

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

FORM 8-K
CURRENT REPORT

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

Date of Report (date of earliest event reported):
October 27, 2005

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

Delaware (State or other jurisdiction of incorporation)	1-8351 (Commission File Number)	31-0791746 (I.R.S. Employer Identification Number)
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2600 Chemed Center, 255 East 5th Street, Cincinnati, OH (Address of principal executive offices)	45202 (Zip Code)
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Registrant's telephone number, including area code:
(513) 762-6900

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 230.425)
- Pre-commencement communications pursuant to Rule 14d-2(b) under Exchange Act (17 CFR 230.425)
- Pre-commencement communications pursuant to Rule 13e-4 (c) under Exchange Act (17 CFR 230.425)

Item 2.02 Results of Operations and Financial Condition

On October 27, 2005 Chemed Corporation issued a press release announcing its financial results for the quarter ended September 30, 2005. A copy of the release is furnished herewith as Exhibit 99.

Item 9.01 Financial Statements and Exhibits

c) Exhibit

(99) Registrant's press release dated October 27, 2005

SIGNATURES

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

CHEMED CORPORATION

Dated: October 27, 2005

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

Arthur V. Tucker, Jr.
Vice President and Controller

Chemed Reports Third-Quarter 2005 Results; EPS Guidance for 2005 Increased;
VITAS and Roto-Rooter Report Record Earnings

CINCINNATI--(BUSINESS WIRE)--Oct. 27, 2005--Chemed Corporation (Chemed) (NYSE:CHE), which operates VITAS Healthcare Corporation (VITAS), the nation's largest provider of end-of-life care, and Roto-Rooter, the nation's largest commercial and residential plumbing and drain cleaning services provider, today reported financial results for its third quarter ended September 30, 2005, versus the comparable prior-year period, as follows:

Consolidated Operating Results from Continuing Operations

- Consolidated Revenue increased 16% to \$233 million
- Diluted EPS from Continuing Operations of \$.55, including \$.06 favorable tax adjustments and other items

VITAS generated record operating results

- Quarterly Net Patient Revenue of \$160 million, up 19%
- Average Daily Census (ADC) of 10,259, up 15%
- Net income of \$11.6 million, up 34% over 2004 Pro Forma Net Income
- Adjusted EBITDA of \$21.1 million, an increase of 26%

Roto-Rooter segment reported increased Revenue, Net Income and Adjusted EBITDA

- Revenue of \$73 million, an increase of 9%
- Net income of \$7.1 million, an increase of 16%
- Adjusted EBITDA of \$11.6 million, an increase of 20%

"VITAS continues to generate excellent census and admissions growth, with third-quarter ADC totaling 10,259, up 15%, and admissions in the quarter of 12,375, an increase of 10% over the prior-year quarter. Net income for VITAS in the quarter was \$11.6 million, an increase of 34% when compared to the prior-year pro forma net income. Adjusted EBITDA margin increased to 13.1%," stated Kevin McNamara, Chemed president and chief executive officer.

"Roto-Rooter also reported solid financial operating results. For the third quarter of 2005, Roto-Rooter had revenue of \$73 million, an increase of 9%. Adjusted EBITDA was \$11.6 million at a margin of 15.9%, resulting in net income for the quarter of \$7.1 million."

VITAS

The merger of VITAS was completed on February 24, 2004. Prior to that date, the Company accounted for its 37% ownership of VITAS under the equity method of accounting. As a result, under GAAP, only a portion of VITAS' operating results is fully consolidated into Chemed's first-quarter 2004 results. To facilitate review of Chemed's operating results, pro forma supplemental schedules are included in this earnings release that adjust 2004 assuming Chemed owned 100% of VITAS as of January 1, 2004.

"VITAS generated revenue growth of 18.7% over the prior-year period and 4.3% sequentially," stated David Williams, Chemed chief financial officer. "Gross margins were 21.7% in the third quarter of 2005, essentially flat when compared to the prior-year quarter. The third-quarter 2005 gross margin includes \$1.7 million in start-up losses, which is \$0.3 million higher than the \$1.4 million in losses from programs classified as new starts in the prior-year period. Central support costs for VITAS, which are classified as selling, general and administrative expenses in the Statement of Operations, totaled \$14.0 million, including \$0.3 million in OIG legal expenses. Excluding these OIG expenses, central support costs increased 8.3% when compared to the prior-year quarter and increased 2.6% sequentially."

VITAS' ADC in the third quarter of 2005 was 10,259. This compares to an ADC of 8,949 in the comparable prior-year period, an increase of 14.6% and 3.5% sequential growth. Admissions totaled 12,375, an increase of 9.8% over the third quarter of 2004. The Average Length of Stay (ALOS) for patients discharged in the quarter was 66.5 days and compares to 66.9 days in the second quarter of 2005 and 60.8 days in

the third quarter of 2004.

"VITAS continues to generate strong internal growth," said Williams. "Internal growth, which excludes 2004 and 2005 acquisitions, generated revenue, ADC and admissions increases of 15.4%, 10.7% and 7.3%, respectively, over the prior-year quarter.

"Our mix of revenue at VITAS was relatively stable," Williams added. "Routine home care represented 69.8% of revenue, flat over the prior-year quarter and a 50 basis point increase sequentially. Our inpatient revenue aggregated 13.3% and continuous care was 16.9% of total revenue in the third quarter of 2005.

