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):
April 25, 2006

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

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

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

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

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

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

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

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

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

Item 2.02 Results of Operations and Financial Condition

On April 25, 2006 Chemed Corporation issued a press release announcing its financial results for the quarter ended March 31, 2006. A copy of the release is furnished herewith as Exhibit 99.

Item 9.01 Financial Statements and Exhibits

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

SIGNATURES

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

CHEMED CORPORATION

Dated: April 26, 2006

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

Arthur V. Tucker, Jr.
Vice President and Controller

Chemed Reports First-Quarter 2006 Results; Diluted EPS from Continuing Operations of $.46; Adjusted Diluted EPS from Continuing Operations of $.47

CINCINNATI--(BUSINESS WIRE)--April 25, 2006--Chemed Corporation (Chemed) (NYSE:CHE), which operates VITAS Healthcare Corporation (VITAS), the nation's largest provider of end-of-life care, and Roto-Rooter, the nation's largest commercial and residential plumbing and drain cleaning services provider, today reported financial results for its first quarter ended March 31, 2006, versus the comparable prior-year period, as follows:

Consolidated Operating Results from Continuing Operations

-- Consolidated Revenue increased 13% to $246 million

-- Diluted EPS from Continuing Operations of $.46

-- Adjusted Diluted EPS from Continuing Operations of $.47 after excluding Loss on Extinguishment of Debt and other items

VITAS segment operating results

-- Quarterly Net Patient Revenue of $168 million, up 15%

-- Average Daily Census (ADC) of 10,480, up 10%

-- Admissions of 13,896, an increase of 7.3%

-- Adjusted EBITDA of $19.8 million, an increase of 12%

Roto-Rooter segment reported record Revenue and Adjusted EBITDA

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

-- Job count of 207,018, up 2.0%

-- Adjusted EBITDA of $12.7 million, an increase of 8%

"VITAS generated record admissions in the first quarter of 2006, increasing 7.3% over the prior-year quarter and 11.3% sequentially, significantly exceeding our first-quarter 2006 internal business plan," stated Kevin McNamara, Chemed president and chief executive officer. "This strong admissions growth resulted in Average-Daily-Census (ADC) increasing 10% over the prior year. However, on a sequential basis ADC increased less than 1%.

"The first quarter of the year is typically less predictable in terms of ADC and revenue. This is due to fluctuations in revenue mix, the timing of admissions and a seasonal spike in discharges. For example, January 2006 experienced record admissions of 4,593 patients, our single highest admissions month ever recorded. This exceeded the fourth-quarter 2005 average monthly admissions, as well as January 2005 admissions, by 10% and 7%, respectively. However, the timing of these admissions coupled with an unusually strong seasonal increase in the discharge rate resulted in a modest decline in our January 2006 ADC when compared to December 2005. In prior years, the February and March results overcame this typical spike in discharge rates. However, the timing of our 2006 admissions combined with an unusually long tail on our seasonal discharge rate resulted in a flat ADC until the later part of March 2006. The census on March 31, 2006, was 10,819.

"The relatively flat ADC did not provide the opportunity to absorb the excess patient care capacity generated in the fourth quarter. In our year-end earnings teleconference, we noted our staffing levels relative to ADC were out of balance pulling down our operating margins. We maintained these staffing levels throughout the first quarter of 2006 given the strength of our admissions and anticipated growth in ADC.

"The timing of admissions, coupled with the volatility in our discharge rate, resulted in elevated staffing ratios existing for the majority of the first quarter. The higher labor costs associated with these staffing ratios negatively impacted the first quarter of 2006, generating routine home care direct margins of 47.5% as compared to 49.9% in the prior-year quarter. This negatively impacted our gross profit by $2.8 million.

"Given the difficulty and cost related to hiring quality caregivers, I believe we made the correct decision to maintain staffing levels and allow the ADC to catch up to our current manpower. This ensures our patients receive quality care and provides VITAS with immediate capacity to care for the increase in ADC as the discharge rate returns to a normalized, more predictable level.

"Roto-Rooter continues to generate strong operating results. For the first quarter of 2006, Roto-Rooter had revenue of $78 million, an increase of 7%. Adjusted EBITDA was $12.7 million, an increase of 8% and represents an adjusted EBITDA margin of 16.3%."

VITAS

"VITAS generated revenue growth of 15.3 % over the prior-year period and a decline of 0.4% sequentially," stated David Williams, Chemed chief financial officer. "As discussed earlier, this sequential decline is the result of high admissions which were significantly offset by our discharge rate. It should be noted the first quarter of 2006 had two less days of care when compared to the fourth quarter of 2005. Gross margins were 19.5% in the first quarter of 2006, a decrease of 153 basis points when compared to the prior-year quarter.

