SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 1995

or

/ / Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 (No Fee Required)

For the Transition period from ______________ to _____________

Commission File Number: 1-8351

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

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

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

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

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No____.

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

The aggregate market value of the voting stock held by non-affiliates of the registrant, based upon the closing price of said stock on the New York Stock Exchange -Composite Transaction Listing on March 11, 1996 ($37.625 per share), was $362,985,080.

At March 11, 1996, 9,880,122 shares of Chemed Corporation Capital Stock (par value $1 per share) were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

DOCUMENT	WHERE INCORPORATED
1995 Annual Report to Stockholders (Specified Portions)	Parts I, II and IV
Proxy Statement for Annual Meeting to be held May 20, 1996.	Part III

CHEMED CORPORATION

1995 FORM 10-K ANNUAL REPORT

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PART I

ITEM 1. BUSINESS

GENERAL

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

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

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

On April 2, 1991, the Company completed the sale of DuBois Chemicals, Inc. ("DuBois"), a wholly owned subsidiary, to the Diversey Corporation ("Diversey"), a subsidiary of The Molson Companies Ltd. Under the terms of the sale, Diversey agreed to pay the Company net cash payments aggregating $223,386,000, including deferred payments aggregating $32,432,000. As of December 31, 1995, the Company had received cash payments totaling $215,738,000.

On December 21, 1992, the Company acquired The Veratex Corporation and related businesses ("Veratex Group") from Omnicare, Inc., a publicly traded company in which Chemed currently maintains a 2.8 percent ownership interest. The purchase price was $62,120,000 in cash paid at closing, plus a post-closing payment of $1,514,000 (paid in April 1993) based on the net assets of Veratex.

Effective January 1, 1994, the Company acquired all the capital stock of Patient Care, Inc. ("Patient Care"), for cash payments aggregating $20,582,000, including deferred payments with a present value of $6,582,000, plus 17,500 shares of the Company's Capital Stock. Additional cash payments aggregating $2,000,000 will be made in equal amounts on March 31, 1996 and March 31, 1997.

In July 1995, the Company's Omnia Group (formerly Veratex Group) completed the sale of the business and assets of its Veratex Retail division to Henry Schein, Inc. ("HSI") for $10 million in cash plus a $4.1 million note payment for which was received in December 1995. An additional payment of up to $2 million, contingent upon the combined sales of Veratex Retail and HSI's retail group for the year-ended July 7, 1996, may be due from HSI in 1996.

During 1995, the Company conducted its business operations in four segments: National Sanitary Supply Company ("National Sanitary Supply"), Roto-Rooter, Inc. ("Roto-Rooter"), Omnia Group ("Omnia") and Patient Care.

FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS

The required segment and geographic data for the Company's continuing operations (as described below) for the three years ended December 31, 1993, 1994 and 1995, are shown in the "Sales and Profit Statistics by Business Segment" and the "Additional Segment Data" on pages 32, 33 and 36 of the 1995 Annual Report to Stockholders and are incorporated herein by reference.

DESCRIPTION OF BUSINESS BY SEGMENT

The information called for by this item is included within Note 1 of the Notes to Financial Statements appearing on page 23 of the 1995 Annual Report to Stockholders and is incorporated herein by reference.

PRODUCT AND MARKET DEVELOPMENT

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

RAW MATERIALS

The principal raw materials needed for each active segment of Chemed's United States manufacturing operations are purchased from United States sources. No segment of Chemed experienced any material raw material shortages during 1995, although such shortages may occur in the future. Products manufactured and sold by Chemed's active business segments generally may be reformulated to avoid the adverse impact of a specific raw material shortage.

PATENTS, SERVICE MARKS AND LICENSES

The Roto-Rooter(R) trademark and service mark have been used and advertised since 1935 by Roto-Rooter Corporation, a wholly owned subsidiary of Roto-Rooter, Inc., a 58 percent-owned subsidiary of the Company. The Roto-Rooter(R) marks are among the most highly recognized trademarks and service marks in the United States. Chemed considers the Roto-Rooter(R) marks to be a valuable asset and a significant factor in the marketing of Roto-Rooter's franchises, products and services and the products and services provided by its franchisees.

INVENTORIES

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

COMPETITION

NATIONAL SANITARY SUPPLY

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

Federal, state and local governmental agencies accounted for approximately 6 percent of National Sanitary Supply's total sales for 1995. These sales are attributable to over 1,200 different agencies whose purchasing decisions are made separately. While it is believed that the loss of the sales to these agencies in the aggregate would be material, the decentralized purchasing decisions make the loss of a significant number of such accounts at any given time unlikely. National Sanitary Supply also had sales to one customer, Sonic Corporation, which comprised approximately 15 percent of sales in 1995. This customer is a fast-food restaurant chain consisting of approximately 1,370 franchises and 130 company-owned restaurants. Sales to this customer consisted primarily of low-margin food-service products such as paper napkins, plates and cups. On November 22, 1995, the Company announced the expected loss of a majority of sales to Sonic Corporation during the first quarter of 1996. Other than sales to the aforementioned entities, no one customer accounts for more than two percent of net sales.

ROTO-ROOTER

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

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

OMNIA

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

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

PATIENT CARE

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

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

RESEARCH AND DEVELOPMENT

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

ENVIRONMENTAL MATTERS

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

In connection with the sale of DuBois to the Diversey Corporation, the Company contractually assumed for a period of ten years the estimated liability for potential environmental cleanup and related costs arising from the sale of DuBois up to a maximum of $25,500,000. The Company had accrued $15,500,000 with respect to these potential liabilities. Prior to the sale of DuBois, DuBois had been designated as a Potentially Responsible Party ("PRP") at fourteen Superfund sites by the U.S. Environmental Protection Agency ("USEPA"). With respect to all of these sites, the Company has been unable to locate any records indicating it disposed of waste of any kind at such sites. Nevertheless, it settled claims at five such sites at minimal cost. In addition, because there were a number of other financially responsible companies designated as PRPs relative to these sites, management believes that it is unlikely that such actions will have a material effect on the Company's financial condition or results of operations. With respect to one of these sites, the Company's involvement is based on the location of one of its manufacturing plants. Currently, the USEPA and the state governmental agency are attempting to resolve jurisdictional issues, and action against PRPs is not proceeding.

Capital expenditures for the purposes of complying with environmental laws and regulations during 1996 and 1997 with respect to continuing operations are not expected to be material in amount; there can be no assurance, however, that presently unforeseen legislative or enforcement actions will not require additional expenditures.

EMPLOYEES

On December 31, 1995, Chemed had a total of 7,335 employees; 7,278 were located in the United States and 57 were in Canada.

ITEM 2. PROPERTIES

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

Location	Type	Owned	Leased
	NATIONAL SANITARY SUPPLY COMPANY		
Los Angeles, CA	Office, manufacturing and distribution center	165,000 sq. ft.	25,000 sq. ft.
Tempe, AZ	Office and distribution center	69,000 sq. ft.	--
San Francisco (Area), CA	Office and distribution center	--	66,000 sq. ft.
Denver, CO	Office and distribution center	--	53,000 sq. ft.
Marion, IN	Office and distribution center	30,000 sq. ft.	--
Jackson, MS	Office and distribution center	--	26,000 sq. ft.
Tupelo, MS	Office and distribution center	--	33,000 sq. ft.

Location	Type	Owned	Leased
	(NATIONAL SANITARY SUPPLY COMPANY - CONTINUED)		
Kansas City, MO	Office and distribution center	--	25,000 sq. ft.
St. Louis, MO	Office and distribution center	--	16,000 sq. ft.
Las Vegas, NV	Office and distribution center	24,000 sq. ft.	--
Albuquerque, NM	Office and distribution center	--	21,000 sq. ft.
Fairfield, OH	Office and distribution center	--	38,000 sq. ft.
Toledo, OH	Office and distribution center	--	65,000 sq. ft.
Oklahoma City, OK	Office and distribution center	--	75,000 sq. ft.
Portland, OR	Office and distribution center	56,000 sq. ft.	--
Memphis, TN	Office and distribution center	--	66,000 sq. ft.
Knoxville, TN	Office and distribution center	--	17,000 sq. ft.
Amarillo, TX	Office and distribution center	--	25,000 sq. ft.
Beaumont, TX	Office and distribution center	--	14,000 sq. ft.
Corpus Christi, TX	Office and distribution center	--	58,000 sq. ft.
Dallas, TX	Office and distribution center	54,000 sq. ft.	--
El Paso, TX	Office and distribution center	18,000 sq. ft.	--
Houston, TX	Office and distribution center	--	102,000 sq. ft.
Laredo, TX	Office and distribution center	--	10,000 sq. ft.
McAllen, TX	Office and distribution center	--	9,000 sq. ft.
New Braunfels, TX	Office and distribution center	--	54,000 sq. ft.
Salt Lake City, UT	Office and distribution center	--	20,000 sq. ft.
Seattle, WA	Office and distribution center	--	15,000 sq. ft.

Location	Type	Owned	Leased
	(NATIONAL SANITARY SUPPLY COMPANY - CONTINUED)		
Branch Sales Offices (1)	Branch sales offices	3,000 sq. ft.	182,000 sq. ft.
	ROTO-ROOTER, INC.		
Cincinnati, OH	Office and service facilities	24,000 sq. ft.	24,000 sq. ft.
West Des Moines IA	Office, manufacturing and distribution facilities	29,000 sq. ft.	--
Northeastern U.S. Area (2)	Office and service facilities	43,000 sq. ft.	47,000 sq. ft.
Central U.S. Area (3)	Office and service facilities	27,000 sq. ft.	41,000 sq. ft.
Mid-Atlantic U.S. Area (4)	Office and service facilities	54,000 sq. ft.	81,000 sq. ft.
Western U.S. Area (5)	Office and service facilities	19,000 sq. ft.	38,000 sq. ft.
Canada (6)	Office and service facilities	--	13,000 sq. ft.
	OMNIA		
Troy, MI (7)	Office	--	15,000 sq. ft.
Detroit, MI	Manufacturing facility	64,000 sq. ft.	--
Lexington, KY	Office and distribution center	--	157,000 sq. ft.
Lakeland, FL	Office, manufacturing and distribution center	--	76,000 sq. ft.
Rialto, CA (8)	Office, manufacturing and distribution center	132,000 sq. ft.	--
	PATIENT CARE		
New Jersey (9)	Office	-	60,000 sq. ft.
Connecticut (10)	Office	-	11,000 sq. ft.
New York (11)	Office	-	34,000 sq. ft.
	CORPORATE		
CORPORATE (12)			
Cincinnati, OH	Corporate offices and related facilities	--	48,000 sq. ft.

(1) Comprising forty-three separate branch sales offices located throughout the western, midwestern, and southwestern United States.

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

(3) Comprising locations in Atlanta and Decator, Georgia; Birmingham, Alabama; 0Charlotte, North Carolina; Hilliard and Cleveland, Ohio; Memphis and Nashville, Tennessee; Wilmerding, Pennsylvania; St. Louis, Missouri; and Little Rock, Arkansas.

