

FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Quarterly Report Under Section 13 or 15 (d)
of the Securities Exchange Act of 1934

For Quarter Ended September 30, 1997

Commission File Number 1-8351

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

Delaware 31-0791746
(State or other jurisdiction of (IRS Employer Identification No.)
incorporation or organization)

2600 Chemed Center, 255 E. Fifth Street, Cincinnati, Ohio 45202

(Address of principal executive offices) (Zip code)

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

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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Amount	Date
Capital Stock \$1 Par Value	10,071,520 Shares	October 31, 1997

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CHEMED CORPORATION AND
SUBSIDIARY COMPANIES

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements
CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET
(in thousands except share and per share data)
UNAUDITED

	September 30, 1997	December 31, 1996*
	-----	-----
ASSETS		
Current assets		
Cash and cash equivalents	\$ 131,495	\$ 14,028
Accounts receivable, less allowances of \$2,617 (1996 - 1,583)	37,091	31,555
Inventories		
Raw materials	751	685
Finished goods and general merchandise	7,955	7,665
Statutory deposits	17,131	19,962
Other current assets	12,196	25,480
	-----	-----
Total current assets	206,619	99,375
Net assets of discontinued operations	-	140,138
Other investments	66,217	62,098
Properties and equipment, at cost less accumulated depreciation of \$34,308 (1996 - \$29,188)	50,155	40,661
Identifiable intangible assets less accumulated amortization of \$3,933 (1996 - \$2,851)	13,415	12,390
Goodwill less accumulated amortization of \$18,193 (1996 - \$14,501)	139,506	138,203
Other assets	19,567	16,496
	-----	-----
Total Assets	\$ 495,479	\$ 509,361
	=====	=====
LIABILITIES		
Current liabilities		
Accounts payable	\$ 8,783	\$ 8,959
Bank notes and loans payable	135	5,000
Current portion of long-term debt	15,610	12,526
Income taxes	40,456	3,333
Deferred contract revenue	24,862	24,735
Other current liabilities	45,226	35,826
	-----	-----
Total current liabilities	135,072	90,379
Deferred income taxes	900	2,974
Long-term debt	90,339	158,140
Other liabilities and deferred income	41,931	39,977
	-----	-----
Total Liabilities	268,242	291,470
	-----	-----
STOCKHOLDERS' EQUITY		
Capital stock-authorized 15,000,000 shares \$1 par; issued 12,923,019 (1996 - 12,767,565) shares	12,923	12,768
Paid-in capital	154,974	150,296
Retained earnings	150,330	139,262
Treasury stock - 2,873,140 (1996 - 2,815,655) shares, at cost	(85,149)	(82,943)
Unearned compensation	(24,968)	(27,554)
Unrealized appreciation on investments	19,127	26,062
	-----	-----
Total Stockholders' Equity	227,237	217,891
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 495,479	\$ 509,361
	=====	=====

*Reclassified for operations discontinued in September 1997.
See accompanying notes to unaudited financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1997	1996*	1997	1996*
Continuing Operations				
Sales	\$ 4,373	\$ 4,342	\$ 12,879	\$ 12,716
Service revenues	83,061	70,828	238,231	209,118
Total sales and service revenues	87,434	75,170	251,110	221,834
Cost of goods sold	2,988	2,832	8,958	8,027
Cost of services provided	51,315	43,255	147,652	127,544
Selling and marketing expenses	6,289	5,731	18,419	17,224
General and administrative expenses	19,471	16,844	55,760	51,112
Depreciation	2,145	1,863	6,261	5,436
Total costs and expenses	82,208	70,525	237,050	209,343
Income from operations	5,226	4,645	14,060	12,491
Interest expense	(2,924)	(2,069)	(8,476)	(5,532)
Other income, net	1,298	1,914	16,172	24,012
Income before income taxes and minority interest	3,600	4,490	21,756	30,971
Income taxes	(1,494)	(1,801)	(8,329)	(11,647)
Minority interest in earnings of subsidiary	-	(721)	-	(2,964)
Income from continuing operations	2,106	1,968	13,427	16,360
Discontinued Operations	9,702	2,496	13,160	5,989
Net Income	\$ 11,808	\$ 4,464	\$ 26,587	\$ 22,349
Earnings Per Common Share				
Income from continuing operations	\$.21	\$.20	\$ 1.34	\$ 1.66
Net income	\$ 1.18	\$.46	\$ 2.65	\$ 2.27
Average Number of Shares Outstanding	10,042	9,790	10,026	9,831
Cash Dividends Paid Per Share	\$.52	\$.52	\$ 1.56	\$ 1.56