"This decline in margin is the result of increased staffing levels in routine home care. Direct home care margins were 47.5% in the first quarter of 2006, which compares to 49.9% in the prior-year quarter. The January 2006 routine home care margin was unfavorable to the prior year month by 330 basis points. In March 2006, this gap had been reduced to 190 basis points. The first-quarter 2006 gross margin includes $1.6 million in start-up losses, which is $0.4 million higher than the 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 Consolidating Statement of Income, totaled $13.2 million, including $0.1 million in OIG investigation legal expenses. Excluding the OIG expense, central support costs increased less than 1% when compared to the prior-year quarter and declined 5.4% sequentially. Adjusted EBITDA was $19.8 million in the quarter, an increase of 11.6% over the prior year. The adjusted EBITDA margin in the first quarter of 2006 was 11.7%, which declined 39 basis points when compared to the first quarter of 2005."

VITAS' Average Length of Stay (ALOS) for patients discharged in the quarter was 72.4 and our median length-of-stay was 12 days. This compares to 70.0 days in the fourth quarter of 2005 and 66.0 days in the first quarter of 2005. Total discharges in the period were 13,408, with 343, or 2.6%, of these patients being discharged for extended prognosis.

"Our mix of revenue at VITAS shifted slightly to the higher per diem levels of care during the quarter," Williams added. "Routine home care represented 68.6% of revenue, a 50 basis point decline over the prior-year quarter and a 70 basis point decline sequentially. Our inpatient revenue aggregated 13.7% and continuous care was 17.7% of total revenue in the first quarter of 2006.

"All of our base and new start programs, including Phoenix, are estimated to have Medicare cap cushion in excess of 10% for the 2006 measurement period which will end on October 31, 2006," stated Williams. "Accordingly, based upon current admission and discharge trends, we have not accrued for any Medicare billing limitations in any of our programs for the 2006 cap period."

Roto-Rooter Segment

Roto-Rooter's plumbing and drain cleaning business generated sales of $78 million for the first quarter of 2006, 7.2% higher than the $73 million reported in the comparable prior-year quarter. Net income for the quarter was $7.2 million and compares to net income of $7.3 million in the prior year. The first-quarter 2005 net income includes $1.0 million of favorable adjustments of casualty insurance accruals related to prior years' experience. Excluding this favorable item, net income in the first quarter of 2006 increased 14% over the prior-year period. Adjusted EBITDA in the first quarter of 2006 totaled $12.7 million, an increase of 7.7% over the first quarter of 2005 and an adjusted EBITDA margin of 16.3%, which slightly exceeded the prior-year period.

"Job count in the first quarter of 2006 increased 2.0% over the prior-year period," stated Williams. "Commercial plumbing job count increased 5.7% and commercial drain cleaning increased 4.7% over the prior-year quarter. Residential plumbing jobs decreased a modest 0.7% and residential drain cleaning jobs expanded 1.5% when compared to the first quarter of 2005. Overall, commercial jobs increased 4.4% and residential jobs increased 0.9%. This is a favorable shift in job mix since a commercial job will typically average approximately 30% more revenue than a residential job. Accordingly, this continued shift of job mix has a positive impact on aggregate revenue."

Guidance for 2006

VITAS is estimated to generate a revenue increase of 15% to 18%, increased admissions of 7% to 9% and continued expansion of EBITDA margins through the leveraging of central support costs. This should result in VITAS increasing its adjusted EBITDA margin approximately 60 to 80 basis points.

Roto-Rooter is estimated to generate a 5% to 6% increase in revenue in 2006, with adjusted EBITDA margins averaging between 16% and 17%.

Based upon these factors, an effective tax rate of 39% and an average diluted share count of 27.0 million, our expectation is that full-year 2006 earnings per diluted share from continuing operations, excluding any charges or credits not indicative of ongoing operations as well as excluding any expense for stock options required under SFAS 123R, will be in the range of $2.20 to $2.35.

The company adopted FAS 123/R "Shared Base Payment." Adoption of this standard did not have any impact on current or prior reported consolidated earnings. However, as a result of this adoption, all stock based compensation, including amortization of restricted stock grants and Long Term Incentive Plans, are now expensed at the Corporate segment. Prior-year segment reporting has been restated to reclassify stock-based compensation expense from the VITAS and Roto-Rooter segments to the Corporate segment.