"All of our base and new start programs are forecasted to have Medicare cap cushion for the 2005 measurement period which ends on October 31, 2005," stated Williams. "As previously discussed, we have been closely monitoring Medicare cap limitations at our Phoenix acquisition. Phoenix continues to forecast a Medicare cap liability ranging from \$1.0 million to \$1.5 million as of October 31, 2005, which is consistent with what we reported in the second quarter of 2005. The potential of reaching cap in the initial year of acquisition was identified during our due diligence of Phoenix. Since this cap limitation relates to patients admitted into the program prior to acquisition, the estimated cap accrual has been accounted for as a contingent liability assumed at acquisition and is not reflected in the Consolidated Statement of Income. VITAS anticipates creating cap cushion in the Phoenix program by increasing access to shorter stay patients and broadening access to in patient and continuous care patients. This broad mix of patients is consistent with the clinical model provided by VITAS in its other programs."

Roto-Rooter Segment

Roto-Rooter's plumbing and drain cleaning business generated sales of \$73 million for the third quarter of 2005, 9.2% higher than the \$67 million reported in the comparable prior-year quarter. Net income for the quarter was \$7.1 million, including \$1.0 million of favorable prior-year tax adjustments. The third quarter of 2004 also included favorable tax and other adjustments of \$0.8 million. Excluding these favorable adjustments, adjusted net income in the third quarter of 2005 increased 16.5%. Adjusted EBITDA in the third quarter of 2005 totaled \$11.6 million, an increase of 20.0% over the third quarter of 2004. Adjusted EBITDA margin in the third quarter of 2005 was 15.9%, a 150 basis point increase over the prior-year period.

"Job count in the third quarter of 2005 increased 2.4% over the prior year period," stated Williams. "Commercial plumbing and drain cleaning job count increased 12.0% and 5.5%, respectively, over the prior-year quarter. Residential plumbing jobs increased 6.5% but were offset by a 2.6% decline in residential drain cleaning jobs during the quarter. A commercial job will typically average approximately 34% more revenue than a residential job. Accordingly, this continued shift of job mix has a positive impact on aggregate revenue."

Guidance for 2005

"Going into the fourth quarter of 2005," Williams stated, "we anticipate VITAS to continue its expansion of operating margins through the leveraging of central support costs. Roto-Rooter is estimated to generate a 5% to 6% increase in revenue with margins that approximate 50 basis points above those generated in 2004. Our go-forward effective consolidated tax rate should approximate 39.2%.

"Based upon these factors and a current diluted share count of 26.4 million, our expectation is that full-year 2005 earnings per diluted share from continuing operations, excluding the early extinguishment of debt and other charges or credits not indicative of ongoing operations, will be in the range of \$1.87 to \$1.90."

Conference Call

Chemed will host a conference call and webcast at 11 a.m., EDT, on Friday, October 28, 2005, to discuss the company's quarterly results and provide an update on its business. The dial-in number for the conference call is 800-561-2813 for U.S. and Canadian participants and 617-614-3529 for international participants. The participant passcode is 37179326. A live webcast of the call can be accessed on Chemed's website at www.chemed.com by clicking on Investor Relations Home.

A taped replay of the conference call will be available beginning approximately two hours after the call's conclusion. It can be accessed by dialing 888-286-8010 for U.S. and Canadian callers and 617-801-6888 for international callers and will be available for one week following the live call. The replay passcode is 61415963. An archived webcast will also be available at www.chemed.com and will remain available for 30 days following the live call.

Chemed Corporation operates in the healthcare field through its

VITAS Healthcare Corporation subsidiary. VITAS provides daily hospice services to approximately 10,000 patients with severe, life-limiting illnesses. This type of care is focused on making the terminally ill patient's final days as comfortable and pain-free as possible.

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

This press release contains information about Chemed's EBITDA and Adjusted EBITDA, which are not measures derived in accordance with generally accepted accounting principles and which exclude components that are important to understanding Chemed's financial performance. Chemed provides EBITDA and Adjusted EBITDA to help investors and others evaluate its operating results, compare its operating performance with that of similar companies that have different capital structures and evaluate its ability to meet its future debt service, capital expenditures and working capital requirements. Chemed's EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for comparable measures calculated and presented in accordance with GAAP. A reconciliation of Chemed's net income to its Adjusted EBITDA is presented in the tables following the text of this press release.

Forward-Looking Statements

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004 (bb)	2005	2004 (bb)
Continuing Operations				
Service revenues and sales	\$233,328	\$201,885	\$678,274	\$521,360
Cost of services provided and goods sold(aa)	165,229	142,130	479,301	361,049
Selling, general and administrative expenses(aa)	38,423	35,371	111,820	98,059
Depreciation(aa)	4,086	2,610	11,934	9,768
Amortization(aa)	1,248	1,704	3,671	3,262
Other expenses -- net(aa)	(130)	(219)	2,360	7,196
Total costs and expenses	208,856	181,596	609,086	479,334

Income from operations	24,472	20,289	69,188	42,026
Interest expense	(5,147)	(6,083)	(16,021)	(15,187)
Loss on extinguishment of debt	-	-	(3,971)	(3,330)
Other income--net	1,317	336	2,644	1,964
	-----	-----	-----	-----
Income before income taxes	20,642	14,542	51,840	25,473
Income taxes	(6,010)	(3,805)	(18,192)	(9,560)
Equity in loss of affiliate (VITAS)(aa)	-	-	-	(4,105)
	-----	-----	-----	-----
Income from continuing operations	14,632	10,737	33,648	11,808
Discontinued Operations(bb)	-	(125)	(2,015)	12
	-----	-----	-----	-----
Net Income	\$ 14,632	\$ 10,612	\$ 31,633	\$ 11,820
	=====	=====	=====	=====

Earnings Per Share

Income from continuing operations	\$ 0.57	\$ 0.43	\$ 1.32	\$ 0.50
	=====	=====	=====	=====
Net income	\$ 0.57	\$ 0.43	\$ 1.24	\$ 0.50
	=====	=====	=====	=====
Average number of shares outstanding	25,719	24,940	25,453	23,808
	=====	=====	=====	=====
Diluted Earnings Per Share				
Income from continuing operations	\$ 0.55	\$ 0.42	\$ 1.28	\$ 0.49
	=====	=====	=====	=====
Net income	\$ 0.55	\$ 0.42	\$ 1.21	\$ 0.49
	=====	=====	=====	=====
Average number of shares outstanding	26,401	25,402	26,202	24,272
	=====	=====	=====	=====