*Reclassified for operations discontinued in September 1997.
See accompanying notes to unaudited financial statements.

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

	Nine Months Ended September 30,	
	1997	1996*
Cash Flows From Operating Activities		
Net income	\$ 26,587	\$ 22,349
Adjustments to reconcile net income to net cash provided by operating activities:		
Discontinued operations	(13,160)	(5,989)
Gains on sale of investments	(12,235)	(17,431)
Depreciation and amortization	10,717	7,972
Provision for uncollectible accounts receivable	330	491
Provision for deferred income taxes	(222)	(2,129)
Minority interest in earnings of subsidiary	-	2,964
Changes in operating assets and liabilities, excluding amounts acquired in business combinations		
(Increase)/decrease in accounts receivable	(2,517)	675
(Increase)/decrease in inventories and other current assets	(180)	457
Increase/(decrease) in statutory deposits	2,831	(838)
(Increase)/decrease in accounts payable, deferred contract revenue and other current liabilities	(724)	6,779
Increase in income taxes	6,290	3,127
Other - net	965	(1,974)
	18,682	16,453
Net cash provided by continuing operations	18,682	16,453
Net cash provided by discontinued operations	9,699	15,804
	28,381	32,257
	28,381	32,257
Cash Flows From Investing Activities		
Net proceeds from sale of discontinued operations	187,278	(1,606)
Capital expenditures	(15,013)	(7,729)
Proceeds from sale of investments	14,060	30,349
Business combinations, net of cash acquired	(8,929)	(9,508)
Investing activities of discontinued operations	(5,464)	(5,941)
Purchase of Roto-Rooter minority interest	(2,352)	(89,854)
Other - net	(572)	119
	169,008	(84,170)
	169,008	(84,170)
Cash Flows From Financing Activities		
Repayment of long-term debt	(95,167)	(223)
Proceeds from long-term debt	35,000	-
Dividends paid	(15,660)	(15,343)
Increase/(decrease) in bank notes and overdrafts payable	(4,865)	65,000
Issuance of capital stock	338	343
Purchase of treasury stock	-	(3,650)
Other - net	432	150
	(79,922)	46,277
	(79,922)	46,277
Increase/(Decrease) In Cash And Cash Equivalents	117,467	(5,636)
Cash and cash equivalents at beginning of period	14,028	20,403
	\$131,495	\$ 14,767
	\$131,495	\$ 14,767

* Reclassified for operations discontinued in September 1997.
See accompanying notes to unaudited financial statements.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

Notes to Unaudited Financial Statements

1. The accompanying unaudited consolidated financial statements have been prepared in accordance with Rule 10-01 of SEC Regulation S-X. Consequently, they do not include all the disclosures required under generally accepted accounting principles for complete financial statements. However, in the opinion of the management of Chemed Corporation (the "Company"), the financial statements presented herein contain all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the financial position, results of operations and cash flows of the Company and its consolidated subsidiaries ("Chemed"). For further information regarding Chemed's accounting policies, refer to the consolidated financial statements and notes included in Chemed's Annual Report on Form 10-K for the year ended December 31, 1996.
2. Primary 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.

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128 ("SAFS 128"), Earnings Per Share, effective for reporting periods ending after December 15, 1997. Adoption of SAFS 128 in December 1997 is not expected to impact the Company's reported earnings per share.