Conference Call

Chemed will host a conference call and webcast at 11 a.m., EDT, on Wednesday, April 26, 2006, to discuss the company's quarterly results and provide an update on its business. The dial-in number for the conference call is (800) 291-9234 for U.S. and Canadian participants and (617) 614-3923 for international participants. The participant pass code is 39847851. A live webcast of the call can be accessed on Chemed's website at www.chemed.com by clicking on Investor Relations Home.

A taped replay of the conference call will be available beginning approximately two hours after the call's conclusion. It can be accessed by dialing (888) 286-8010 for U.S. and Canadian callers and (617) 801-6888 for international callers and will be available for one week following the live call. The replay pass code is 98427460. An archived webcast will also be available at www.chemed.com and will remain available for 14 days following the live call.

Chemed Corporation operates in the healthcare field through its VITAS Healthcare Corporation subsidiary. VITAS provides daily hospice services to over 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 (GAAP) and which exclude components that are important to understanding Chemed's financial performance. Chemed provides EBITDA and Adjusted EBITDA to help investors and others evaluate its operating results, compare its operating performance with that of similar companies that have different capital structures and evaluate its ability to meet its future debt service, capital expenditures and working capital requirements. Chemed's EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for comparable measures calculated and presented in accordance with GAAP. A reconciliation of Chemed's net income to its Adjusted EBITDA is presented in the tables following the text of this press release.

Forward-Looking Statements

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

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

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005 (bb)
Continuing Operations		
Service revenues and sales	$ 246,238	$ 218,637
Cost of services provided and goods sold (aa)	177,897	152,952
Selling, general and administrative expenses (aa)	38,475	37,919
Depreciation	4,148	3,920
Amortization	1,396	1,192
Total costs and expenses	221,916	195,983
Income from operations	24,322	22,654
Interest expense	(5,345)	(5,835)
Loss on extinguishment of debt (aa)	(430)	(3,971)
Other income--net	1,495	727
Income before income taxes	20,042	13,575
Income taxes	(7,827)	(5,670)
Income from continuing operations	12,215	7,905
Discontinued Operations	-	211
Net Income	$ 12,215	$ 8,116
Earnings Per Share (aa)		
Income from continuing operations	$ 0.47	$ 0.31
Net income	$ 0.47	$ 0.32
Average number of shares outstanding	26,044	25,152
Diluted Earnings Per Share (aa)		
Income from continuing operations	$ 0.46	$ 0.31
Net income	$ 0.46	$ 0.31
Average number of shares outstanding	26,723	25,910

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

Three Months Ended March 31,	
2006	2005

Cost of services provided and goods sold:		
Favorable adjustment to casualty insurance accruals related to prior years' experience	$ -	$ 1,663
Selling, general and administrative expenses		
Long-term incentive compensation	-	(1,109)
Cost of accelerating vesting of stock options	-	(215)
Expenses associated with OIG investigation	(132)	-
Loss on extinguishment of debt	(430)	(3,971)
Pretax impact on earnings	(562)	(3,632)
Income tax benefit on the above	207	1,291
Aftertax impact on earnings	$ (355)	$ (2,341)

(bb) Reclassified to conform to 2006 presentation.

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

	March 31,	
	2006	2005 (bb)
Assets		
Current assets		
Cash and cash equivalents	$ 45,668	$ 8,557
Accounts receivable less allowances	71,864	81,880
Inventories	6,724	7,012
Current deferred income taxes	27,753	33,559
Prepaid income taxes	4,867	-
Current assets of discontinued operations	-	15,162
Prepaid expenses and other current assets	8,867	8,461
Total current assets	165,743	154,631
Investments of deferred compensation plans held in trust	23,287	19,415
Other investments	1,445	1,445
Note receivable	12,500	12,500
Properties and equipment, at cost less accumulated depreciation	65,179	58,172
Identifiable intangible assets less accumulated amortization	74,254	75,904
Goodwill	433,783	436,820
Noncurrent assets of discontinued operations	-	5,717
Other assets	20,406	22,519
Total Assets	$796,597	$787,123
Liabilities		
Current liabilities		
Accounts payable	$ 42,342	$ 40,470
Current portion of long-term debt	207	1,277
Income taxes	4,948	16,529
Accrued insurance	39,254	26,087
Accrued compensation	25,443	28,151
Current liabilities of discontinued operations	-	21,929
Other current liabilities	42,454	26,758
Total current liabilities	154,648	161,201
Deferred income taxes	22,408	17,395
Long-term debt	194,399	234,738
Deferred compensation liabilities	22,647	19,357
Noncurrent liabilities of discontinued operations	-	802
Other liabilities	3,989	8,062