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
	-----	-----	-----	-----
Cost of services provided and goods sold				
Favorable adjustment to casualty insurance accruals related to prior years' experience	\$ -	\$ -	\$ 1,663	\$ -
Selling, general and administrative expenses				
Costs associated with OIG investigation	(310)	-	(564)	-
Depreciation				
Reduction in expense related to revision of purchase price allocation for VITAS	-	837	-	-
Amortization				
Increase in expense related to revision of purchase price allocation for VITAS	-	(311)	-	-
Other expenses -- net				
Long-term incentive compensation	-	-	(2,946)	(8,783)
Cost of accelerating vesting of stock options	-	-	(215)	-
Adjustments to transaction-related costs of the VITAS acquisition	130	219	801	1,587
Loss on extinguishment of debt	-	-	(3,971)	(3,330)
	-----	-----	-----	-----
Pretax impact on earnings	(180)	745	(5,232)	(10,526)
Income tax benefit/(charge) on the above	118	(299)	2,188	4,011
Income tax benefit from				

finalizing prior years' returns	1,787	1,020	1,787	1,020
Prior quarters' impact of adjustment to effective tax rate	-	1,098	-	-
Equity in loss of affiliate (VITAS) is attributable to transaction-related expenses incurred by VITAS prior to its acquisition by Chemed	-	-	-	(4,105)
	-----	-----	-----	-----
Aftertax impact on earnings	\$ 1,725	\$ 2,564	\$(1,257)	\$(9,600)
	=====	=====	=====	=====

(bb) Results of operations for 2004 have been reclassified for the results of Service America, discontinued in December 2004. Included in discontinued operations for 2005 is an aftertax loss of \$2,350,000 resulting from finalizing the disposal of Service America in May 2005.

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

	September 30,	
	2005	2004 (cc)
	-----	-----
Assets		
Current assets		
Cash and cash equivalents	\$ 37,575	\$ 51,261
Accounts receivable less allowances	84,472	71,920
Inventories	7,252	6,713
Current deferred income taxes	21,486	22,678
Prepaid income taxes	8,112	5,564
Current assets of discontinued operations	3,112	14,253
Prepaid expenses and other current assets	7,186	7,956
	-----	-----
Total current assets	169,195	180,345
Investments of deferred compensation plans held in trust	21,072	18,922
Other investments	1,445	1,445
Note receivable	12,500	12,500
Properties and equipment, at cost less accumulated depreciation	62,687	50,118
Identifiable intangible assets less accumulated amortization	73,892	75,828
Goodwill	434,559	407,407
Noncurrent assets of discontinued operations	287	9,791
Other assets	22,111	24,465
	-----	-----
Total Assets	\$797,748	\$780,821
	=====	=====
Liabilities		
Current liabilities		
Accounts payable	\$ 45,401	\$ 38,759
Current portion of long-term debt	1,123	5,401
Income taxes	5,830	4,330
Accrued insurance	28,634	22,406
Accrued salaries and wages	19,563	22,572
Current liabilities of discontinued operations	6,301	22,390
Other current liabilities	33,695	33,044
	-----	-----
Total current liabilities	140,547	148,902
Deferred income taxes	18,880	1,075
Long-term debt	234,327	288,311
Deferred compensation liabilities	20,991	18,925
Noncurrent liabilities of discontinued operations	411	482
Other liabilities	7,044	8,231
	-----	-----
Total Liabilities	422,200	465,926
	-----	-----
Stockholders' Equity		
Capital stock	28,021	13,437

Paid-in capital	226,275	209,564
Retained earnings	168,564	127,357
Treasury stock, at cost	(45,757)	(32,984)
Unearned compensation	(3,363)	(4,289)
Deferred compensation payable in Company stock	2,354	2,351
Notes receivable for shares sold	(546)	(541)
	-----	-----
Total Stockholders' Equity	375,548	314,895
	-----	-----
Total Liabilities and Stockholders' Equity	\$797,748	\$780,821
	=====	=====
Book Value Per Share	\$ 14.58	\$ 12.63(dd)
	=====	=====

(cc) Reclassified for operations discontinued in December 2004.

(dd) Adjusted for 2-for-1 stock split in May 2005.

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

	Nine Months Ended September 30,	
	2005	2004 (cc)
	-----	-----
Cash Flows from Operating Activities		
Net income/(loss)	\$ 31,633	\$ 11,820
Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities:		
Depreciation and amortization	15,605	13,030
Provision for uncollectible accounts receivable	5,352	4,543
Write-off of unamortized debt issuance costs	2,871	-
Noncash long-term incentive compensation	2,574	4,988
Discontinued operations	2,015	(12)
Provision for deferred income taxes	(1,176)	(874)
Amortization of debt issuance costs	1,395	1,457
Equity in loss of affiliate	-	4,105
Changes in operating assets and liabilities, excluding amounts acquired in business combinations:		
Increase in accounts receivable	(25,264)	(14,328)
Increase in inventories	(233)	(702)
Decrease in prepaid expenses and other current assets	2,656	15,302
Decrease in accounts payable and other current liabilities	(3,584)	(14,080)
Increase in income taxes	11,827	9,288
Decrease/(increase) in other assets	(2,876)	5,786
Increase in other liabilities	1,464	418
Noncash expense of internally financed ESOPs	858	1,420
Other sources/(uses)	479	(200)
	-----	-----
Net cash provided by continuing operations	45,596	41,961
Net cash provided/(used) by discontinued operations	(1,559)	4,604
	-----	-----
Net cash provided by operating activities	44,037	46,565
	-----	-----
Cash Flows from Investing Activities		
Capital expenditures	(18,874)	(13,108)
Net uses from disposals of discontinued operations	(7,145)	(1,156)
Business combinations, net of cash acquired	(5,680)	(330,881)
Proceeds from sales of property and equipment	125	375
Return of merger deposit	-	10,000
Other uses	(232)	(192)
	-----	-----
Net cash used by investing activities	(31,806)	(334,962)
	-----	-----
Cash Flows from Financing Activities		
Repayment of long-term debt	(141,245)	(94,686)
Proceeds from issuance of long-term debt	85,000	295,000
Increase in cash overdraft payable	10,684	6,920