(4) Comprising locations in Pennsauken and North Brunswick, New Jersey; Jacksonville, Medley, Pompano Beach, Ft. Myers, St. Petersburg, Boca Raton, Daytona Beach, Miami and Orlando, Florida; Virginia Beach and Fairfax, Virginia; Levittown, Pennsylvania; Raleigh, North Carolina; and Newark, Delaware.

(5) Comprising locations in Houston and San Antonio, Texas; Addison, Elk Grove Village and Posen, Illinois; Denver, Colorado; Honolulu, Hawaii; Minneapolis, Minnesota; Tacoma, Washington; and Phoenix, Arizona.

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

(7) Excludes 81,000 square feet of office and distribution facilities that housed the Veratex Retail operation, which was sold in July 1995. The lease on these facilities expires in 1997. These facilities are vacant as of December 31, 1995, while opportunities to sublet the property are explored.

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

(9) Comprising locations in Milburn, Princeton, Ridgewood, Somerville, Spring Lake, Trenton, Montclair, Upper Montclair, Westfield, Orange and West Orange, New Jersey.

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

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

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

ITEM 3. LEGAL PROCEEDINGS

None.

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

None.

EXECUTIVE OFFICERS OF THE COMPANY

Name	Age	Office	First Elected
Edward L. Hutton	76	Chairman and Chief Executive Officer	November 3, 1993 (1)
Kevin J. McNamara	42	President	August 2, 1994 (2)
Paul C. Voet	49	Executive Vice President	May 20, 1991 (3)
Timothy S. O'Toole	40	Executive Vice President and Treasurer	May 18, 1992 (4)

Sandra E. Laney	52	Senior Vice President and Chief Administrative Officer	November 3, 1993 (5)
Arthur V. Tucker, Jr.	46	Vice President and Controller	May 20, 1991 (6)

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

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

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

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

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

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

Each executive officer holds office until the annual election at the next annual organizational meeting of the Board of Directors of the Company which is scheduled to be held on May 20, 1996.

PART II

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

The Company's Capital Stock (par value $1 per share) is traded on the New York Stock Exchange under the symbol CHE. The range of the high and low sale prices on the New York Stock Exchange and dividends paid per share for each quarter of 1994 and 1995 are set forth below.

	Closing		
	High	Low	Dividends Paid Per Share
1995			
First Quarter	$33-7/8	$31-1/4	$.51
Second Quarter	35-7/8	30-3/4	.51
Third Quarter	36-1/2	33-1/2	.52
Fourth Quarter	40-1/8	34-5/8	.52
1994			
First Quarter	$34-3/4	$30-5/8	$.51
Second Quarter	35-3/4	31-5/8	.51
Third Quarter	36	32-1/2	.51
Fourth Quarter	35-1/2	31	.51

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

As of March 11, 1996, there were approximately 5,950 stockholders of record of the Company's Capital Stock. This number only includes stockholders of record and does not include stockholders with shares beneficially held for them in nominee name or within clearinghouse positions of brokers, banks or other institutions.

ITEM 6. SELECTED FINANCIAL DATA.

The information called for by this Item for the five years ended December 31, 1995 is set forth on pages 34 and 35 of the 1995 Annual Report to Stockholders and is incorporated herein by reference.

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

The information called for by this Item is set forth on pages 37 through 40 of the 1995 Annual Report to Stockholders and is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The consolidated financial statements, together with the report thereon of Price Waterhouse dated February 5, 1996, appearing on pages 17 through 30 of the 1995 Annual Report to Stockholders, along with the Supplementary Data (Unaudited Summary of Quarterly Results) appearing on page 31, are incorporated herein by reference.

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The directors of the Company are:

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

The additional information required under this Item with respect to the directors and executive officers is set forth in the Company's 1996 Proxy Statement and in Part I hereof under the caption "Executive Officers of the Registrant" and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION.

Information required under this Item is set forth in the Company's 1996 Proxy Statement, which is incorporated herein by reference.

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

Information required under this Item is set forth in the Company's 1996 Proxy Statement, which is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information required under this Item is set forth in the Company's 1996 Proxy Statement, which is incorporated herein by reference.

PART IV

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

EXHIBITS

3.1 Certificate of Incorporation of Chemed Corporation.*

3.2 By-Laws of Chemed Corporation.*

10.1 Agreement and Plan of Merger among Diversey U.S. Holdings, Inc., D. C. Acquisition Inc., Chemed Corporation and DuBois Chemicals, Inc., dated as of February 25, 1991.*

10.2 Stock Purchase Agreement between Omnicare, Inc. and Chemed Corporation, dated as of August 5, 1992.*

10.4 1981 Stock Incentive Plan, as amended through May 20, 1991.*,**

10.5 1983 Incentive Stock Option Plan, as amended through May 20, 1991.*,**

10.6 1986 Stock Incentive Plan, as amended through May 20, 1991.*,**

10.7 1988 Stock Incentive Plan, as amended through May 20, 1991.*,**

10.8 1993 Stock Incentive Plan.*,**

10.9 Executive Salary Protection Plan, as amended through November 3, 1988.*,**

10.10 Excess Benefits Plan, as amended effective November 1, 1985.*,**

10.11 Non-Employee Directors' Deferred Compensation Plan.*,**

10.12 Directors Emeriti Plan.*,**

10.13 Employment Contracts with Executives.*,**

10.14 Amendment No. 7 to Employment Contracts with Executives.**

10.15 1995 Stock Incentive Plan.**

10.16 Split Dollar Agreement with Executives.**

10.17 Split Dollar Agreement with Edward L. Hutton.**

10.18 Split Dollar Agreement with Paul C. Voet.**

10.19 Amendment No. 6 to Employment Agreement with Edward L. Hutton.*,**

11. Statement re: Computation of Earnings Per Common Share.

13. 1995 Annual Report to Stockholders.

21. Subsidiaries of Chemed Corporation.

23. Consent of Independent Accountants.

24. Powers of Attorney.

27. Financial Data Schedule +

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

** Management contract or compensatory plan or arrangement.

\+ Not filed herewith.

FINANCIAL STATEMENT SCHEDULE

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

REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the quarter ended December 31, 1995.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHEMED CORPORATION

March 26, 1996

By /s/ Edward L. Hutton
Edward L. Hutton
Chairman and Chief Executive Officer

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

Signature	Title	Date
/s/ Edward L. Hutton Edward L. Hutton	Chairman and Chief Executive Officer and a Director (Principal Executive Officer)	
/s/ Timothy S. O'Toole Timothy S. O'Toole	Executive Vice President and Treasurer and a Director (Principal Financial Officer)	
/s/ Arthur V.Tucker,Jr. Arthur V. Tucker, Jr.	Vice President and Controller (Principal Accounting Officer)	March 26, 1996

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

- -----------------------

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

March 26, 1996	/s/ Naomi C. Dallob
Date	Naomi C. Dallob (Attorney-in-Fact)

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE

1993, 1994 AND 1995

CHEMED CORPORATION CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE	PAGE(S)
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* Indicates page numbers in Chemed Corporation 1995 Annual Report to Stockholders.

The consolidated financial statements of Chemed Corporation listed above, appearing in the 1995 Annual Report to Stockholders, are incorporated herein by reference. The Financial Statement Schedule should be read in conjunction with the consolidated financial statements listed above. Schedules not included have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto as listed above.

REPORT OF INDEPENDENT ACCOUNTANTS ON
FINANCIAL STATEMENT SCHEDULE

To the Board of Directors
of Chemed Corporation

Our audits of the consolidated financial statements referred to in our report dated February 5, 1996 appearing on page 17 of the 1995 Annual Report to Stockholders of Chemed Corporation (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedule listed in Item 14 of this Form 10-K. In our opinion, the Financial Statement Schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ Price Waterhouse LLP
- ------------------------
PRICE WATERHOUSE LLP

Cincinnati, Ohio
February 5, 1996

SCHEDULE II

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

Description	Balance at Beginning of Period	Additions: (Charged) Credited to Costs and Expenses	Additions: (Charged) Credited to Other Accounts	Additions: Applicable to Companies Acquired in Period	Deductions (b)	Balance at End of Period
Allowances for doubtful accounts (c) -						
For the year 1995.........	$ (2,974)	$(2,443)	$ (72)	$ -	$ 1,970	$ (3,519)
For the year 1994.........	$ (2,391)	$(1,774)	$ -	$ (218)	$ 1,409	$ (2,974)
For the year 1993.........	$ (1,837)	$(1,766)	$ -	$ (19)	$ 1,231	$ (2,391)
Allowances for doubtful accounts - notes receivable (d) -						
For the year 1995.........	$ (267)	$ (64)	$ 72	$ -	$ 12	$ (247)
For the year 1994.........	$ (493)	$ (81)	$ -	$ -	$ 307	$ (267)
For the year 1993.........	$ (312)	$ (253)	$ -	$ -	$ 72	$ (493)

(a) Amounts are presented on a continuing operations basis.
(b) Deductions include accounts considered uncollectible or written off, payments, companies divested, etc.
(c) Classified in consolidated balance sheet as a reduction of accounts receivable.
(d) Classified in consolidated balance sheet as a reduction of other assets.

INDEX TO EXHIBITS

Exhibit Number		Page Number or Incorporation by Reference: File No. and Filing Date	Previous Exhibt No.
3.1	Certificate of Incorporation of Chemed Corporation	Form S-3 Reg. No. 33-44177 11/26/91	4.1
3.2	By-Laws of Chemed Corporation	Form 10-K 3/28/89	3
10.1	Agreement and Plan of Merger among Diversey U.S. Holdings, Inc., D.C. Acquisition Inc., Chemed Corporation and DuBois Chemicals, Inc., dated as of February 25, 1991	Form 8-K 3/11/91	1
10.2	Stock Purchase Agreement between Omnicare, Inc. and Chemed Corporation dated as of August 5, 1992	Form 10-K 3/25/93	5
10.4	1981 Stock Incentive Plan, as amended through May 20, 1991	Form 10- K 3/27/92	7
10.5	1983 Incentive Stock Option Plan, as amended through May 20, 1991	Form 10-K 3/27/92	8
10.6	1986 Stock Incentive Plan, as amended through May 20, 1991	Form 10-K 3/27/92	9
10.7	1988 Stock Incentive Plan, as amended through May 20, 1991	Form 10-K 3/27/92	10
10.8	1993 Stock Incentive Plan	Form 10-K 3/29/94	10.8
10.9	Executive Salary Protection Plan, as amended through November 3, 1988	Form 10-K 3/28/89	11
10.10	Excess Benefits Plan, as amended effective November 1, 1985	Form 10-Q 11/12/85	3
10.11	Non-Employee Directors' Deferred Compensation Plan	Form 10-K 3/24/88	12
10.12	Directors Emeriti Plan	Form 10-Q 5/12/88	2
10.13	Employee Contracts with Executives	Form 10-K 3/28/89	18
10.14	Amendment No. 7 to Employment Contracts with Executives	*	
10.15	1995 Stock Incentive Plan	*	

Exhibit Number		Page Number or Incorporation by Reference: File No. and Filing Date	Previous Exhibit No.
10.16	Split Dollar Agreements	*	
10.17	Split Dollar Agreement with Edward L. Hutton	*	
10.18	Split Dollar Agreement with Paul C. Voet	*	
10.19	Amendment No. 6 to Employment Agreement with Edward L. Hutton	Form 10-K 3/28/95	10.14
11	Statement re: Computation of Earnings Per Common Share	*	
13	1995 Annual Report to Stockholders	*	
21	Subsidiaries of Chemed Corporation	*	
23	Consent of Independent Accountants	*	
24	Powers of Attorney	*	
27	Financial Data Schedule	+	

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* Filed herewith.