Total Liabilities	398,091	441,555
Stockholders' Equity		
Capital stock	28,667	13,662
Paid-in capital	244,101	219,000
Retained earnings	181,831	148,141
Treasury stock, at cost	(58,440)	(36,241)
Unearned compensation - ESOPs	-	(774)
Deferred compensation payable in Company stock	2,401	2,318
Notes receivable for shares sold	(54)	(538)
Total Stockholders' Equity	398,506	345,568
Total Liabilities and Stockholders' Equity	$796,597	$787,123
Book Value Per Share	$ 15.23	$ 13.66 (cc)

(bb) Reclassified to conform to 2006 presentation.
(cc) Adjusted for 2-for-1 stock split in May 2005.

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

	Three Months Ended March 31,	
	2006	2005 (bb)
Cash Flows from Operating Activities		
Net income/(loss)	$ 12,215	$ 8,116
Adjustments to reconcile net income to net cash provided/(used) by operating activities:		
Depreciation and amortization	5,544	5,112
Provision for uncollectible accounts receivable	2,033	1,530
Provision for deferred income taxes	(1,242)	(1,892)
Amortization of debt issuance costs	444	522
Write-off of unamortized debt issuance costs	430	2,871
Noncash long-term incentive compensation	-	948
Discontinued operations	-	(211)
Changes in operating assets and liabilities, excluding amounts acquired in business combinations:		
Decrease/(increase) in accounts receivable	21,140	(18,747)
Decrease/(increase) in inventories	(225)	7
Decrease in prepaid expenses and other current assets	901	1,381
Decrease in accounts payable and other current liabilities	(13,207)	(9,808)
Increase in income taxes	8,812	7,484
Decrease in other assets	(1,917)	(882)
Increase in other liabilities	1,050	635
Excess tax benefit on share-based compensation	(3,289)	(1,752)
Noncash expense of internally financed ESOPs	-	286
Other sources/(uses)	51	(419)
Net cash provided/(used) by continuing operations	32,740	(4,819)
Net cash used by discontinued operations	-	(1,081)
Net cash provided/(used) by operating activities	32,740	(5,900)
Cash Flows from Investing Activities		
Capital expenditures	(3,972)	(6,201)
Net uses from discontinued operations	(1,684)	(817)
Business combinations, net of cash acquired	(384)	(4,401)

Proceeds from sales of property and equipment	65	36
Other uses	(185)	(136)
Net cash used by investing activities	(6,160)	(11,519)
Cash Flows from Financing Activities		
Repayment of long-term debt	(84,497)	(140,680)
Net increase in revolving line of credit	44,000	-
Excess tax benefit on share-based compensation	3,289	1,752
Issuance of capital stock, net of costs	2,360	4,208
Purchases of treasury stock	(2,318)	(833)
Dividends paid	(1,572)	(1,517)
Increase in cash overdrafts payable	786	8,023
Debt issuance costs	(150)	(1,555)
Proceeds from long-term debt	-	85,000
Other sources	57	130
Net cash provided/(used) by financing activities	(38,045)	(45,472)
Decrease in Cash and Cash Equivalents	(11,465)	(62,891)
Cash and cash equivalents at beginning of year	57,133	71,448
Cash and cash equivalents at end of period	45,668	$ 8,557

(bb) Reclassified to conform to 2006 presentation.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005
(in thousands)(unaudited)

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
2006				
Service revenues and sales	$168,374	$ 77,864	$ -	$ 246,238
Cost of services provided and goods sold	135,458	42,439	-	177,897
Selling, general and administrative expenses (a)	13,236	22,542	2,697	38,475
Depreciation	2,073	1,969	106	4,148
Amortization	1,084	20	292	1,396
Total costs and expenses	151,851	66,970	3,095	221,916
Income/(loss) from operations	16,523	10,894	(3,095)	24,322
Interest expense	(31)	(173)	(5,141)	(5,345)
Intercompany interest income/(expense)	954	852	(1,806)	-
Loss on extinguishment of debt (a)	-	-	(430)	(430)
Other income--net	12	362	1,121	1,495
Income/(loss) before income taxes	17,458	11,935	(9,351)	20,042
Income taxes (a)	(6,601)	(4,734)	3,508	(7,827)
Net income/(loss)	$ 10,857	7,201	(5,843)	12,215
2005				
Service revenues and sales	$145,990	$ 72,647	$ -	$ 218,637
Cost of services provided and goods sold (b)	115,220	37,732	-	152,952
Selling, general and administrative				