Issuance of capital stock, net of costs	10,009	97,429
Dividends paid	(4,611)	(4,210)
Purchases of treasury stock	(4,390)	(2,391)
Debt issuance costs	(1,755)	(14,436)
Repayment of stock subscription note receivable	-	8,053
Redemption of convertible trust preferred securities	-	(2,736)
Other sources	204	27
	-----	-----
Net cash provided/(used) by financing activities	(46,104)	288,970
	-----	-----
Increase/(decrease) in Cash and Cash Equivalents	(33,873)	573
Cash and cash equivalents at beginning of year	71,448	50,688
	-----	-----
Cash and cash equivalents at end of period	\$ 37,575	\$ 51,261
	=====	=====

(cc) Reclassified for operations discontinued in December 2004.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004
(in thousands)(unaudited)

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
	-----	-----	-----	-----
2005				

Service revenues and sales	\$160,408	\$ 72,920	\$ -	\$233,328
	-----	-----	-----	-----
Cost of services provided and goods sold	125,629	39,600	-	165,229
Selling, general and administrative expenses(a)	13,995	21,756	2,672	38,423
Depreciation	1,922	2,091	73	4,086
Amortization	984	21	243	1,248
Other expenses(b)	-	-	(130)	(130)
	-----	-----	-----	-----
Total costs and expenses	142,530	63,468	2,858	208,856
	-----	-----	-----	-----
Income/(loss) from operations	17,878	9,452	(2,858)	24,472
Interest expense	(33)	(129)	(4,985)	(5,147)
Intercompany interest income/(expense)	579	565	(1,144)	-
Other income--net	12	380	925	1,317
	-----	-----	-----	-----
Income/(loss) before income taxes	18,436	10,268	(8,062)	20,642
Income taxes	(6,872)	(3,199)	4,061	(6,010)
	-----	-----	-----	-----
Income/(loss) from continuing operations	11,564	7,069	(4,001)	14,632
Discontinued operations	-	-	-	-
	-----	-----	-----	-----
Net income/(loss)	\$ 11,564	\$ 7,069	\$ (4,001)	\$ 14,632
	=====	=====	=====	=====
2004				

Service revenues and sales	\$135,101	\$ 66,784	\$ -	\$201,885
	-----	-----	-----	-----
Cost of services provided and goods sold	105,695	36,435	-	142,130
Selling, general and administrative expenses	12,632	19,987	2,752	35,371
Depreciation	469	2,081	60	2,610
Amortization	1,583	31	90	1,704
Other expenses(b)	-	-	(219)	(219)
	-----	-----	-----	-----
Total costs and expenses	120,379	58,534	2,683	181,596
	-----	-----	-----	-----

Income/(loss) from operations	14,722	8,250	(2,683)	20,289
Interest expense	(32)	(43)	(6,008)	(6,083)
Intercompany interest income/(expense)	289	327	(616)	-
Other income--net	93	(92)	335	336
	-----	-----	-----	-----
Income/(loss) before income taxes	15,072	8,442	(8,972)	14,542
Income taxes	(6,097)	(2,375)	4,667	(3,805)
	-----	-----	-----	-----
Income/(loss) from continuing operations	8,975	6,067	(4,305)	10,737
Discontinued operations	-	-	(125)	(125)
	-----	-----	-----	-----
Net income/(loss)	<u>\$ 8,975</u>	<u>\$ 6,067</u>	<u>\$ (4,430)</u>	<u>\$ 10,612</u>

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

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004
(in thousands)(unaudited)

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
	-----	-----	-----	-----
2005				

Service revenues and sales	\$460,146	\$218,128	\$ -	\$678,274
	-----	-----	-----	-----
Cost of services provided and goods sold(c)	361,703	117,598	-	479,301
Selling, general and administrative expenses(a)	40,709	63,949	7,162	111,820
Depreciation	5,477	6,239	218	11,934
Amortization	2,963	70	638	3,671
Other expenses(b)	881	552	927	2,360
	-----	-----	-----	-----
Total costs and expenses	411,733	188,408	8,945	609,086
	-----	-----	-----	-----
Income/(loss) from operations	48,413	29,720	(8,945)	69,188
Interest expense	(104)	(408)	(15,509)	(16,021)
Intercompany interest income/(expense)	1,769	1,505	(3,274)	-
Loss on extinguishment of debt(d)	-	-	(3,971)	(3,971)
Other income--net	134	822	1,688	2,644
	-----	-----	-----	-----
Income/(loss) before income taxes	50,212	31,639	(30,011)	51,840
Income taxes	(19,130)	(11,749)	12,687	(18,192)
	-----	-----	-----	-----
Income/(loss) from continuing operations	31,082	19,890	(17,324)	33,648
Discontinued operations	-	-	(2,015)	(2,015)
	-----	-----	-----	-----
Net income/(loss)	<u>\$ 31,082</u>	<u>\$ 19,890</u>	<u>\$(19,339)</u>	<u>\$ 31,633</u>