+ Not filed herewith.

EXHIBIT 10.14

AMENDMENT NO. 7
TO EMPLOYMENT AGREEMENT

AGREEMENT dated as of May 15, 1995 between ________________("Employee") and Chemed Corporation (the "Company").

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

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

NOW, THEREFORE, Employee and the Company mutually agree that the Employment Agreement shall be amended, effective as of May 15, 1995, as follows:

A. The date, amended as of May 16, 1994, set forth in Section 1.2 of the Employment Agreement, is hereby deleted and the date of May 3, 2000 is hereby substituted therefor.

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

C. The amount of unrestricted stock award recognized in lieu of incentive compensation in 1994 is $____________.

D. Section 3.1(b) is hereby deleted and Section 3.1(c) is renumbered as Section 3.1(b) reading as follows:
Section 3.1(b) The termination by the Company of the Employee's employment for Cause pursuant to Section 3.3. The termination by the Company of Employee's employment hereunder for any reason other than those specified in paragraphs (a) and (b) above shall hereinafter be referred to as a termination "Without Cause". Any disability of an Employee shall not be grounds for termination.

E. Section 3.2 is hereby deleted.

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

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

EMPLOYEE

____

CHEMED CORPORATION

____

SCHEDULE TO EXHIBIT 10.14

Name and Position	Age	Current Salary and Bonus	Current (a) Stock Award Compensation	Current Expiration Date of Agreement
K. J. McNamara President	42	$246,000 35,750	$18,025	5/3/2000
P. C. Voet Executive Vice President	49	264,500 85,000	88,219	5/3/2000
T. C. Hutton Vice President	45	147,700 15,200	11,069	5/3/2000
T. S. O'Toole Executive Vice President and Treasurer	40	150,000 22,300	33,217	5/3/2000
D. M. Laney Vice President	54	112,500 17,200	--	5/3/2000
S. E. Laney Senior Vice President and Chief Administrative Officer	52	148,000 32,500	20,025	5/3/2000
A. V. Tucker Vice President and Controller	46	98,500 16,000	4,112	5/3/2000

(a) Amount of unrestricted stock award recognized in lieu of incentive compensation in 1994.

EXHIBIT 10.15

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CHEMED CORPORATION

1995 STOCK INCENTIVE PLAN

MAY 15, 1995

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CHEMED CORPORATION
1995 STOCK INCENTIVE PLAN

1. PURPOSES: The purposes of this Plan are (a) to secure for the Corporation the benefits of incentives inherent in ownership of Capital Stock by Key Employees, (b) to encourage Key Employees to increase their interest in the future growth and prosperity of the Corporation and to stimulate and sustain constructive and imaginative thinking by Key Employees, (c) to further the identification of interest of those who hold positions of major responsibility in the Corporation and its Subsidiaries with the interests of the Corporation's stockholders, (d) to induce the employment or continued employment of Key Employees and (e) to enable the Corporation to compete with other organizations offering similar or other incentives in obtaining and retaining the services of competent executives.

2. DEFINITIONS: Unless otherwise required by the context, the following terms when used in this Plan shall have the meanings set forth in this section 2.

BOARD OF DIRECTORS: The Board of Directors of the Corporation.

CAPITAL STOCK: The Capital Stock of the Corporation, par value $1.00 per share, or such other class of shares or other securities as may be applicable pursuant to the provisions of section 8.

CORPORATION: Chemed Corporation, a Delaware corporation.

FAIR MARKET VALUE: As applied to any date, the mean between the high and low sales prices of a share of Capital Stock on the principal stock exchange on which the Corporation is listed, or, if it is not so listed, the mean between the bid and the ask prices of a share of Capital Stock in the over-the-counter market as reported by the National Association of Securities Dealers Automated Quotation System on such date or, if no such sales or prices were made or quoted on such date, on the next preceding date on which there were sales or quotes of Capital Stock on such exchange or market, as the case may be; provided, however, that, if the Capital Stock is not so listed or quoted, Fair Market Value shall be determined in accordance with the method approved by the Incentive Committee, and, provided further, if any of the foregoing methods of determining Fair Market Value shall not be consistent with the regulations of the Secretary of the Treasury or his delegate at the time applicable to a Stock Incentive of the type involved, Fair Market Value in the case of such Stock Incentive shall be determined in accordance with such regulations and shall mean the value as so determined.

INCENTIVE COMMITTEE: The Incentive Committee designated to administer this Plan pursuant to the provisions of section 10.

INCENTIVE COMPENSATION: Bonuses, extra and other compensation payable in addition to a salary or other base amount, whether contingent or discretionary or required to be paid pursuant to an agreement, resolution or arrangement, and whether payable currently or on a deferred basis, in cash, Capital Stock or other property, awarded by the Corporation or a Subsidiary prior or subsequent to the date of the approval and adoption of this Plan by the stockholders of the Corporation.

KEY EMPLOYEE: An employee of the Corporation or of a Subsidiary who in the opinion of the Incentive Committee can contribute significantly to the growth and successful operations of the Corporation or a Subsidiary. The grant of a Stock Incentive to an employee by the Incentive Committee shall be deemed a determination by the Incentive Committee that such employee is a Key Employee. For the purposes of this Plan, a director or officer of the Corporation or of a Subsidiary shall be deemed an employee regardless of whether or not such director or officer is on the payroll of, or otherwise paid for services by, the Corporation or a Subsidiary.

OPTION: An option to purchase shares of Capital Stock.

PERFORMANCE UNIT: A unit representing a share of Capital Stock, subject to a Stock Award, the issuance, transfer or retention of which is contingent, in whole or in part, upon attainment of a specified performance objective or objectives, including, without limitation, objectives determined by reference to or changes in (a) the Fair Market Value, book value or earnings per share of Capital Stock, or (b) sales and revenues, income, profits and losses, return on capital employed, or net worth of the Corporation (on a consolidated or unconsolidated basis) or of any one or more of its groups, divisions, Subsidiaries or departments, or (c) a combination of two or more of the foregoing factors.

PLAN: The 1995 Stock Incentive Plan herein set forth as the same may from time to time be amended.

STOCK AWARD: An issuance or transfer of shares of Capital Stock at the time the Stock Incentive is granted or as soon thereafter as practicable, or an undertaking to issue or transfer such shares in the future, including, without limitation, such an issuance, transfer or undertaking with respect to Performance Units.

STOCK INCENTIVE: A stock incentive granted under this Plan in one of the forms provided for in section 3.

SUBSIDIARY: A corporation or other form of business association of which shares (or other ownership interests) having 50% or more of the voting power are owned or controlled, directly or indirectly, by the Corporation.

3. GRANTS OF STOCK INCENTIVES:

(a) Subject to the provisions of this Plan, the Incentive Committee may at any time, or from time to time, grant Stock Incentives under this Plan to, and only to, Key Employees.

(b) Stock Incentives may be granted in the following forms:

(i) a Stock Award, or
(ii) an Option, or
(iii) a combination of a Stock Award and an Option.

4. STOCK SUBJECT TO THIS PLAN:

(a) Subject to the provisions of paragraph (c) and (d) of this section 4 and of section 8, the aggregate number of shares of Capital Stock which may be issued or transferred pursuant to Stock Incentives granted under this Plan shall not exceed 500,000 shares.

(b) The maximum aggregate number of shares of Capital Stock which may be issued or transferred under the Plan to directors of the Corporation or of a Subsidiary shall not exceed 100,000 shares.

(c) Authorized but unissued shares of Capital Stock and shares of Capital Stock held in the treasury, whether acquired by the Corporation specifically for use under this Plan or otherwise, may be used, as the Incentive Committee may from time to time determine, for purposes of this Plan, provided, however, that any shares acquired or held by the Corporation for the purposes of this Plan shall, unless and until transferred to a Key Employee in accordance with the terms and conditions of a Stock Incentive, be and at all times remain treasury shares of the Corporation, irrespective of whether such shares are entered in a special account for purposes of this Plan, and shall be available for any corporate purpose.

(d) If any shares of Capital Stock subject to a Stock Incentive shall not be issued or transferred and shall cease to be issuable or transferable because of the termination, in whole or in part, of such Stock Incentive or for any other reason, or if any such shares shall, after issuance or transfer, be reacquired by the Corporation or a Subsidiary because of an employee's failure to comply with the terms and conditions of a

Stock Incentive, the shares not so issued or transferred, or the shares so reacquired by the Corporation or a Subsidiary shall no longer be charged against any of the limitations provided for in paragraphs (a) or (b) of this section 4 and may again be made subject to Stock Incentives.

5. STOCK AWARDS: Stock Incentives in the form of Stock Awards shall be subject to the following provisions:

(a) A Stock Award shall be granted only in payment of Incentive Compensation that has been earned or as Incentive Compensation to be earned, including, without limitation, Incentive Compensation awarded concurrently with or prior to the grant of the Stock Award.

(b) For the purposes of this Plan, in determining the value of a Stock Award, all shares of Capital Stock subject to such Stock Award shall be valued at not less than 100% of the Fair Market Value of such shares on the date such Stock Award is granted, regardless of whether or when such shares are issued or transferred to the Key Employee and whether or not such shares are subject to restrictions which affect their value.

(c) Shares of Capital Stock subject to a Stock Award may be issued or transferred to the Key Employee at the time the Stock Award is granted, or at any time subsequent thereto, or in installments from time to time, as the Incentive Committee shall determine. In the event that any such issuance or transfer shall not be made to the Key Employee at the time the Stock Award is granted, the Incentive Committee may provide for payment to such Key Employee, either in cash or in shares of Capital Stock from time to time or at the time or times such shares shall be issued or transferred to such Key Employee, of amounts not exceeding the dividends which would have been payable to such Key Employee in respect of such shares (as adjusted under section 8) if they had been issued or transferred to such Key Employee at the time such Stock Award was granted. Any amount payable in shares of Capital Stock under the terms of a Stock Award may, at the discretion of the Corporation, be paid in cash, on each date on which delivery of shares would otherwise have been made, in an amount equal to the Fair Market Value on such date of the shares which would otherwise have been delivered.

(d) A Stock Award shall be subject to such terms and conditions, including, without limitation, restrictions on sale or other disposition of the Stock Award or of the shares issued or transferred pursuant to such Stock Award, as the Incentive Committee shall determine; provided, however, that upon the issuance or transfer of shares pursuant to a Stock Award, the recipient shall, with respect to such shares, be and become a stockholder of the Corporation fully entitled to receive dividends, to vote and to exercise all other rights of a stockholder except to the extent otherwise provided in the Stock Award. Each Stock Award shall be evidenced by a written instrument in such form as the Incentive Committee shall determine, provided the Stock Award is consistent with this Plan and incorporates it by reference.