3. Effective September 20, 1997, Chemed sold all of the wholly owned businesses comprising the Omnia Group ("Omnia") to Banta Corporation for \$50.7 million in cash plus deferred payments with a present value of \$1.5 million. During the third quarter of 1997, Chemed recognized an aftertax loss of \$19.2 million on the sale of Omnia. The results of Omnia, a manufacturer and distributor of medical and dental supplies to dealers throughout the United States, have been classified as discontinued operations. Significant operating data related to Omnia are presented on the following page (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1997	1996	1997	1996
Sales and Service Revenues	\$ 14,863	\$ 17,893	\$ 49,754	\$ 54,674
Income before income taxes	\$ 1,080	\$ 532	\$ 2,977	\$ 2,972
Income Taxes	(624)	(145)	(1,172)	(895)
Net Income	\$ 456	\$ 387	\$ 1,805	\$ 2,077

On September 30, 1997, Chemed's 82%-owned subsidiary National Sanitary Supply Company ("National"), was merged with TFB, Inc., a wholly owned subsidiary of Unisource Worldwide, Inc. ("Unisource"). In exchange for its ownership interest in National, Chemed received \$120.2 million in cash. In addition, Unisource has repaid approximately \$18.1 of intercompany borrowings owed to Chemed by National as of September 30, 1997. During the third quarter of 1997, Chemed recognized an aftertax gain of \$28.7 million on the sale of National. The results of National, the largest specialized distributor of sanitary maintenance supplies and paper supplies in the United States, have been classified as discontinued operations. Significant operating data related to National are presented below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1997	1996	1997	1996
Sales and Service Revenues	\$ 82,599	\$ 80,652	\$235,301	\$235,139
Income/(loss) before income taxes	\$ (614)	\$ 3,066	\$ 2,542	\$ 6,834
Income Taxes	317	(1,254)	(997)	(2,869)
Minority Interest	50	(303)	(281)	(653)
Net Income/(loss)	\$ (247)	\$ 1,509	\$ 1,264	\$ 3,312

In addition, the assets and liabilities of Omnia and National have been reclassified in the consolidated balance sheet as net assets of discontinued operations. The components of net assets of discontinued operations at December 31, 1996, are presented on the following page (in thousands).

	Omnia	National	Total
	-----	-----	-----
Current assets	\$29,154	\$ 65,923	\$ 95,077
Properties and equipment, at cost less accumulated depreciation	20,605	21,992	42,597
Goodwill less accumulated amortization	22,858	25,872	48,730
Other noncurrent assets	5,045	770	5,815
Current liabilities	(4,919)	(31,371)	(36,290)
Deferred income taxes	(2,827)	(848)	(3,675)
Minority interest	-	(10,820)	(10,820)
Other noncurrent liabilities	(26)	(1,270)	(1,296)
	-----	-----	-----
Net assets of discontinued operations	\$69,890	\$ 70,248	\$140,138
	=====	=====	=====

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	-----	-----	-----	-----
	1997	1996	1997	1996
	-----	-----	-----	-----
Gain on the Sale of National, net of income taxes of \$32,382,000	\$ 28,740	\$ -	\$ 28,740	\$ -
Loss on the sale of Omnia, net of income tax benefit of \$1,223,000	(19,247)	-	(19,247)	-
Net income/(loss) from operations - National	(247)	1,509	1,264	3,312
Net income from operation - Omnia	456	387	1,805	2,077
Accrual adjustments relating to operations discontinued in 1991	-	600	-	600
Adjustment relating to the settlement of tax issues arising from the sale of operations discontinued in 1994	-	-	598	-
	-----	-----	-----	-----
Total discontinued operations	\$ 9,702	\$ 2,496	\$ 13,160	\$ 5,989
	=====	=====	=====	=====

4. During the first nine months of 1997, Chemed completed ten purchase business combinations in the Roto-Rooter and Patient Care business segments for an aggregate purchase price of \$8,929,000 in cash. The aggregate purchase price was allocated as follows (in thousands):