expenses (b)	13,029	21,130	3,760	37,919
Depreciation	1,785	2,062	73	3,920
Amortization	995	26	171	1,192
Total costs and expenses	131,029	60,950	4,004	195,983
Income/(loss) from operations	14,961	11,697	(4,004)	22,654
Interest expense	(38)	(182)	(5,615)	(5,835)
Intercompany interest income/(expense)	509	424	(933)	-
Loss on extinguishment of debt (b)	-	-	(3,971)	(3,971)
Other income--net	108	296	323	727
Income/(loss) before income taxes	15,540	12,235	(14,200)	13,575
Income taxes (b)	(5,930)	(4,925)	5,185	(5,670)
Income/(loss) from continuing operations	9,610	7,310	(9,015)	7,905
Discontinued operations	-	-	211	211
Net income/(loss)	$ 9,610	$ 7,310	$ (8,804)	$ 8,116

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 MARCH 31, 2006 AND 2005
(in thousands)(unaudited)

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
2006				
Net income/(loss)	$ 10,857	$ 7,201	$ (5,843)	$ 12,215
Add/(deduct):				
Interest expense	31	173	5,141	5,345
Income taxes	6,601	4,734	(3,508)	7,827
Depreciation	2,073	1,969	106	4,148
Amortization	1,084	20	292	1,396
EBITDA	20,646	14,097	(3,812)	30,931
Add/(deduct):				
Legal expenses of OIG investigation	132	-	-	132
Advertising cost adjustment (c)	-	(494)	-	(494)
Interest income	(41)	(23)	(908)	(972)
Intercompany interest income/(expense)	(954)	(852)	1,806	-
Loss on extinguishment of debt	-	-	430	430
Adjusted EBITDA	$ 19,783	$ 12,728	$ (2,484)	$ 30,027
2005				
Net income/(loss)	$ 9,610	$ 7,310	$ (8,804)	$ 8,116
Add/(deduct):				
Discontinued operations	-	-	(211)	(211)
Interest expense	38	182	5,615	5,835
Income taxes	5,930	4,925	(5,185)	5,670
Depreciation	1,785	2,062	73	3,920
Amortization	995	26	171	1,192
EBITDA	18,358	14,505	(8,341)	24,522
Add/(deduct):				
Long-term incentive compensation	-	-	1,324	1,324
Prior-period insurance adjustment	-	(1,663)	-	(1,663)

Advertising cost adjustment (c)	-	(553)	-	(553)
Interest income	(126)	(41)	(483)	(650)
Intercompany interest income/(expense)	(509)	(424)	933	-
Loss on extinguishment of debt	-	-	3,971	3,971
Adjusted EBITDA	$ 17,723	$ 11,824	$ (2,596)	$ 26,951

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

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
RECONCILIATION OF ADJUSTED NET INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005
(in thousands, except per share data)(unaudited)

	2006	2005
Net income/(loss) as reported	$12,215	$ 8,116
Add/(deduct):		
Discontinued operations	-	(211)
Aftertax prior period insurance adjustment	-	(1,014)
Aftertax cost of long-term incentive compensation (d)	-	832
Aftertax cost of legal expenses of OIG investigation	82	-
Aftertax cost of loss on extinguishment of debt	273	2,523
Adjusted income from continuing operations	$12,570	$10,246
Earnings/(Loss) Per Share As Reported		
Net income/(loss)	$ 0.47	$ 0.32
Average number of shares outstanding	26,044	25,152
Diluted Earnings/(Loss) Per Share As Reported		
Net income/(loss)	$ 0.46	$ 0.31
Average number of shares outstanding	26,723	25,910
Adjusted Earnings Per Share		
Income from continuing operations	$ 0.48	$ 0.41
Average number of shares outstanding	26,044	25,152
Adjusted Diluted Earnings Per Share		
Income from continuing operations	$ 0.47	$ 0.40
Average number of shares outstanding	26,723	25,910

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

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
OPERATING STATISTICS FOR VITAS SEGMENT
FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005
(unaudited)

	2006	2005
OPERATING STATISTICS		
Net revenue ($000)		
Homecare	$115,458	$100,872
Inpatient	23,107	20,847
Continuous care	29,809	24,271