6. OPTIONS: Stock Incentives in the form of Options shall be subject to the following provisions:

(a) Upon the exercise of an Option, the purchase price shall be paid in cash or, if so provided in the Option or in a resolution adopted by the Incentive Committee (and subject to such terms and conditions as are specified in the Option or by the Incentive Committee), in shares of Capital Stock or in a combination of cash and such shares. Shares of Capital Stock thus delivered shall be valued at their Fair Market Value on the date of exercise. Subject to the provisions of section 8, the purchase price per share shall be not less than 100% of the Fair Market Value of a share of Capital Stock on the date the Option is granted.

(b) Each Option shall be exercisable in full or in part one year after the date the Option is granted, or may become exercisable in one or more installments and at such time or times, as the Incentive Committee shall determine. Unless otherwise provided in the Option, an Option, to the extent it is or becomes exercisable, may be exercised at any time in whole or in part until the expiration or termination of the Option. Subject to the first sentence of this paragraph, any term or provision in any outstanding Option specifying when the Option is exercisable or that it be exercisable in installments may be modified at any time during the life of the Option by the Incentive Committee, provided, however, no such modification of an outstanding Option shall, without the consent of the optionee, adversely affect any Option theretofore granted to him. Subject to the preceding provisions of this paragraph, an Option will become immediately exercisable in full if at any time during the term of the Option the Corporation obtains actual knowledge that any of the following events has occurred, irrespective of the applicability of any limitation on the number of shares then exercisable under the Option: (1) any person within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "1934 Act"), other than the Corporation or any of its subsidiaries, has become the beneficial owner, within the meaning of Rule 13d-3 under the 1934 Act, of 30 percent or more of the combined voting power of the Corporation's then outstanding voting securities; (2) the expiration of a tender offer or exchange offer, other than an offer by the Corporation, pursuant to which 20 percent or more of the shares of the Corporation's Capital Stock have been purchased; (3) the stockholders of the Corporation have approved (i) an agreement to merge or consolidate with or into another corporation and the Corporation is not the surviving corporation or (ii) an agreement to sell or otherwise dispose of all or substantially all of the assets of the Corporation (including a plan of liquidation); or (4) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors cease for any reason to constitute at least a majority thereof, unless the nomination for the election by the Corporation's stockholders of each new director was approved by a vote of at least one-half of the persons who were directors at the beginning of the two-year period.

(c) Each Option shall be exercisable during the life of the optionee only by him or a transferee or assignee permitted by paragraph (f) of this section (6) and, after his death, only by his estate or by a person who acquired the right to exercise the Option pursuant to one of the provisions of paragraph (f) of this section (6). An Option, to the extent that it shall not have been exercised, shall terminate when the optionee ceases to be an employee of the Corporation or a Subsidiary, unless he ceases to be an employee because of his resignation with the consent of the Incentive Committee (which consent may be given before or after resignation), or by reason of his death, incapacity or retirement under a retirement plan of the Corporation or a Subsidiary. Except as provided in the next sentence, if the optionee ceases to be an employee by reason of such resignation, the Option shall terminate three months after he ceases to be an employee. If the optionee ceases to be an employee by reason of such death, incapacity or retirement, or if he should die during the three-month period referred to in the preceding sentence, the Option shall terminate fifteen months after he ceases to be an employee. Where an Option is exercised more than three months after the optionee ceased to be an employee, the Option may be exercised only to the extent it could have been exercised three months after he ceased to be an employee. A leave of absence for military or governmental service or for other purposes shall not, if approved by the Incentive Committee, be deemed a termination of employment within the meaning of this paragraph (c); provided, however, that an Option may not be exercised during any such leave of absence. Notwithstanding the foregoing provisions of this paragraph (c) or any other provision of this Plan, no Option shall be exercisable after expiration of the term for which the Option was granted, which shall in no event exceed ten years. Where an Option is granted for a term of less than ten years, the Incentive Committee, may, at any time prior to the expiration of the Option, extend its term for a period ending not later than ten years from the date the Option was granted. Such an extension shall not be deemed the grant of an Option under this Plan.

(d) Options shall be granted for such lawful consideration as the Incentive Committee shall determine.

(e) Neither the Corporation nor any Subsidiary may directly or indirectly lend any money to any person for the purpose of assisting him to purchase or carry shares of Capital Stock issued or transferred upon the exercise of an Option.

(f) No Option nor any right thereunder may be assigned or transferred by the optionee except:

(i) by will or the laws of descent and distribution;

(ii) pursuant to a qualified domestic relations order as defined by the Internal Revenue Code of 1986, as amended, or by the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder;

(iii) by an optionee who, at the time of the transfer, is not subject to the provisions of Section 16 of the 1934 Act, provided such transfer is to or for the benefit of (including but not limited to trusts for the benefit of) the optionee's spouse or lineal descendants of the optionee's parents; or

(iv) by an optionee who, at the time of the transfer, is subject to the provisions of Section 16 of the 1934 Act, to the extent, if any, such transfer would be permitted under Securities and Exchange Commission Rule 16b-3 or any successor rule thereto, as such rule or any successor rule thereto may be in effect at the time of the transfer.

If so provided in the Option or if so authorized by the Incentive Committee and subject to such terms and conditions as are specified in the Option or by the Incentive Committee, the Corporation may, upon or without the request of the holder of the Option and at any time or from time to time, cancel all or a portion of the Option then subject to exercise and either (i) pay the holder an amount of money equal to the excess, if any, of the Fair Market Value, at such time or times, of the shares subject to the portion of the Option so canceled over the aggregate purchase price of such shares, or (ii) issue or transfer shares of Capital Stock to the holder with a Fair Market Value, at such time or times, equal to such excess.

(g) Each Option shall be evidenced by a written instrument, which shall contain such terms and conditions, and shall be in such form, as the Incentive Committee may determine, provided the Option is consistent with this Plan and incorporates it by reference. Notwithstanding the preceding sentence, an Option, if so granted by the Incentive Committee, may include restrictions and limitations in addition to those provided for in this Plan.

(h) Any federal, state or local withholding taxes payable by an optionee or awardee upon the exercise of an Option or upon the removal of restrictions of a Stock Award shall be paid in cash or in such other form as the Incentive Committee may authorize from time to time, including the surrender of shares of Capital Stock or the withholding of shares of Capital Stock to be issued to the optionee or awardee. All such shares so surrendered or withheld shall be valued at Fair Market Value on the date such are surrendered to the Corporation or authorized to be withheld.

7. COMBINATIONS OF STOCK AWARDS AND OPTIONS: Stock Incentives authorized by paragraph (b)(iii) of section 3 in the form of combinations of Stock Awards and Options shall be subject to the following provisions:

(a) A Stock Incentive may be a combination of any form of Stock Award with any form of Option; provided, however, that the terms and conditions of such Stock Incentive pertaining to a Stock Award are consistent with section 5 and the terms and conditions of such Stock Incentive pertaining to an Option are consistent with section 6.

(b) Such combination Stock Incentive shall be subject to such other terms and conditions as the Incentive Committee may determine, including, without limitation, a provision terminating in whole or in part a portion thereof upon the exercise in whole or in part of another portion thereof. Such combination Stock Incentive shall be evidenced by a written instrument in such form as the Incentive Committee shall determine, provided it is consistent with this Plan and incorporates it by reference.

8. ADJUSTMENT PROVISIONS: In the event that any recapitalization, or reclassification, split-up or consolidation of shares of Capital Stock shall be effected, or the outstanding shares of Capital Stock are, in connection with a merger or consolidation of the Corporation or a sale by the Corporation of all or a part of its assets, exchanged for a different number or class of shares of stock or other securities of the Corporation or for shares of the stock or other securities of any other corporation, or a record date for determination of holders of Capital Stock entitled to receive a dividend payable in Capital Stock shall occur (a) the number and class of shares or other securities that may be issued or transferred pursuant to Stock Incentives, (b) the number and class of shares or other securities which have not been issued or transferred under outstanding Stock Incentives, (c) the purchase price to be paid per share or other security under outstanding Options, and (d) the price to be paid per share or other security by the Corporation or a Subsidiary for shares or other securities issued or transferred pursuant to Stock Incentives which are subject to

a right of the Corporation or a Subsidiary to reacquire such shares or other securities, shall in each case be equitably adjusted.

9. TERM: This Plan shall be deemed adopted and shall become effective on the date it is approved and adopted by the stockholders of the Corporation. No Stock Incentives shall be granted under this Plan after May 15, 2005.

10. ADMINISTRATION:

(a) The Plan shall be administered by the Incentive Committee, which shall consist of no fewer than three persons designated by the Board of Directors. Grants of Stock Incentives may be made by the Incentive Committee either in or without consultation with employees, but, anything in this Plan to the contrary notwithstanding, the Incentive Committee shall have full authority to act in the matter of selection of all Key Employees and in determining the number of Stock Incentives to be granted to them.

(b) The Incentive Committee may establish such rules and regulations, not inconsistent with the provisions of this Plan, as it deems necessary to determine eligibility to participate in this Plan and for the proper administration of this Plan, and may amend or revoke any rule or regulation so established. The Incentive Committee may make such determinations and interpretations under or in connection with this Plan as it deems necessary or advisable. All such rules, regulations, determinations and interpretations shall be binding and conclusive upon the Corporation, its Subsidiaries, its stockholders and all employees, and upon their respective legal representatives, beneficiaries, successors and assigns and upon all other persons claiming under or through any of them.

(c) Members of the Board of Directors and members of the Incentive Committee acting under this Plan shall be fully protected in relying in good faith upon the advice of counsel and shall incur no liability except for gross negligence or willful misconduct in the performance of their duties.

11. GENERAL PROVISIONS:

(a) Nothing in this Plan nor in any instrument executed pursuant hereto shall confer upon any employee any right to continue in the employ of the Corporation or a Subsidiary, or shall affect the right of the Corporation or of a Subsidiary to terminate the employment of any employee with or without cause.

(b) No shares of Capital Stock shall be issued or transferred pursuant to a Stock Incentive unless and until all legal requirements applicable to the issuance or transfer of such shares, in the opinion of counsel to the Corporation, have been complied with. In connection with any such issuance or transfer, the person acquiring the shares shall, if requested by the Corporation, give assurances, satisfactory to counsel to the Corporation, that the shares are being acquired for investment and not with a view to resale or distribution thereof and assurances in respect of such other matters as the Corporation or a Subsidiary may deem desirable to assure compliance with all applicable legal requirements.

(c) No employee (individually or as a member of a group), and no beneficiary or other person claiming under or through him, shall have any right, title or interest in or to any shares of Capital Stock allocated or reserved for the purposes of this Plan or subject to any Stock Incentive except as to such shares of Capital Stock, if any, as shall have been issued or transferred to him.