2004

Service revenues and sales	\$316,453	\$204,907	\$ -	\$521,360
	-----	-----	-----	-----
Cost of services provided and goods sold	247,971	113,078	-	361,049
Selling, general and administrative expenses	29,940	60,866	7,253	98,059
Depreciation	3,078	6,501	189	9,768
Amortization	2,995	156	111	3,262
Other expenses(b)	-	1,558	5,638	7,196
	-----	-----	-----	-----

Total costs and expenses	283,984	182,159	13,191	479,334
Income/(loss) from operations	32,469	22,748	(13,191)	42,026
Interest expense	(90)	(102)	(14,995)	(15,187)
Intercompany interest income/(expense)	420	700	(1,120)	-
Loss on extinguishment of debt(d)	-	-	(3,330)	(3,330)
Other income--net	169	594	1,201	1,964
Income/(loss) before income taxes	32,968	23,940	(31,435)	25,473
Income taxes	(13,489)	(8,486)	12,415	(9,560)
Equity in loss of VITAS(e)	-	-	(4,105)	(4,105)
Income/(loss) from continuing operations	19,479	15,454	(23,125)	11,808
Discontinued operations	-	-	12	12
Net income/(loss)	\$ 19,479	\$ 15,454	\$(23,113)	\$ 11,820

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

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATING SUMMARY OF EBITDA
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004
(in thousands)(unaudited)

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
2005				
Net income/(loss)	\$11,564	\$ 7,069	\$(4,001)	\$14,632
Add/(deduct):				
Discontinued operations	-	-	-	-
Interest expense	33	129	4,985	5,147
Income taxes	6,872	3,199	(4,061)	6,010
Depreciation	1,922	2,091	73	4,086
Amortization	984	21	243	1,248
EBITDA	21,375	12,509	(2,761)	31,123
Add/(deduct):				
Legal expenses of OIG investigation	310	-	-	310
VITAS transaction expense adjustment(f)	-	-	(130)	(130)
Advertising cost adjustment(g)	-	(340)	-	(340)
Interest income	(33)	(30)	(469)	(532)
Intercompany interest income/(expense)	(579)	(565)	1,144	-
Adjusted EBITDA	\$21,073	\$11,574	\$(2,216)	\$30,431
2004				
Net income/(loss)	\$ 8,975	\$ 6,067	\$(4,430)	\$10,612
Add/(deduct):				
Discontinued operations	-	-	125	125
Interest expense	32	43	6,008	6,083
Income taxes	6,097	2,375	(4,667)	3,805
Depreciation	469	2,081	60	2,610
Amortization	1,583	31	90	1,704
EBITDA	17,156	10,597	(2,814)	24,939
Add/(deduct):				
VITAS transaction expense adjustment(f)	-	-	(219)	(219)
Advertising cost adjustment(g)	-	(577)	-	(577)
Interest income	(94)	(44)	(336)	(474)
Intercompany interest				

income/(expense)	(289)	(327)	616	-
Adjusted EBITDA	\$16,773	\$ 9,649	\$(2,753)	\$23,669

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

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATING SUMMARY OF EBITDA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004
(in thousands)(unaudited)

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
2005				
Net income/(loss)	\$31,082	\$19,890	\$(19,339)	\$31,633
Add/(deduct):				
Discontinued operations	-	-	2,015	2,015
Interest expense	104	408	15,509	16,021
Income taxes	19,130	11,749	(12,687)	18,192
Depreciation	5,477	6,239	218	11,934
Amortization	2,963	70	638	3,671
EBITDA	58,756	38,356	(13,646)	83,466
Add/(deduct):				
Long-term incentive compensation(h)	881	552	1,728	3,161
Prior-period insurance adjustment	-	(1,663)	-	(1,663)
Legal expenses of OIG investigation	564	-	-	564
VITAS transaction expense adjustment(f)	-	-	(801)	(801)
Advertising cost adjustment(g)	-	(969)	-	(969)
Interest income	(192)	(118)	(1,134)	(1,444)
Intercompany interest income/(expense)	(1,769)	(1,505)	3,274	-
Loss on extinguishment of debt	-	-	3,971	3,971
Adjusted EBITDA	\$58,240	\$34,653	\$ (6,608)	\$86,285
2004				
Net income/(loss)	\$19,479	\$15,454	\$(23,113)	\$11,820
Add/(deduct):				
Discontinued operations	-	-	(12)	(12)
Interest expense	90	102	14,995	15,187
Income taxes	13,489	8,486	(12,415)	9,560
Depreciation	3,078	6,501	189	9,768
Amortization	2,995	156	111	3,262
EBITDA	39,131	30,699	(20,245)	49,585
Add/(deduct):				
Long-term incentive compensation	-	1,558	7,225	8,783
VITAS transaction expense adjustment(f)	-	-	(1,587)	(1,587)
Advertising cost adjustment(g)	-	(1,043)	-	(1,043)
Interest income	(190)	(108)	(1,170)	(1,468)
Intercompany interest income/(expense)	(420)	(700)	1,120	-
Equity in loss of VITAS	-	-	4,105	4,105
Loss on extinguishment of debt	-	-	3,330	3,330
Adjusted EBITDA	\$38,521	\$30,406	\$ (7,222)	\$61,705