	2006	2005
Total	$168,374	$145,990
Net revenue as a percent of total		
Homecare	68.6 %	69.1 %
Inpatient	13.7	14.3
Continuous care	17.7	16.6
Total	100.0 %	100.0 %
Average daily census ("ADC") (days)		
Homecare	6,112	5,428
Nursing home	3,366	3,201
Routine homecare	9,478	8,629
Inpatient	432	402
Continuous care	570	492
Total	10,480	9,523
Total Admissions	13,896	12,948
Average length of stay (days)	72.4 (e)	66.2
Median length of stay (days)	12.0	11.0
ADC by major diagnosis		
Neurological	33.1 %	31.7 %
Cancer	20.5	21.5
Cardio	14.8	15.3
Respiratory	7.1	7.1
Other	24.5	24.4
Total	100.0 %	100.0 %
Admissions by major diagnosis		
Neurological	20.5 %	19.7 %
Cancer	33.7	34.3
Cardio	13.8	14.0
Respiratory	7.9	8.4
Other	24.1	23.6
Total	100.0 %	100.0 %
Direct patient care margins (f)		
Routine homecare	47.5 %	49.9 %
Inpatient	23.1	22.9
Continuous care	18.3	17.5
Homecare margin drivers (dollars per patient day)		
Labor costs	$ 51.25	$ 45.71
Drug costs	7.43	7.48
Home medical equipment	5.56	5.47
Medical supplies	2.14	2.15
Inpatient margin drivers (dollars per patient day)		
Labor costs	$ 246.67	$ 238.31
Continuous care margin drivers (dollars per patient day)		
Labor costs	$ 454.53	$ 433.18
Bad debt expense as a percent of revenues	0.9 %	0.9 %
Accounts receivable -- days of revenue outstanding	39.4	39.5

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

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
FOOTNOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005
(unaudited)

(a) Included in the results of operations for the three months ended March 31, 2006 are the following significant credits/(charges) which may not be indicative of on going operations (in thousands):

	VITAS	Roto-Rooter	Corporate	Consolidated
Selling, general and administrative expenses				
Costs associated with OIG investigation	$ (132)	$ -	$ -	$ (132)

Loss on extinguishment of debt	-	-	(430)	(430)
Pretax impact on earnings	(132)	-	(430)	(562)
Income tax benefit on the above	50	-	157	207
Aftertax impact on earnings	$ (82)	$ -	$ (273)	$ (355)

(b) Included in the results of operations for the three months ended March 31, 2005 are the following significant credits/(charges) which may not be indicative of on going operations (in thousands):

	VITAS	Roto-Rooter	Corporate	Consolidated
Cost of services provided and goods sold				
Favorable adjustment to casualty insurance accruals related to prior years' experience	$ -	$ 1,663	$ -	$ 1,663
Selling, general and administrative expenses				
Long-term incentive compensation	-	-	(1,109)	(1,109)
Costs related to accelerating the vesting of stock options	-	-	(215)	(215)
Loss on extinguishment of debt	-	-	(3,971)	(3,971)
Pretax impact on earnings	-	1,663	(5,295)	(3,632)
Income tax benefit on the above	-	(649)	1,940	1,291
Aftertax impact on earnings	$ -	$ 1,014	$ (3,355)	$ (2,341)

(c) Under Generally Accepted Accounting Principles ("GAAP"), the Roto-Rooter segment expenses all advertising, including the cost of telephone directories, immediately upon the initial release of the advertising. Telephone directories are generally in circulation 12 months. If a directory is in circulation for a time period greater or less than 12 months, the publisher adjusts the directory billing for the change in billing period. The timing of when a telephone directory is published can and does fluctuate significantly on a quarterly basis. This "direct expensing" results in significant fluctuations in quarterly advertising expense. In the first quarters of 2006 and 2005, GAAP advertising expense for Roto-Rooter totaled $4,424,000 and $3,832,000, respectively. If the expense of the telephone directories were spread over the periods they are in circulation, advertising expense for the first quarters of 2006 and 2005 would total $4,918,000 and $4,385,000, respectively.

(d) For the three months ended March 31, 2005, amounts include costs related to accelerating the vesting of stock options in addition to payouts under the Company's LTIP.

(e) VITAS has five large (greater than 450 ADC), 15 medium (greater than 200 but less than 450 ADC) and 20 small (less than 200 ADC) hospice programs. All base and new start programs, including the Phoenix program, are estimated to have Medicare Cap cushion in excess of 10% for the 2006 measurement period, which will end on October 31, 2006.

(f) Amounts exclude indirect patient care and administrative costs.

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