(d) The Corporation or a Subsidiary may, with the approval of the Incentive Committee, enter into an agreement or other commitment to grant a Stock Incentive in the future to a person who is or will be a Key Employee at the time of grant, and, notwithstanding any other provision of this Plan, any such agreement or commitment shall not be deemed the grant of a Stock Incentive until the date on which the Company takes action to implement such agreement or commitment.

(e) In the case of a grant of a Stock Incentive to an employee of a Subsidiary, such grant may, if the Incentive Committee so directs, be implemented by the Corporation issuing or transferring the shares, if any, covered by the Stock Incentive to the Subsidiary, for such lawful consideration as the Incentive Committee may specify, upon the condition or understanding that the Subsidiary will transfer the shares to the employee in accordance with the terms of the Stock Incentive specified by the Incentive Committee pursuant to the provisions of this Plan. Notwithstanding any other provision hereof, such Stock Incentive may be issued by and in the name of the Subsidiary and shall be deemed granted on the date it is approved by the Incentive Committee, on the date it is delivered by the Subsidiary or on such other date between said two dates, as the Incentive Committee shall specify.

(f) The Corporation or a Subsidiary may make such provisions as it may deem appropriate for the withholding of any taxes which the Corporation or a Subsidiary determines it is required to withhold in connection with any Stock Incentive.

(g) Nothing in this Plan is intended to be a substitute for, or shall preclude or limit the establishment or continuation of, any other plan, practice or arrangement for the payment of compensation or fringe benefits to employees generally, or to any class or group of employees, which the Corporation or any Subsidiary or other affiliate now has or may hereafter lawfully put into effect, including, without limitation, any retirement, pension, group insurance, stock purchase, stock bonus or stock option plan.

12. AMENDMENTS AND DISCONTINUANCE:

(a) This Plan may be amended by the Board of Directors upon the recommendation of the Incentive Committee, provided that, without the approval of the stockholders of the Corporation, no amendment shall be made which (i) increases the aggregate number of shares of Capital Stock that may be issued or transferred pursuant to Stock Incentives as provided in paragraph (a) of section 4, (ii) increases the maximum aggregate number of shares of Capital Stock that may be issued or transferred under the Plan to directors of the Corporation or of a Subsidiary as provided in paragraph (b) of section 4, (iii) withdraws the administration of this Plan from the Incentive Committee, (iv) permits any person who is not at the time a Key Employee of the Corporation or of a Subsidiary to be granted a Stock Incentive, (v) permits any Option to be exercised more than ten years after the date it is granted, (vi) amends section 9 to extend the date set forth therein or (vii) amends this section 12.

(b) Notwithstanding paragraph (a) of this section 12, the Board of Directors may amend the Plan to take into account changes in applicable securities laws, federal income tax laws and other applicable laws. Should the provisions of Rule 16b-3, or any successor rule, under the Securities Exchange Act of 1934 be amended, the Board of Directors may amend the Plan in accordance therewith.

(c) The Board of Directors may by resolution adopted by a majority of the entire Board of Directors discontinue this Plan.

(d) No amendment or discontinuance of this Plan by the Board of Directors or the stockholders of the Corporation shall, without the consent of the employee, adversely affect any Stock Incentive theretofore granted to him.

EXHIBIT 10.16

CHEMED

SPLIT DOLLAR AGREEMENT

This Agreement, made on June 1, 1995, by and between Chemed Corporation ("the Corporation"), a Delaware corporation with offices at 2600 Chemed Center, 255 E. Fifth Street, Cincinnati, Ohio 45202 and _________________ (the "Employee"), who is an employee of the Corporation.

1. PREMISES

1.1 The Employee is a valuable employee of the Corporation. He/she wishes to provide adequate protection for his/her family by insuring his/her life. The Corporation will assist the Employee in providing this insurance coverage by payment of part of the premiums under a split dollar arrangement, whereby the Employee will be the owner of a life insurance policy which will be collaterally assigned to the Corporation as security for amounts the Corporation will contribute for the premium payments.

2. APPLICATION FOR INSURANCE

2.1 The Employee has applied to Phoenix Home Life Mutual Insurance Company for an Executive Equity Life Insurance Plan on the life of the Employee for $_______ ("Policy").

3. POLICY OWNERSHIP

3.1 The Employee shall own the Policy and may exercise all rights of ownership with respect to it, subject only to the security interest of the Corporation as expressed in this Agreement and the collateral assignment of the Policy to the Corporation.

4. PAYMENT OF PREMIUMS

4.1 On or before the due date of each annual premium on the Policy, the Corporation will pay to Phoenix Home Life Mutual Insurance Company an amount equal to the greater of 80 percent of the annual premium or the annual premium less the economic benefit cost received by the Employee (as measured by the Phoenix Home Life term insurance rates) for the portion of the insurance which the beneficiary or beneficiaries named by the Employee or their transferee would be entitled to receive if the Employee died during the policy year for which the annual premium is paid.

4.2 On or before the due date of each annual premium on the Policy, the Corporation will pay to Phoenix Home Life Mutual Insurance Company, on behalf of the Employee, the remainder of the annual premium. This payment will constitute compensation to the Employee in the form of a bonus and will be considered paid by the

Employee for purposes of the Assignment (as defined in Article 5).

4.3 These premium advances by the Corporation shall apply specifically to annual premiums due under the Policy up to the Employee's age of 65. However, additional premium advances may be made by mutual agreement of the parties.

5. ASSIGNMENT OF POLICY

5.1 The Employee shall collaterally assign the Policy to the Corporation so as to reflect the respective interests of the parties under this Agreement, said collateral assignment ("Assignment") having been executed by the parties on the date of this Split Dollar Agreement, and thus made a part of such Policy and this Agreement.

6. USE OF DIVIDENDS

6.1 The dividends declared by Phoenix Home Life Mutual Insurance Company on the Policy will be used to purchase Option Term with the balance used to purchase paid-up insurance.

6.2 The dividend option which is specified in paragraph 6.1 of this Article will not be terminated or changed without a conforming amendment to this Agreement and unless such change is done in accordance with the provisions of Part D "Joint Rights" section of the Assignment.

7. SURRENDER OF POLICY

7.1 The Employee shall have the sole and exclusive right to surrender the Policy.

7.2 If the Policy is surrendered, the Employee shall direct the insurance company in writing to draw a check payable to the Corporation in an amount equal to the "Assignee's Cash Value Rights", as defined within the provisions of Part A "Definitions" section of the Assignment.

7.3 If there is a delay in the surrender of the Policy by either party to this Agreement, and if such delay results in diminished policy values being available to either party, neither party to this Agreement shall hold the insurance company liable for such diminution in Policy values.

8. DEATH CLAIMS

8.1 Upon the death of the Employee, the Corporation shall have an interest in the proceeds of the Policy equal to the "Assignee's Death Benefit Share", as defined within the provisions of Part A "Definitions" section of the Assignment. The balance of proceeds remaining shall be paid directly by the insurance company to the beneficiary or beneficiaries designated in the Policy.

9. TERMINATION OF AGREEMENT

9.1 This Agreement shall terminate upon surrender of the Policy by the Employee or upon thirty (30) days' written notice of termination given by either party to the other by registered mail at the party's last known address.

9.2 Prior to termination of this Agreement, the Employee shall direct the insurance company in writing to draw a check payable to the Corporation for an amount equal to the "Assignee's Cash Value Interest", as defined within the provisions of Part A "Definitions" section of the Assignment. Upon receipt of this amount, the Corporation shall release the security interest of the Corporation expressed in this Agreement and the Assignment.

10. SPECIAL PROVISIONS

The following provisions are part of this Plan and are intended to meet the requirements of the Employee Retirement Income Security Act of 1974:

10.01 - The named fiduciary: The Secretary of the Company

10.02 - The funding policy under this Plan is that all premiums on the Policy be remitted to the Insurer when due.

10.03 - Direct payment by the Insurer is the basis of payment of benefits under this Plan, with those benefits in turn being based on the payment of premiums as provided in the Plan.

10.04 - For claims procedure purposes, the "Claims Manager" shall be the Secretary of the Company.

(a) If for any reason a claim for benefits under this Plan is denied by the Company, the Claims Manager shall deliver to the claimant a written explanation setting forth the specific reasons for the denial, pertinent references to the Plan section on which the denial is based, such other data as may be pertinent and information on the procedures to be followed by the claimant in obtaining a review of his claim, all written in a manner calculated to be understood by the claimant. For this purpose:

(1) The claimant's claim shall be deemed filed when presented orally or in writing to the Claims Manager.

(2) The Claims Manager's explanation shall be in writing delivered to the claimant within 90 days of the date the claim is filed.

(b) The claimant shall have 60 days following his/her receipt of the denial of the claim to file with the Claims Manager a written request for review of the denial. For such review, the claimant or his/her representative may submit pertinent documents and written issues and comments.

(c) The Claims Manager shall decide the issue on review and furnish the claimant with a copy within 60 days of receipt of the claimant's request for review of his/her claim. The decision on review shall be in writing and shall include specific reasons for the decision written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent Plan provisions on which the decision is based. If a copy of the decision is not so furnished to the claimant within such 60 days, the claims shall be deemed denied on review.

11. AMENDMENT AND BINDING EFFECT

11.1 This embodies all agreements by the parties made with respect to the Policy. The Agreement shall not be modified or amended except by a writing signed by the parties. The Agreement shall be binding upon the parties, their heirs, legal representatives, successors and assigns.

12. GOVERNING LAW

12.1 This Agreement shall be subject to and shall be construed under the laws of the State of Ohio.

Executed by the parties at Cincinnati, Ohio, as of June 1, 1995.

CHEMED CORPORATION

_________________________ By: ___________________________
Witness Signature, Corporate Title

_________________________ By: ____________________________
Witness Employee/Insured

SCHEDULE TO EXHIBIT 10.16

Name	Position	Policy Face Amount
Kevin J. McNamara	President	$1,968,000
James H. Devlin	Vice President	1,489,390
Timothy S. O'Toole	Executive Vice President and Treasurer	1,200,000
Sandra E. Laney	Senior Vice President and and Chief Administrative Officer	1,184,000
Thomas C. Hutton	Vice President	1,033,900
Arthur V. Tucker	Vice President and Controller	689,500

EXHIBIT 10.17

SPLIT DOLLAR AGREEMENT

This Agreement, made on February 28, 1995, by and between Chemed Corporation ("the Corporation"), a Delaware corporation with offices at 2600 Chemed Center, 255 E. Fifth Street, Cincinnati, Ohio 45202, and Edward A. Hutton, Thomas C. Hutton and Jenny Hutton Jacoby ("the Trustees"), as Trustees under the Kathryn Jane Hutton and Edward L. Hutton Irrevocable Insurance Trust Agreement dated January 25, 1990 ("the Trust").

1. PREMISES

1.1 Edward L. Hutton is an employee of the Corporation and has created the Trust. The Trustees wish to insure the lives of Mr. Hutton and his wife, Kathryn J. Hutton, for the benefit and protection of their family. The Corporation will help the Trustees provide this insurance coverage by payment of part of the premiums under a split dollar arrangement, whereby the Trustees will be the owner of a life insurance policy which will be collaterally assigned to the Corporation as security for amounts the Corporation will contribute for the premium payments.