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

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
RECONCILIATION OF NET INCOME TO ADJUSTED PRO FORMA INCOME FROM
CONTINUING OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004
(in thousands, except per share data)(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	-----	-----	-----	-----
	2005	2004	2005	2004
	-----	-----	-----	-----
Net income as reported	\$14,632	\$10,612	\$31,633	\$11,820
Add/(deduct):				
Pro forma VITAS net income contribution for the period(i)	-	(315)	-	2,991
Pro forma financing costs related to acquisition of VITAS(j)	-	-	-	(2,211)
Pro forma elimination of VITAS transaction expense adjustment(f)	-	(131)	-	(952)
Pro forma elimination of equity in loss of VITAS(k)	-	-	-	4,105
	-----	-----	-----	-----
Pro forma net income	14,632	10,166	31,633	15,753
Add/(deduct):				
Discontinued operations	-	125	2,015	(12)
Prior period tax adjustments	(1,787)	(2,118)	(1,787)	(1,020)
Aftertax prior-period insurance adjustment	-	-	(1,014)	-
Aftertax cost of long-term incentive compensation(h)	-	-	1,984	5,437
Aftertax cost of legal expenses of OIG investigation	192	-	352	-
Aftertax VITAS transaction expense adjustment(f)	(130)	-	(801)	-
Aftertax cost of loss on extinguishment of debt	-	-	2,523	2,030
	-----	-----	-----	-----
Adjusted pro forma income from continuing operations	\$12,907	\$ 8,173	\$34,905	\$22,188
	=====	=====	=====	=====
Earnings Per Share As Reported				
Net income	\$ 0.57	\$ 0.43	\$ 1.24	\$ 0.50
	=====	=====	=====	=====
Average number of shares outstanding	25,719	24,940	25,453	23,808
	=====	=====	=====	=====
Diluted Earnings Per Share As Reported				
Net income	\$ 0.55	\$ 0.42	\$ 1.21	\$ 0.49
	=====	=====	=====	=====
Average number of shares outstanding	26,401	25,402	26,202	24,272
	=====	=====	=====	=====
Adjusted Pro Forma Earnings Per Share				
Income from continuing operations	\$ 0.50	\$ 0.33	\$ 1.37	\$ 0.90
	=====	=====	=====	=====
Average number of shares outstanding	25,719	24,940	25,453	24,596
	=====	=====	=====	=====
Adjusted Pro Forma Diluted Earnings Per Share				
Income from continuing operations	\$ 0.49	\$ 0.32	\$ 1.33	\$ 0.89
	=====	=====	=====	=====
Average number of shares outstanding	26,401	25,402	26,202	25,060
	=====	=====	=====	=====

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

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
PRO FORMA CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004
(in thousands, except per share data) (unaudited)

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
	-----	-----	-----	-----
2005				

Service revenues and sales	\$160,408	\$72,920	\$ -	\$233,328
	-----	-----	-----	-----
Cost of services provided and goods sold	125,629	39,600	-	165,229
Selling, general and administrative expenses(a)	13,995	21,756	2,672	38,423
Depreciation	1,922	2,091	73	4,086
Amortization	984	21	243	1,248
Other expenses(b)	-	-	(130)	(130)
	-----	-----	-----	-----
Total costs and expenses	142,530	63,468	2,858	208,856
	-----	-----	-----	-----
Income/(loss) from operations	17,878	9,452	(2,858)	24,472
Interest expense	(33)	(129)	(4,985)	(5,147)
Intercompany interest income/(expense)	579	565	(1,144)	-
Other income--net	12	380	925	1,317
	-----	-----	-----	-----
Income/(loss) before income taxes	18,436	10,268	(8,062)	20,642
Income taxes	(6,872)	(3,199)	4,061	(6,010)
	-----	-----	-----	-----
Income/(loss) from continuing operations	11,564	7,069	(4,001)	14,632
Discontinued operations	-	-	-	-
	-----	-----	-----	-----
Net income/(loss)	\$ 11,564	\$ 7,069	\$ (4,001)	\$ 14,632
	=====	=====	=====	=====
Earnings Per Share				
Continuing operations				\$ 0.57
				=====
Net income				\$ 0.57
				=====
Average number of shares outstanding				25,719
				=====
Diluted Earnings Per Share				
Continuing operations				\$ 0.55
				=====
Net income				\$ 0.55
				=====
Average number of shares outstanding				26,401
				=====

2004 (1)

Service revenues and sales	\$135,101	\$66,784	\$ -	\$201,885
	-----	-----	-----	-----
Cost of services provided and goods sold	105,695	36,435	-	142,130
Selling, general and administrative expenses	12,632	19,987	2,752	35,371
Depreciation	1,306	2,081	60	3,447
Amortization	1,272	31	90	1,393
	-----	-----	-----	-----
Total costs and expenses	120,905	58,534	2,902	182,341
	-----	-----	-----	-----
Income/(loss) from operations	14,196	8,250	(2,902)	19,544
Interest expense	(32)	(43)	(6,008)	(6,083)
Intercompany interest				

income/(expense)	289	327	(616)	-
Other income--net	93	(92)	335	336
	-----	-----	-----	-----
Income/(loss) before income taxes	14,546	8,442	(9,191)	13,797
Income taxes	(5,886)	(2,375)	4,755	(3,506)
	-----	-----	-----	-----
Income/(loss) from continuing operations	8,660	6,067	(4,436)	10,291
Discontinued operations	-	-	(125)	(125)
	-----	-----	-----	-----
Net income/(loss)	\$ 8,660	\$ 6,067	\$ (4,561)	\$ 10,166
	=====	=====	=====	=====

Earnings Per Share				
Continuing operations				\$ 0.41
				=====
Net income				\$ 0.41
				=====
Average number of shares outstanding				24,940
				=====
Diluted Earnings Per Share				
Continuing operations				\$ 0.41
				=====
Net income				\$ 0.40
				=====
Average number of shares outstanding				25,402
				=====

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

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
PRO FORMA CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004
(in thousands, except per share data) (unaudited)