Working capital	\$ 1,753
Identifiable intangible assets	694
Goodwill	6,683
Other liabilities -- net	(182)

Subtotal	8,948
Less: cash acquired	(19)

Net cash used	\$ 8,929
	=====

Unaudited pro forma sales and service revenues, assuming these acquisitions had been completed on January 1, 1996, are presented below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1997	1996	1997	1996
	-----	-----	-----	-----
Pro forma sales and service revenues	\$ 89,000	\$ 83,816	\$263,350	\$244,256
	=====	=====	=====	=====

Other than the impact on sales and service revenues, these acquisitions did not materially impact the results of operations during 1997.

Item 2. Management's Discussion and Analysis
of Financial Condition and Results of Operations

Financial Condition

Cash and cash equivalents increased \$117.5 million from \$14.0 million at December 31, 1996 to \$131.5 million at September 30, 1997 primarily due to the receipt of cash proceeds from the sale of the Omnia Group ("Omnia") and National Sanitary Supply Company ("National") in September 1997. Approximately \$65 million of the \$187.2 million of net cash proceeds from the sales of discontinued operations were used to repay short- and long-term borrowings. The increase in accounts receivable from \$31.6 million at December 31, 1996 to \$37.1 million at September 30, 1997 is primarily attributable to a higher level of sales in the third quarter of 1997 versus sales recorded in the fourth quarter of 1996. The reduction in the statutory deposits from \$20.0 million at December 31, 1996 to \$17.1 million at September 30, 1997 is primarily due to an increase in the tangible net assets of Chemed's service contract business, which is required to maintain such deposits based on various factors, one of which is the level of tangible net assets. The decline in other current assets from \$25.5 million at December 31, 1996 to \$12.2 million at September 30, 1997 is due primarily to the reclassification of current payments of Vitas' redeemable preferred stock to other investments (noncurrent) in recognition of the deferral of the due date of such payments to the fourth quarter of 1998 (see discussion below).

Income taxes increased from \$3.3 million at December 31, 1996 to \$40.5 million at September 30, 1997 primarily due to the accrual of current taxes on the gain on the sale of National in September 1997. Approximately \$25 million of such taxes will be paid in December 1997 and \$5 million paid in March 31, 1998. Other current liabilities increased from \$35.8 million at December 31, 1996 to \$45.2 million at September 30, 1997 due to the accrual of expenses and costs on the sale of Omnia and National in September 1997.

Vitas is continuing to explore long-term financing alternatives to increase its liquidity. To facilitate the completion of a possible public offering of Vitas' common stock, Chemed and Vitas agreed to defer the due dates on the redeemable preferred stock ("Preferred") of Vitas owned by Chemed until the fourth quarter of 1998. Upon the completion of such an offering, the Preferred would be due and payable. Additionally, Vitas' debt covenants did not permit its timely payment of the preferred dividends due Chemed on January 15 and July 15, 1997 (\$1.2 million each). In August 1997, Vitas paid \$608,000 toward these

dividends. It is anticipated that a similar dividend payment will be made by Vitas in November 1997. On the basis of current information, management believes the Company's investment in Vitas is fully recoverable and that no permanent impairment exists.

At September 30, 1997 Chemed had approximately \$34.2 million of unused lines of credit with various banks. Based on the Company's current financial position and its available lines of credit, management believes its sources of capital and liquidity are satisfactory for the Company's needs in the foreseeable future.