2. APPLICATION FOR INSURANCE

2.1 The Trustees have applied to Phoenix Home Life Mutual Insurance Company for a Survivorship Whole Life Policy on the lives of Edward L.

Hutton and Kathryn J. Hutton for $5,000,000 ("Policy").

3. POLICY OWNERSHIP

3.1 The Trustees shall own the Policy and may exercise all rights of ownership with respect to it, subject only to the security interest of the Corporation as expressed in this Agreement and the collateral assignment of the Policy to the Corporation.

4. PAYMENT OF PREMIUMS

4.1 On or before the due date of each annual premium on the Policy, the Corporation will pay to Phoenix Home Life Mutual Insurance Company an amount equal to the lesser of 84 percent of the annual premium or the annual premium less the cost (calculated by application of P. S. No. 38 or P. S. No. 58 or Phoenix Home Life individual term rates, whichever is applicable) of the portion of the insurance which the beneficiary or beneficiaries named by the Trustees would be entitled to receive if the survivor of Mr. Hutton and Mrs. Hutton died during the policy year for which the annual premium is paid.

4.2 On or before the due date of each annual premium on the Policy, the Corporation will pay to Phoenix Home Life Mutual Insurance Company, on behalf of the Trustees, the remainder of the annual premium. This payment will constitute compensation to Mr. Hutton in the form of a bonus during his lifetime and in the form of deferred compensation after his death if he dies before Mrs. Hutton, and will be considered paid by the Trustees for purposes of the Assignment (as defined in Article 5).

4.3 These premium advances by the Corporation shall apply specifically to the first ten annual premiums due under the Policy. However, additional premium advances may be made by mutual agreement of the parties.

5. ASSIGNMENT OF POLICY

5.1 The Trustees shall collaterally assign the Policy to the Corporation so as to reflect the respective interests of the parties under this Agreement, said collateral assignment ("Assignment") having been executed by the parties on the date of this Split Dollar Agreement, and thus made a part of such Policy and this Agreement.

6. USE OF DIVIDENDS

6.1 The dividends declared by Phoenix Home Life Mutual Insurance Company on the Policy will be used to purchase paid-up insurance.

6.2 The dividend option which is specified in paragraph 6.1 of this Article will not be terminated or changed without a conforming amendment to this Agreement and unless such change is done in accordance with the provisions of Part D "Joint Rights" section of the Assignment.

7. SURRENDER OF POLICY

7.1 The Trustees shall have the sole and exclusive right to surrender the Policy.
7.2 If the Policy is surrendered, the Trustees shall direct the insurance company in writing to draw a check payable to the Corporation in an amount equal to the "Assignee's Cash Value Rights", as defined within the provisions of Part A "Definitions" section of the Assignment.

7.3 If there is a delay in the surrender of the Policy by either party to this Agreement, and if such delay results in diminished policy values being available to either party, neither party to this Agreement shall hold the insurance company liable for such diminution in Policy values.

8. DEATH CLAIMS

8.1 Upon the death of the last to die of Mr. and Mrs. Hutton, the Corporation shall have an interest in the proceeds of the Policy equal to the "Assignee's Death Benefit Share", as defined within the provisions of Part A "Definitions" section of the Assignment. The balance of proceeds remaining shall be paid directly by the insurance company to the beneficiary or beneficiaries designated in the Policy.

9. TERMINATION OF AGREEMENT

9.1 This Agreement shall terminate upon surrender of the Policy by the Trustees or upon thirty (30) days' written notice of termination given by either party to the other by registered mail at the party's last known address; provided, however, that the Corporation shall not exercise such termination right before February 28, 2005.

9.2 Prior to termination of this Agreement, the Trustees shall direct the insurance company in writing to draw a check payable to the Corporation for an amount equal to the "Assignee's Cash Value Interest", as defined within the provisions of Part A "Definitions" section of the Assignment. Upon receipt of this amount, the Corporation shall release the security interest of the Corporation expressed in this Agreement and the Assignment.

10. SPECIAL PROVISIONS

The following provisions are part of this Plan and are intended to meet the requirements of the Employee Retirement Income Security Act of 1974:

10.01 - The named fiduciary: The Secretary of the Company

10.02 - The funding policy under this Plan is that all premiums on the Policy be remitted to the Insurer when due.

10.03 - Direct payment by the Insurer is the basis of payment of benefits under this Plan, with those benefits in turn being based on the payment of premiums as provided in the Plan.

10.04 - For claims procedure purposes, the "Claims Manager" shall be the Secretary of the Company.

(a) If for any reason a claim for benefits under this Plan is denied by the Company, the Claims Manager shall deliver to the claimant a written explanation setting forth the specific reasons for the denial, pertinent references to the Plan section on which the denial is based, such other data as may be pertinent and information on the procedures to be followed by the claimant in obtaining a review of his claim, all written in a manner calculated to be understood by the claimant. For this purpose:

(1) The claimant's claim shall be deemed filed when presented orally or in writing to the Claims Manager.

(2) The Claims Manager's explanation shall be in writing delivered to the claimant within 90 days of the date the claim is filed.

(b) The claimant shall have 60 days following his/her receipt of the denial of the claim to file with the Claims Manager a written request for review of the denial. For such review, the claimant or his/her representative may submit pertinent documents and written issues and comments.

(c) The Claims Manager shall decide the issue on review and furnish the claimant with a copy within 60 days of receipt of the claimant's request for review of his/her claim. The decision on review shall be in writing and shall include specific reasons for the decision written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent Plan provisions on which the decision is based. If a copy of the decision is not so furnished to the claimant within such 60 days, the claims shall be deemed denied on review.

11. AMENDMENT AND BINDING EFFECT

11.1 This embodies all agreements by the parties made with respect to the Policy. The Agreement shall not be modified or amended except by a writing signed by the parties. The Agreement shall be binding upon the parties, their heirs, legal representatives, successors and assigns.

12. GOVERNING LAW

12.1 This Agreement shall be subject to and shall be construed under the laws of the State of Ohio.

Executed by the parties at Cincinnati, Ohio, as of February 28, 1995.

CHEMED CORPORATION

/s/ Mary R. Busam	By: /s/ David G. Sparks, V.P.
Witness	Signature, Corporate Title

TRUSTEES

/s/ Sandra Laney	By: /s/ Edward A. Hutton
Witness	Edward A. Hutton
/s/ Joyce A. Lawrence	By: /s/ Thomas C. Hutton
Witness	Thomas C. Hutton
/s/ Joan P. Chard	By: /s/ Jenny Hutton Jacoby
Witness	Jenny Hutton Jacoby

EXHIBIT 10.18

SPLIT DOLLAR AGREEMENT

This Agreement, made on June 1, 1995, by and between Chemed Corporation ("the Corporation"), a Delaware corporation with offices at 2600 Chemed Center, 255 E. Fifth Street, Cincinnati, Ohio 45202, and Judy A. Voet ("the Trustee"), as Trustee under The Paul C. Voet Irrevocable Insurance Trust Agreement dated August 18, 1994 ("the Trust").

1. PREMISES

1.1 Paul C. Voet is an employee of the Corporation and has created the Trust. The Trustee wishes to insure the life of Mr. Voet for the benefit and protection of Mr. Voet's family. The Corporation will help the Trustee provide this insurance coverage by payment of part of the premiums under a split dollar arrangement, whereby the Trustee will be the owner of a life insurance policy which will be collaterally assigned to the Corporation as security for amounts the Corporation will contribute for the premium payments.

2. APPLICATION FOR INSURANCE

2.1 The Trustee has applied to Phoenix Home Life Mutual Insurance Company for an Executive Equity Life Insurance Plan on the life of Mr. Voet for $2,116,000 ("Policy").

3. POLICY OWNERSHIP

3.1 The Trustee shall own the Policy and may exercise all rights of ownership with respect to it, subject only to the security interest of the Corporation as expressed in this Agreement and the collateral assignment of the Policy to the Corporation.

4. PAYMENT OF PREMIUMS

4.1 On or before the due date of each annual premium on the Policy, the Corporation will pay to Phoenix Home Life Mutual Insurance Company an amount equal to the greater of 80 percent of the annual premium or the annual premium less the cost (calculated by application of Internal Revenue Service Table PS-58) of the portion of the insurance which the beneficiary or beneficiaries named by Mr. Voet or their transferee would be entitled to receive if Mr. Voet died during the policy year for which the annual premium is paid.

4.2 On or before the due date of each annual premium on the Policy, the Corporation will pay to Phoenix Home Life Mutual Insurance Company, on behalf of the Trustee, the remainder of the annual premium. This payment will constitute compensation to Mr. Voet in the form of a bonus and will be considered paid by the Trustee for purposes of the Assignment (as defined in Article 5).

4.3 These premium advances by the Corporation shall apply specifically to annual premiums due under the Policy up to Mr. Voet's age of 65. However, additional premium advances may be made by mutual agreement of the parties.

5. ASSIGNMENT OF POLICY

5.1 The Trustee shall collaterally assign the Policy to the Corporation so as to reflect the respective interests of the parties under this Agreement, said collateral assignment ("Assignment") having been executed by the parties on the date of this Split Dollar Agreement, and thus made a part of such Policy and this Agreement.

6. USE OF DIVIDENDS

6.1 The dividends declared by Phoenix Home Life Mutual Insurance Company on the Policy will be used to purchase Option Term with the balance used to purchase paid-up insurance.

6.2 The dividend option which is specified in paragraph 6.1 of this Article will not be terminated or changed without a conforming amendment to this Agreement and unless such change is done in accordance with the provisions of Part D "Joint Rights" section of the Assignment.

7. SURRENDER OF POLICY

7.1 The Trustee shall have the sole and exclusive right to surrender the Policy.

7.2 If the Policy is surrendered, the Trustee shall direct the insurance company in writing to draw a check payable to the Corporation in an amount equal to the "Assignee's Cash Value Rights", as defined within the provisions of Part A "Definitions" section of the Assignment.

7.3 If there is a delay in the surrender of the Policy by either party to this Agreement, and if such delay results in diminished policy values being available to either party, neither party to this Agreement shall hold the insurance company liable for such diminution in Policy values.

8. DEATH CLAIMS

8.1 Upon the death of Mr. Voet the Corporation shall have an interest in the proceeds of the Policy equal to the "Assignee's Death Benefit Share", as defined within the provisions of Part A "Definitions" section of the Assignment. The balance of proceeds remaining shall be paid directly by the insurance company to the beneficiary or beneficiaries designated in the Policy.

9. TERMINATION OF AGREEMENT

9.1 This Agreement shall terminate upon surrender of the Policy by the Trustee or upon thirty (30) days' written notice of termination given by either party to the other by registered mail at the party's last known address.

9.2 Prior to termination of this Agreement, the Trustee shall direct the insurance company in writing to draw a check payable to the Corporation for an amount equal to the "Assignee's Cash Value Interest", as defined within the provisions of Part A "Definitions" section of the Assignment. Upon receipt of this amount, the Corporation shall release the security interest of the Corporation expressed in this Agreement and the Assignment.

