997

/s/ GEORGE J. WALSH III

George J. Walsh III

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

0000019584
CHEMED CORPORATION
1,000

YEAR
DEC-31-1996
JAN-01-1996
DEC-31-1996
11,935
0
80,547
(2,925)
52,388
192,359
139,912
(56,653)
559,350
124,548
158,168
12,768
0
0
205,123
559,350
399,776
683,817
271,885
443,282
0
1,503
8,950
57,385
21,866
31,728
600
0
0
32,328
3.29
3.29