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
	-----	-----	-----	-----
2005				
	-----	-----	-----	-----
Service revenues and sales	\$460,146	\$218,128	\$ -	\$678,274
	-----	-----	-----	-----
Cost of services provided and goods sold(c)	361,703	117,598	-	479,301
Selling, general and administrative expenses(a)	40,709	63,949	7,162	111,820
Depreciation	5,477	6,239	218	11,934
Amortization	2,963	70	638	3,671
Other expenses(b)	881	552	927	2,360
	-----	-----	-----	-----
Total costs and expenses	411,733	188,408	8,945	609,086
	-----	-----	-----	-----
Income/(loss) from operations	48,413	29,720	(8,945)	69,188
Interest expense	(104)	(408)	(15,509)	(16,021)
Intercompany interest income/(expense)	1,769	1,505	(3,274)	-
Loss on extinguishment of debt(d)	-	-	(3,971)	(3,971)
Other income--net	134	822	1,688	2,644
	-----	-----	-----	-----
Income/(loss) before income taxes	50,212	31,639	(30,011)	51,840
Income taxes	(19,130)	(11,749)	12,687	(18,192)
	-----	-----	-----	-----
Income/(loss) from continuing operations	31,082	19,890	(17,324)	33,648
Discontinued operations	-	-	(2,015)	(2,015)
	-----	-----	-----	-----
Net income/(loss)	\$ 31,082	\$ 19,890	\$ (19,339)	\$ 31,633
	=====	=====	=====	=====

Earnings Per Share

Continuing operations	\$ 1.32
	=====
Net income	\$ 1.24
	=====
Average number of shares outstanding	25,453
	=====
Diluted Earnings Per Share Continuing operations	\$ 1.28
	=====
Net income	\$ 1.21
	=====
Average number of shares outstanding	26,202
	=====

2004 (1)

Service revenues and sales	\$389,323	\$204,907	\$ -	\$594,230
	-----	-----	-----	-----
Cost of services provided and goods sold	306,819	113,078	-	419,897
Selling, general and administrative expenses	38,265	60,866	7,114	106,245
Depreciation	3,558	6,501	189	10,248
Amortization	3,599	156	111	3,866
Other expenses(b)	-	1,558	7,225	8,783
	-----	-----	-----	-----
Total costs and expenses	352,241	182,159	14,639	549,039
	-----	-----	-----	-----
Income/(loss) from operations	37,082	22,748	(14,639)	45,191
Interest expense	(90)	(102)	(18,397)	(18,589)
Intercompany interest income/(expense)	420	700	(1,120)	-
Loss on extinguishment of debt(d)	-	-	(3,330)	(3,330)
Other income--net	210	594	1,201	2,005
	-----	-----	-----	-----
Income/(loss) before income taxes	37,622	23,940	(36,285)	25,277
Income taxes	(15,234)	(8,486)	14,184	(9,536)
	-----	-----	-----	-----
Income/(loss) from continuing operations	22,388	15,454	(22,101)	15,741
Discontinued operations	-	-	12	12
	-----	-----	-----	-----
Net income/(loss)	\$ 22,388	\$ 15,454	\$(22,089)	\$ 15,753
	=====	=====	=====	=====

Earnings Per Share Continuing operations	\$ 0.64
	=====
Net income	\$ 0.64
	=====
Average number of shares outstanding	24,596
	=====
Diluted Earnings Per Share Continuing operations	\$ 0.63
	=====
Net income	\$ 0.63
	=====
Average number of shares outstanding	25,060
	=====

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

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
2005				
Net income/(loss)	\$11,564	\$ 7,069	\$(4,001)	\$14,632
Add/(deduct):				
Discontinued operations	-	-	-	-
Interest expense	33	129	4,985	5,147
Income taxes	6,872	3,199	(4,061)	6,010
Depreciation	1,922	2,091	73	4,086
Amortization	984	21	243	1,248
EBITDA	21,375	12,509	(2,761)	31,123
Add/(deduct):				
Long-term incentive compensation	-	-	-	-
Legal expenses of OIG investigation	310	-	-	310
VITAS transaction expense adjustment(f)	-	-	(130)	(130)
Advertising cost adjustment(g)	-	(340)	-	(340)
Interest income	(33)	(30)	(469)	(532)
Intercompany interest income/(expense)	(579)	(565)	1,144	-
Adjusted EBITDA	\$21,073	\$11,574	\$(2,216)	\$30,431

2004 (1)				
Pro forma net income/(loss)	\$ 8,660	\$ 6,067	\$(4,561)	\$10,166
Add/(deduct):				
Discontinued operations	-	-	125	125
Interest expense	32	43	6,008	6,083
Income taxes	5,886	2,375	(4,755)	3,506
Depreciation	1,306	2,081	60	3,447
Amortization	1,272	31	90	1,393
Pro forma EBITDA	17,156	10,597	(3,033)	24,720
Add/(deduct):				
Advertising cost adjustment(g)	-	(577)	-	(577)
Interest income	(94)	(44)	(336)	(474)
Intercompany interest income/(expense)	(289)	(327)	616	-
Pro forma adjusted EBITDA	\$16,773	\$ 9,649	\$(2,753)	\$23,669

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

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
PRO FORMA CONSOLIDATING SUMMARY OF EBITDA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004
(in thousands)(unaudited)

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
2005				
Net income/(loss)	\$31,082	\$19,890	\$(19,339)	\$31,633
Add/(deduct):				
Discontinued operations	-	-	2,015	2,015
Interest expense	104	408	15,509	16,021
Income taxes	19,130	11,749	(12,687)	18,192
Depreciation	5,477	6,239	218	11,934
Amortization	2,963	70	638	3,671
EBITDA	58,756	38,356	(13,646)	83,466
Add/(deduct):				
Long-term incentive compensation(h)	881	552	1,728	3,161