10. SPECIAL PROVISIONS

The following provisions are part of this Plan and are intended to meet the requirements of the Employee Retirement Income Security Act of 1974:

10.01 - The named fiduciary: The Secretary of the Company

10.02 - The funding policy under this Plan is that all premiums on the Policy be remitted to the Insurer when due.

10.03 - Direct payment by the Insurer is the basis of payment of benefits under this Plan, with those benefits in turn being based on the payment of premiums as provided in the Plan.

10.04 - For claims procedure purposes, the "Claims Manager" shall be the Secretary of the Company.

(a) If for any reason a claim for benefits under this Plan is denied by the Company, the Claims Manager shall deliver to the claimant a written explanation setting forth the specific reasons for the denial, pertinent references to the Plan section on which the denial is based, such other data as may be pertinent and information on the procedures to be followed by the claimant in obtaining a review of his claim, all written in a manner calculated to be understood by the claimant. For this purpose:

(1) The claimant's claim shall be deemed filed when presented orally or in writing to the Claims Manager.

(2) The Claims Manager's explanation shall be in writing delivered to the claimant within 90 days of the date the claim is filed.

(b) The claimant shall have 60 days following his/her receipt of the denial of the claim to file with the Claims Manager a written request for review of the denial. For such review, the claimant or his/her representative may submit pertinent documents and written issues and comments.

(c) The Claims Manager shall decide the issue on review and furnish the claimant with a copy within 60 days of receipt of the claimant's request for review of his/her claim. The decision on review shall be in writing and shall include specific reasons for the decision written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent Plan provisions on which the decision is based. If a copy of the decision is not so furnished to the claimant within such 60 days, the claims shall be deemed denied on review.

11. AMENDMENT AND BINDING EFFECT

11.1 This embodies all agreements by the parties made with respect to the Policy. The Agreement shall not be modified or amended except by a writing signed by the parties. The Agreement shall be binding upon the parties, their heirs, legal representatives, successors and assigns.

12. GOVERNING LAW

12.1 This Agreement shall be subject to and shall be construed under the laws of the State of Ohio.

Executed by the parties at Cincinnati, Ohio, as of June 1, 1995.

CHEMED CORPORATION

/s/ Sandra Kraus	By: /s/ Naomi C. Dallob, Secretary
Witness	Signature, Corporate Title
/s/ Nancy A. Zink	By: /s/ Judy J. Voet, Trustee
Witness	Trustee

EXHIBIT 11

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

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

	1993	
	Income from Continuing Operations	Net Income
Computation of Earnings per Common and Common Equivalent Share: (a)		
Reported Income	$ 14,843	$ 19,480
Average number of shares used to compute earnings per common share	9,778	9,778
Effect of unexercised stock options	52	52
Average number of shares used to compute earnings per common and common equivalent share.	$ 9,830	$ 9,830
Earnings per common and common equivalent share	$ 1.51	$ 1.98
Computation of Earnings per Common Share Assuming Full Dilution: (a)		
Reported income	$ 14,843	$ 19,480
Average number of shares used to compute earnings per common share	9,778	9,778
Effect of unexercised stock options	59	59
Average number of shares used to compute earnings per common share assuming full dilution.	9,837	9,837
Earnings per share assuming full dilution	$ 1.51	$ 1.98

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

EXHIBIT 11
(Continued)
CHEMED CORPORATION AND SUBSIDIARY COMPANIES

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

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

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

EXHIBIT 11
(Continued)
CHEMED CORPORATION AND SUBSIDIARY COMPANIES

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

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

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

FINANCIAL REVIEW

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PRICE WATERHOUSE LLP [PRICE WATERHOUSE LOGO]

Report of Independent Accountants

To the Stockholders and Board of Directors of Chemed Corporation

In our opinion, the consolidated financial statements appearing on pages 18 through 30 and pages 32, 33 and 36 of this report present fairly, in all material respects, the financial position of Chemed Corporation and its subsidiaries ("the Company") at December 31, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Note 6 of the Notes to Financial Statements, the Company changed its method of accounting for income taxes in 1993.

/s/ Price Waterhouse LLP

Cincinnati, Ohio
February 5, 1996

STATEMENT OF ACCOUNTING POLICIES

Chemed Corporation and Subsidiary Companies

PRINCIPLES OF CONSOLIDATION

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

CASH EQUIVALENTS

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

MARKETABLE SECURITIES AND OTHER INVESTMENTS

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

INVENTORIES

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

DEPRECIATION AND PROPERTIES AND EQUIPMENT

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

INTANGIBLE ASSETS

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

The lives of the Company's gross intangible assets at December 31, 1995, are (in thousands):

1 - 10 years	$ 2,855
11 - 20 years	2,370
21 - 30 years	4,931
31 - 40 years	151,334

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

REVENUE RECOGNITION

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

COMPUTATION OF EARNINGS PER SHARE

Earnings per common share are computed using the weighted average number of shares of capital stock outstanding and exclude the dilutive effect of outstanding stock options, as it is not material.

PENSIONS AND RETIREMENT PLANS

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

EMPLOYEE STOCK OWNERSHIP PLANS

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

ESTIMATES

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

RECLASSIFICATIONS

Certain amounts in the 1994 and 1993 financial statements have been reclassified to conform with the 1995 presentation.

CONSOLIDATED STATEMENT OF INCOME

Chemed Corporation and Subsidiary Companies

(in thousands, except per share data)

For the Years Ended December 31,	1995	1994	1993
CONTINUING OPERATIONS			
Sales	$ 444,301	$ 415,807	$ 401,372
Service revenues	254,864	229,220	123,721
Total sales and service revenues	699,165	645,027	525,093
Cost of goods sold	306,345	284,973	269,284
Cost of services provided	157,461	142,696	79,909
Selling and marketing expenses	99,162	96,144	89,784
General and administrative expenses	91,416	81,417	54,136
Depreciation	11,819	10,686	8,817
Nonrecurring expenses (Note 3)	538	1,705	--
Total costs and expenses	666,741	617,621	501,930
Income from operations	32,424	27,406	23,163
Interest expense	(8,466)	(8,807)	(8,889)
Other income -- net (Note 5)	17,001	11,175	13,656
Income before income taxes and minority interest	40,959	29,774	27,930
Income taxes (Note 6)	(15,614)	(10,954)	(9,278)
Minority interest in earnings of subsidiaries (Note 1)	(4,906)	(4,288)	(3,809)
Income from continuing operations	20,439	14,532	14,843
DISCONTINUED OPERATIONS (Note 4)	2,743	29,390	2,986
Income before cumulative effect of a change in accounting principle	23,182	43,922	17,829
Cumulative effect of a change in accounting principle (Note 6)	--	--	1,651
NET INCOME	$ 23,182	$ 43,922	$ 19,480
EARNINGS PER COMMON SHARE			
Income from continuing operations	$ 2.07	$ 1.47	$ 1.52
Income before cumulative effect of a change in accounting principle	$ 2.35	$ 4.46	$ 1.82
Net income	$ 2.35	$ 4.46	$ 1.99
Average number of shares outstanding	9,861	9,856	9,778

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

CONSOLIDATED BALANCE SHEET

Chemed Corporation and Subsidiary Companies

(in thousands, except share and per share data)

December 31,	1995	1994
ASSETS		
Current assets		
Cash and cash equivalents (Note 7)	$ 19,187	$ 4,722
Marketable securities (Note 7)	10,094	19,517
Accounts receivable less allowances of $3,519 (1994 -- $2,974)	87,177	81,822
Inventories (Note 8)	58,251	60,273
Statutory deposits	18,943	14,408
Other current assets (Notes 6 and 15)	25,785	16,985
Total current assets	219,437	197,727
Other investments (Note 15)	90,176	85,073
Properties and equipment, at cost less accumulated depreciation (Note 9)	77,131	77,116
Identifiable intangible assets less accumulated amortization of $2,886 (1994 -- $1,928)	18,140	21,192
Goodwill less accumulated amortization of $20,978 (1994 -- $17,346)	119,486	113,417
Other assets	7,498	10,958
Total Assets	$ 531,868	$ 505,483
LIABILITIES		
Current liabilities		
Accounts payable	$ 28,411	$ 31,386
Bank notes and loans payable (Note 10)	25,000	25,000
Current portion of long-term debt (Note 11)	7,089	6,391
Income taxes (Note 6)	11,965	17,233
Deferred contract revenue	23,512	22,630
Other current liabilities (Note 12)	49,027	40,026
Total current liabilities	145,004	142,666
Deferred income taxes (Note 6)	15,819	7,606
Long-term debt (Note 11)	85,368	92,133
Other liabilities and deferred income (Note 12)	36,030	40,564
Minority interest (Note 1)	40,990	36,194
Total Liabilities	323,211	319,163
STOCKHOLDERS' EQUITY		
Capital stock -- authorized 15,000,000 shares $1 par; issued 12,598,418 shares (1994 -- 12,369,212 shares)	12,598	12,369
Paid-in capital	145,290	138,733
Retained earnings	127,141	123,993
Treasury stock -- 2,748,192 shares (1994 -- 2,504,641 shares), at cost	(79,996)	(71,230)
Unearned compensation -- ESOPs (Note 13)	(33,355)	(38,486)
Unrealized appreciation on investments (Note 15)	36,979	20,941
Total Stockholders' Equity	208,657	186,320
Commitments and contingencies (Notes 2, 12 and 14)		
Total Liabilities and Stockholders' Equity	$ 531,868	$ 505,483

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Chemed Corporation and Subsidiary Companies

(in thousands)

For the Years Ended December 31,	1995	1994	1993
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 23,182	$ 43,922	$ 19,480
Adjustments to reconcile net income to net cash provided by operations:			
Depreciation and amortization	18,205	15,807	13,123
Gains on sales of investments	(9,078)	(5,471)	(6,695)
Minority interest in earnings of subsidiaries (Note 1)	4,906	4,288	3,809
Proceeds from sales of trading securities	--	2,984	--
Purchases of trading securities	--	(2,000)	--
Provision for uncollectible accounts receivable	2,507	1,855	2,018
Provision for deferred income taxes (Note 6)	(846)	1,101	1,327
Discontinued operations (Note 4)	(2,743)	(29,390)	(2,986)
Cumulative effect of a change in accounting principle (Note 6)	--	--	(1,651)
Changes in operating assets and liabilities, excluding amounts acquired in business combinations:			
Increase in accounts receivable	(6,660)	(13,300)	(4,588)
Increase in statutory reserve requirements	(4,535)	(1,232)	(2,378)
Increase in inventories and other current assets	(2,237)	(6,610)	(4,932)
Increase in accounts payable, deferred contract revenue and other current liabilities	1,113	11,679	3,045
Decrease in income taxes (Note 6)	(2,160)	(426)	(1,447)
Other -- net	(2,818)	165	(410)
Net cash provided by operating activities	18,836	23,372	17,715
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of investments	32,437	9,196	9,193
Net proceeds from sale of divested operations (Note 4)	14,046	--	--
Capital expenditures	(15,413)	(18,400)	(13,851)
Business combinations, net of cash acquired (Note 2)	(11,928)	(18,383)	(25,762)
Purchases of investments	(1,948)	(29,788)	(4,396)
Proceeds from sales of marketable securities	--	--	78,858
Purchases of marketable securities	--	--	(47,114)
Net proceeds from sale of discontinued operations (Note 4)	2,401	49,496	1,468
Other -- net	228	2,449	834
Net cash provided/(used) by investing activities	19,823	(5,430)	(770)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	(20,319)	(20,114)	(19,659)
Purchases of treasury stock	(2,966)	(771)	(54)
Repayments of long-term debt (Note 11)	(1,252)	(18,232)	(21,452)
Proceeds from issuance of long-term debt (Note 11)	--	10,000	--
Issuances of capital stock (Note 16)	868	786	451
Increase in bank notes and loans payable (Note 10)	--	--	25,000
Other -- net	(525)	496	(1,143)
Net cash used by financing activities	(24,194)	(27,835)	(16,857)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	14,465	(9,893)	88
Cash and cash equivalents at beginning of year	4,722	14,615	14,527
Cash and cash equivalents at end of year	$ 19,187	$ 4,722	$ 14,615