Results of Operations

Sales and service revenues and operating profit from continuing operations by business segment follow (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1997	1996	1997	1996
Sales and Service Revenues				
Roto-Rooter	\$ 56,358	\$ 50,652	\$161,387	\$148,473
Patient Care	31,076	24,518	89,723	73,361
Total	\$ 87,434	\$ 75,170	\$251,110	\$221,834
Operating Profit				
Roto-Rooter	\$ 5,924	\$ 4,899	\$ 15,205	\$ 13,687
Patient Care	1,554	1,435	4,012	4,001
Total	\$ 7,478	\$ 6,334	\$ 19,217	\$ 17,688

Data relating to (a) the increase or decrease in sales and service revenues and (b) operating profit as a percent of sales and service revenues for each segment are set forth on the following page:

	Sales and Service	Operating Profit	
	Revenues %	as a % of Sales	
	Increase/(Decrease)	(Operating Margin)	
	1997 vs. 1996	1997	1996

Three Months Ended
September 30,

Roto-Rooter	11%	10.5%	9.7%
Patient Care	27	5.0	5.9
Total	16	8.6	8.4

Nine Months Ended
September 30,

Roto-Rooter	9%	9.4%	9.2%
Patient Care	22	4.5	5.5
Total	13	7.7	8.0

Third Quarter 1997 Versus Third Quarter 1996

Sales and service revenues of the Roto-Rooter segment for the third quarter of 1997 totaled \$56,358,000, an increase of 11% over the \$50,652,000 of revenues recorded for the third quarter of 1996. For the third quarter of 1997, plumbing revenues, which account for approximately 28% of total revenues, and sewer and drain cleaning revenues, which account for approximately 29%, increased 18% and 2%, respectively, over amounts recorded in the comparable quarter of 1996. Revenues of Roto-Rooter's service contract business (Service America) for the third quarter of 1997, which account for approximately 31% of this segment's total revenue, increased 10% versus such revenues recorded in the third quarter of 1996. Excluding revenues of businesses acquired in 1997, sales and service revenues of the Roto-Rooter segment for the third quarter of 1997 increased 7% over such revenues recorded for the third quarter of 1996. The operating margin of the Roto-Rooter segment increased from 9.7% during the third quarter of 1996 to 10.5% during the third quarter of 1997, primarily as a result of the increased operating margin of Service America's business during 1997.

Total revenues of the Patient Care segment increased from \$24,518,000 in the third quarter of 1996 to \$31,076,000 in the third quarter of 1997. Excluding businesses acquired in 1997, the sales of Patient Care for the third quarter of 1997 increased 6% versus sales recorded in the third quarter of 1996. The operating margin of the Patient Care Segment declined from 5.9% during the third quarter of 1996 to 5.0% during the third quarter of 1997, primarily due to market pressures on pricing.

Interest expense increased from \$2,069,000 in the third quarter of 1996 to \$2,924,000 in the third quarter of 1997, primarily due to the increased borrowings incurred as a result of Chemed's purchase of Roto-Rooter's minority interest in the third quarter of 1996.

Other income declined from \$1,914,000 in the third quarter of 1996 to \$1,298,000 in the third quarter of 1997, primarily as a result of reduced interest income in the 1997 period. This reduction was attributable primarily to the use of a portion of Chemed's excess cash for the previously mentioned purchase of the Roto-Rooter minority interest in the third quarter of 1996.

During the third quarter of 1997 the Company's effective income tax rate was 41.5% as compared with 40.1% during the comparable period of 1996. The higher rate in 1997 was attributable primarily to higher effective state and local rates during the 1997 period.

Chemed's income from continuing operations increased from \$1,968,000 (\$.20 per share) during the third quarter of 1996 to \$2,106,000 (\$.21 per share) during the third quarter of 1997.

Net income for the third quarter of 1997 totalled \$11,808,000 (\$1.18 per share) as compared with \$4,464,000 (\$.46 per share) for the third quarter of 1996. Discontinued operations for 1997 amounted to \$9,702,000, and included a net aftertax gain of \$9,493,000 on the sale of Omnia and National Sanitary Supply. For the third quarter of 1996 discontinued operations amounted to \$2,496,000, and primarily represented the operating results of Omnia and National Sanitary Supply.