Prior-period insurance adjustment	-	(1,663)	-	(1,663)
Legal expenses of OIG investigation	564	-	-	564
VITAS transaction expense adjustment(f)	-	-	(801)	(801)
Advertising cost adjustment(g)	-	(969)	-	(969)
Interest income	(192)	(118)	(1,134)	(1,444)
Intercompany interest income/(expense)	(1,769)	(1,505)	3,274	-
Loss on extinguishment of debt	-	-	3,971	3,971
Adjusted EBITDA	<u>\$58,240</u>	<u>\$34,653</u>	<u>\$ (6,608)</u>	<u>\$86,285</u>

2004 (1)

Pro forma net income/(loss)	\$22,388	\$15,454	\$(22,089)	\$15,753
Add/(deduct):				
Discontinued operations	-	-	(12)	(12)
Interest expense	90	102	18,397	18,589
Income taxes	15,234	8,486	(14,184)	9,536
Depreciation	3,558	6,501	189	10,248
Amortization	3,599	156	111	3,866
Pro forma EBITDA	<u>44,869</u>	<u>30,699</u>	<u>(17,588)</u>	<u>57,980</u>
Add/(deduct):				
Long-term incentive compensation	-	1,558	7,225	8,783
Advertising cost adjustment(g)	-	(1,043)	-	(1,043)
Interest income	(231)	(108)	(1,170)	(1,509)
Intercompany interest income/(expense)	(420)	(700)	1,120	-
Loss on extinguishment of debt	-	-	3,330	3,330
Pro forma adjusted EBITDA	<u>\$44,218</u>	<u>\$30,406</u>	<u>\$ (7,083)</u>	<u>\$67,541</u>

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

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
FOOTNOTES TO FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004
(unaudited)

(a) For the third quarter and nine months ended September 30, 2005, amounts for VITAS include \$310,000 (\$192,000 aftertax) and \$564,000 (\$352,000 aftertax), respectively, for legal expenses incurred in connection with the Office of Inspector General ("OIG") investigation.

(b) Other expenses include the following (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2005	2004	2005	2004
Pretax cost/(benefit):				
Long-term incentive plan payout	\$ -	\$ -	\$2,946	\$ 8,783
Adjustment of transaction- related expenses of the VITAS acquisition	(130)	(219)	(801)	(1,587)
Cost of accelerating vesting of stock options	-	-	215	-
Total other expenses	<u>\$(130)</u>	<u>\$(219)</u>	<u>\$2,360</u>	<u>\$ 7,196</u>
Aftertax cost/(benefit):				
Long-term incentive plan				

payout	\$ -	\$ -	\$1,847	\$ 5,437
Adjustment of transaction-related expenses of the VITAS acquisition	(130)	(131)	(801)	(952)
Cost of accelerating vesting of stock options	-	-	137	-
	-----	-----	-----	-----
Total other expenses, net of income taxes	\$ (130)	\$ (131)	\$1,183	\$ 4,485
	=====	=====	=====	=====

- (c) For the nine months ended September 30, 2005, amount for Roto-Rooter includes a favorable adjustment to casualty insurance related to prior periods' experience of \$1,663,000 (\$1,014,000 aftertax).
- (d) For the nine months ended September 30, 2005, amounts include the prepayment penalty and write-off of debt issuance costs related to the early extinguishment and refinancing of certain portions of the Company's debt (\$2,523,000 aftertax). For the nine months ended September 30, 2004, amount represents the prepayment penalty incurred on the early extinguishment of the Company's debt (\$2,030,000 aftertax).
- (e) Amount includes the Company's aftertax share of VITAS' charges related to the Company's acquisition of VITAS in the first quarter of 2004 prior to the acquisition date. These charges comprise transaction-related expenses that reduced the Company's equity in the earnings/(loss) of VITAS by \$4,621,000 during the first quarter of 2004.
- (f) Amounts represent favorable adjustments to transaction expenses related to the acquisition of VITAS.
- (g) Under Generally Accepted Accounting Principles ("GAAP"), the Roto-Rooter segment expenses all advertising, including the cost of telephone directories, immediately upon the initial release of the advertising. Telephone directories are generally in circulation 12 months. If a directory is in circulation for a time period greater or less than 12 months, the publisher adjusts the directory billing for the change in billing period. The timing of when a telephone directory is published can and does fluctuate significantly on a quarterly basis. This "direct expensing" results in significant fluctuations in quarterly advertising expense. In the third quarters of 2005 and 2004, GAAP advertising expense for Roto-Rooter totaled \$4,362,000 and \$4,040,000, respectively. If the expense of the telephone directories were spread over the periods they are in circulation, advertising expense for the third quarters of 2005 and 2004 would total \$4,692,000 and \$4,617,000, respectively. For the nine months ended September 30, 2005 and 2004, GAAP advertising expense for Roto-Rooter totaled \$12,685,000 and \$12,170,000, respectively. If the expense of the telephone directories were spread over the periods they are in circulation, advertising expense for the nine months ended September 30, 2005 and 2004, would total \$13,654,000 and \$13,213,000, respectively.
- (h) For the nine months ended September 30, 2005, amounts include costs related to accelerating the vesting of stock options in addition to payouts under the Company's LTIP.
- (i) Amounts represent the additional net income VITAS would contribute assuming the acquisition were completed on January 1 of the respective years (excluding Chemed management fees).
- (j) Amount represents the additional financing costs, including a loss on early extinguishment of debt in 2004, that would have been incurred assuming the financing were completed on January 1, 2004.
- (k) Amount represents the impact of eliminating the Company's prior investments in VITAS, assuming the acquisition of VITAS were completed on January 1, 2004.
- (l) Pro forma amounts for 2004 for VITAS and Corporate assume the Company's acquisition of VITAS and its financing (including the retirement of existing debt) were completed as of January 1, 2004, on the same terms and conditions as completed on February 24, 2004.