Nine Months Ended September 30, 1997 Versus September 30, 1996

Sales and service revenues of the Roto-Rooter segment for the first nine months of 1997 increased 9% versus sales recorded during the first nine months of 1996. This sales growth was attributable to revenue increases of 12% and 2%, respectively, in Roto-Rooter's sewer and drain cleaning and plumbing repair business for the 1997 period. In addition, sales of Roto-Rooter's service contract business increased 9% in 1997 as compared with sales recorded during the 1996 period. The operating margin of this segment increased from 9.2% during the first nine months of 1996 to 9.4% during the first nine months of 1997.

The Patient Care segment recorded service revenues of \$89,723,000 during the first nine months of 1997, an increase of 22% over revenues recorded in the first nine months of 1996. Excluding the sales of Priority Care, acquired in April 1997,

this sales growth would have been 7%. The operating margin of Patient Care during the first nine months of 1997 was 4.5% as compared with 5.5% during the first nine months of 1996. This decline is primarily attributable to a decline in the gross profit margin in the 1997 period, largely as the result of market pricing pressures.

Interest expense for the first nine months of 1997 totalled \$8,476,000 as compared with \$5,532,000 for the first nine months of 1996. This increase was primarily attributable to increased borrowings resulting from the third quarter 1996 purchase of the Roto-Rooter minority interest by Chemed.

Other income for the first nine months of 1997 declined from \$24,012,000 in the first nine months of 1996 to \$16,172,000 first nine months of 1997. This decline was primarily attributable to larger gains in the sales of investments recorded during the 1996 period.

For the first nine months of 1997 the Company's effective income tax rate was 38.3% as compared with an effective rate of 37.6% for the first nine months of 1996. This increase is largely attributable to a higher effective state and local income tax rate during the 1997 period.

Chemed's income from continuing operations declined from \$16,360,000 (\$1.66 per share) during the first nine months of 1996 to \$13,427,000 (\$1.34 per share) during the first nine months of 1997. Earnings for the nine-month periods included aftertax gains from sales of investments of \$7,652,000 (\$.76 per share) and \$10,919,000 (\$1.11 per share) in 1997 and 1996, respectively.

Net income for the first nine months of 1997 totalled \$26,587,000 (\$2.65 per share) and included income from discontinued operations amounting to \$13,160,000, largely relating to the sale of Omnia and National Sanitary Supply during the third quarter of 1997. Net income for 1996 amounted to \$22,349,000 (\$2.27 per share) and included income from discontinued operations of \$5,989,000, largely income from the operations of National Sanitary Supply and Omnia.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit No.	SK 601 Ref. No.	Description	Page No.
1	(11)	Statement re: Computation of Per Share Earnings	E-1 -- E-2
2	(27)	Financial Data Schedule	E-3 -- E-4

(b) Reports on Form 8-K

A report on Form 8-K was filed dated October 9, 1997 reporting that:

- (1) On September 24, 1997, a wholly owned subsidiary of the Company had completed the sale of all of the issued and outstanding shares of capital stock of its wholly owned businesses comprising of Omnia Group to Banta Corporation for \$52.2 million; and
- (2) On September 30, 1997 National Sanitary Supply Company ("National"), an 82%-owned subsidiary of the Company, was merged with TFBD, a wholly owned subsidiary of Unisource Worldwide, Inc. In exchange for its ownership interest in National, Chemed received \$120.2 million in cash.

The report on Form 8-K included a description of the transactions involved along with pro forma consolidated income statements of the Company for the six month periods ended June 30, 1997 and 1996 and for the year ended December 31, 1996. A pro forma balance sheet as of June 30, 1997 was also included. The pro forma income statements presented the consolidated results of operations of the Company, assuming the sale of Omnia and National occurred on January 1 of each period presented. The pro forma balance sheet presented the consolidated financial position of the Company assuming said transactions occurred on June 30, 1997.

SIGNATURES

Pursuant to the requirements 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

(Registrant)

Dated: November 13, 1997

By Naomi C. Dallob

Naomi C. Dallob
Vice President and Secretary

Dated: November 13, 1997

By Arthur V. Tucker, Jr.

Arthur V. Tucker, Jr.
Vice President and Controller
(Principal Accounting Officer)

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
COMPUTATION OF PER SHARE EARNINGS
(in thousands except per share data)

	Income from Continuing Operations			
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	1997	1996	1997	1996

Computation of Earnings Per				
Common and Common				
Equivalent Share (a):				

Reported Income	\$ 2,106	\$ 1,968	\$13,427	\$16,360
	=====	=====	=====	=====
Average number of shares used to compute earnings per common share	10,042	9,790	10,026	9,831
Effect of unexercised stock options	49	58	40	62
	-----	-----	-----	-----
Average number of shares used to compute earnings per common and common equivalent share	10,091	9,848	10,066	9,893
	=====	=====	=====	=====
Earnings per common and common equivalent share	\$ 0.21	\$ 0.20	\$ 1.33	\$ 1.65
	=====	=====	=====	=====
Computation of Earnings Per				
Common Share Assuming				
Full Dilution (a):				

Reported Income	\$ 2,106	\$ 1,968	\$13,427	\$16,360
	=====	=====	=====	=====
Average number of shares used to compute earnings per common share	10,042	9,790	10,026	9,831
Effect of unexercised stock options	59	63	59	63
	-----	-----	-----	-----
Average number of shares used to compute earnings per common share assuming full dilution	10,101	9,853	10,085	9,894
	=====	=====	=====	=====
Earnings per common share assuming full dilution	\$ 0.21	\$ 0.20	\$ 1.33	\$ 1.65
	=====	=====	=====	=====

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1997	1996	1997	1996
Computation of Earnings Per Common and Common				
Equivalent Share (a):				

Reported Income	\$11,808 =====	\$ 4,464 =====	\$26,587 =====	\$22,349 =====
Average number of shares used to compute earnings per common share	10,042	9,790	10,026	9,831
Effect of unexercised stock options	49 -----	58 -----	40 -----	62 -----
Average number of shares used to compute earnings per common and common equivalent share	10,091 =====	9,848 =====	10,066 =====	9,893 =====
Earnings per common and common equivalent share	\$ 1.17 =====	\$ 0.45 =====	\$ 2.64 =====	\$ 2.26 =====
Computation of Earnings Per Common Share Assuming				
Full Dilution (a):				

Reported Income	\$11,808 =====	\$ 4,464 =====	\$26,587 =====	\$22,349 =====
Average number of shares used to compute earnings per common share	10,042	9,790	10,026	9,831
Effect of unexercised stock options	59 -----	63 -----	59 -----	63 -----
Average number of shares used to compute earnings per common share assuming full dilution	10,101 =====	9,853 =====	10,085 =====	9,894 =====
Earnings per common share assuming full dilution	\$ 1.17 =====	\$ 0.45 =====	\$ 2.64 =====	\$ 2.26 =====

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

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION FROM FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 1997 FOR CHEMED CORPORATION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

0000019584
CHEMED CORPORATION
1,000

9-MOS		
	DEC-31-1997	
	SEP-30-1997	
		131,495
		0
		39,708
		(2,617)
		8,706
	206,619	
		84,463
	(34,308)	
	495,479	
135,072		
		90,339
0		
		0
		12,923
		214,314
495,479		
		12,879
251,110		
		8,958
	156,610	
	0	
	330	
8,476		
	21,756	
	8,329	
13,427		
	13,160	
	0	
		0
	26,587	
	2.65	
	2.65	

THIS SCHEDULE CONTAINS RESTATED SUMMARY FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 1996 FOR CHEMED CORPORATION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

0000019584
 CHEMED CORPORATION
 1,000

9-MOS		
	DEC-31-1996	
	JAN-01-1996	
	SEP-30-1996	
		14,767
		100
		33,074
		(1,567)
		8,260
	88,052	
		67,735
	(27,761)	
	517,108	
178,544		
		57,946
0		
		0
		12,700
		201,782
517,108		
		12,716
	221,834	
		8,027
		135,571
		0
		491
	5,532	
	30,971	
		11,647
16,360		
	5,989	
		0
		0
		22,349
		2.27
		2.27