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

CONSOLIDATED STATEMENT OF CHANGES
IN STOCKHOLDERS' EQUITY

Chemed Corporation and Subsidiary Companies

(in thousands, except per share data)

	Capital Stock	Paid-in Capital	Retained Earnings	Treasury Stock -- at Cost	Unearned Compen-sation-- ESOPs	Unrealized Appreci-ation on Invest-ments	Total
Balance at December 31, 1992.........	$11,922	$ 128,442	$ 100,030	$(60,077)	$(46,806)	$ --	$ 133,511
Net income...........................	--	--	19,480	--	--	--	19,480
Dividends paid ($2.01 per share).....	--	--	(19,659)	--	--	--	(19,659)
Decrease in unearned compensation -- ESOPs (Note 13)...............	--	--	--	--	3,837	--	3,837
Stock awards and exercise of stock options (Note 16)........	166	4,097	--	(3,783)	--	--	480
Purchases of treasury stock..........	--	--	--	(54)	--	--	(54)
Other................................	--	(444)	--	--	--	--	(444)
Balance at December 31, 1993...	12,088	132,095	99,851	(63,914)	(42,969)	--	137,151
Net income...........................	--	--	43,922	--	--	--	43,922
Dividends paid ($2.04 per share).....	--	--	(20,114)	--	--	--	(20,114)
Unrealized appreciation on investments (Note 15)..........	--	--	--	--	--	20,941	20,941
Decrease in unearned compensation -- ESOPs (Note 13)...............	--	--	--	--	4,483	--	4,483
Stock awards and exercise of stock options (Note 16)........	263	7,329	--	(6,545)	--	--	1,047
Purchases of treasury stock..........	--	--	--	(771)	--	--	(771)
Other................................	18	(691)	334	--	--	--	(339)
BALANCE AT DECEMBER 31, 1994...	12,369	138,733	123,993	(71,230)	(38,486)	20,941	186,320
NET INCOME...........................	--	--	23,182	--	--	--	23,182
DIVIDENDS PAID ($2.06 PER SHARE).....	--	--	(20,319)	--	--	--	(20,319)
UNREALIZED APPRECIATION ON INVESTMENTS (NOTE 15)..........	--	--	--	--	--	16,038	16,038
DECREASE IN UNEARNED COMPENSATION -- ESOPS (NOTE 13)..............	--	--	--	--	5,131	--	5,131
PURCHASES OF TREASURY STOCK..........	--	--	--	(2,966)	--	--	(2,966)
STOCK AWARDS AND EXERCISE OF STOCK OPTIONS (NOTE 16).........	229	6,972	--	(5,800)	--	--	1,401
OTHER................................	--	(415)	285	--	--	--	(130)
BALANCE AT DECEMBER 31, 1995...	$12,598	$ 145,290	$ 127,141	$(79,996)	$(33,355)	$36,979	$ 208,657

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

NOTES TO FINANCIAL STATEMENTS

Chemed Corporation and Subsidiary Companies

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1. SEGMENTS AND NATURE OF THE BUSINESS

Chemed is a diversified public corporation with strategic positions in sanitary-maintenance-product distribution services (National Sanitary Supply); plumbing, drain cleaning, and residential appliance and air-conditioning repair (Roto-Rooter); medical and dental disposable-product supply for the alternate-care and hospital markets (Omnia); and home healthcare services (Patient Care). Relative contributions to operating profit are 31%, 41%, 15% and 13%, respectively. The business segments are defined as follows:

-- The National Sanitary Supply segment includes the consolidated operations of National Sanitary Supply Company ("National Sanitary Supply"), an 84%-owned subsidiary, which sells and distributes sanitary maintenance and paper supplies including cleaners, floor finishes, hand soaps, paper towels and tissues, cleaning equipment, packaging supplies, business paper and general maintenance products used by commercial, institutional and industrial businesses.

-- The Roto-Rooter segment includes the consolidated operations of Roto-Rooter Inc. ("Roto-Rooter"), a 58%-owned subsidiary, which provides repair and maintenance services to residential and commercial accounts. Such services include sewer, drain and pipe cleaning, plumbing services and appliance repair and maintenance and are delivered through both company-owned and franchised locations. Roto-Rooter also manufactures and sells certain products and equipment used to provide such services.

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

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

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

Financial data by business segment are shown on pages 32, 33 and 36 of this annual report. The segment data for 1995, 1994 and 1993 are an integral part of these financial statements.

2. BUSINESS COMBINATIONS

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

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

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

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

During the third quarter of 1993, Service America Systems Inc. ("Service America") (30% owned by the Company and 70% owned by Roto-Rooter) completed the acquisition of 100% of the outstanding common shares of Encore Service Systems Inc. ("Encore"). Encore principally provides residential air-conditioning and appliance repair services through service contracts in Florida and Arizona.

The purchase price paid by Service America was $17,000,000 in cash at closing, plus contingent payments based upon achievement of certain sales and earnings objectives during the 36-month period ending in July 1996 (up to a maximum of $8,800,000). During 1994, the Company recorded an adjustment to the purchase price of Encore to recognize the accrual of the entire sales-based contingent payment due in 1996. The present value of the $3,800,000 payment, $3,315,000, was recorded as increases in goodwill and other noncurrent liabilities.

Also during 1993, nine business combinations were completed within the Roto-Rooter, National Sanitary and Omnia segments for aggregate purchase prices of $8,762,000 in cash.

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

Unaudited pro forma financial data for 1993, which assume that the 1994 and 1993 business combinations were completed on January 1, 1993, are summarized as follows (in thousands, except per share data):

Total sales and service revenues	$610,268
Income from continuing operations	15,809
Earnings per share -- income from continuing operations	1.61

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

	December 31, 1995	1994	1993
Working capital	$ (1,238)	$ 8,646	$(13,767)
Properties and equipment	621	451	3,633
Identifiable intangible assets	969	--	11,100
Goodwill	9,607	22,051	19,700
Deferred income taxes	(762)	3,649	(412)
Long-term debt	(316)	(7,492)	--
Other assets and liabilities -- net	5,150	(507)	6,214
Total net assets	14,031	26,798	26,468
Less -- cash and cash equivalents acquired	(103)	(182)	(706)
-- capital stock issued	--	(500)	--
-- present value of deferred payments	(2,000)	(7,733)	--
Net cash used	$ 11,928	$ 18,383	$ 25,762

3. NONRECURRING EXPENSES

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

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

4. DISCONTINUED AND DIVESTED OPERATIONS

DISCONTINUED OPERATIONS

On November 30, 1994, the Company sold 3,140,000 shares (adjusted for Omnicare's two-for-one stock split in June 1995) of the capital stock of Omnicare Inc. ("Omnicare"), a publicly traded affiliate in which Chemed previously had maintained an equity interest. Also, during the first six months of 1994, the Company sold a total of 479,800 shares of Omnicare stock. As a result, the Company recorded gains aggregating $23,358,000 (net of income taxes of $20,248,000) during 1994. These gains and the equity earnings in Omnicare prior to December 1, 1994, are classified as discontinued operations. At December 31, 1994, the Company held 1,444,000 shares, or 6%, of the Omnicare capital stock (December 31, 1995 -- 1,110,000 shares, or 4%).

As a result of settling various issues and periodically reevaluating the adequacy of the Company's accruals for tax and other liabilities relative to the sale of DuBois Chemicals Inc. ("DuBois") in April 1991, the Company recorded favorable adjustments to discontinued operations in 1995, 1994 and 1993.

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

	For the Years Ended December 31, 1995	1994	1993
Adjustments to the tax provision on the gain on the sale of DuBois	$2,743	$ 3,236	$ --
Gains on sales of Omnicare stock	--	23,358	--
Equity earnings in Omnicare prior to December 1, 1994	--	2,225	2,299
Adjustment to the expense accruals related to the gain			

on the sale of DuBois	--	571	687
Total discontinued operations	$2,743	$29,390	$2,986

DIVESTED OPERATIONS

During the third quarter of 1995, The Omnia Group completed the sale of the business and assets of its Veratex Retail division to Henry Schein Inc. ("HSI") for $14,046,000 in cash. An additional payment of up to $2,000,000, contingent upon the combined sales of Veratex Retail and HSI's retail group for the year ended July 7, 1996, may be due from HSI in 1996.

The sale of Veratex Retail resulted in the recording of an immaterial gain in 1995.

5. OTHER INCOME -- NET

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

	For the Years Ended December 31,		
	1995	1994	1993
Gains on sales of investments	$ 9,078	$ 5,471	$ 6,695
Interest income	4,203	2,739	3,763
Dividend income	3,190	3,057	3,113
Other -- net	530	(92)	85
Total other income -- net	$17,001	$ 11,175	$13,656

6. INCOME TAXES

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

	For the Years Ended December 31,		
	1995	1994	1993
Continuing Operations:			
Current			
U.S. federal	$ 14,272	$ 7,517	$6,243
U.S. state and local	2,188	2,336	1,708
Deferred U.S. federal	(846)	1,101	1,327
Total	$ 15,614	$ 10,954	$9,278
Discontinued Operations:			
Current			
U.S. federal	$ 2,461	$ 19,820	$ 170
U.S. state and local	(4,156)	(2,850)	--
Deferred U.S. federal	(1,048)	(323)	183
Total	$ (2,743)	$ 16,647	$ 353

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

	December 31,	
	1995	1994
Accruals related to discontinued operations	$ 6,544	$ 5,359
Accrued insurance expense	5,803	4,733
Employee benefit accruals	1,457	1,134
Bad debt allowances	1,235	1,139
Deferred compensation	1,187	877
Amortization of intangible assets	--	689
Other	4,910	4,473
Gross deferred income tax assets	21,136	18,404
Market valuation of investments	(19,050)	(10,788)
Accelerated tax depreciation	(6,440)	(5,387)
Cash to accrual adjustments	(1,209)	(1,014)
Unremitted earnings of affiliate	(1,032)	(1,342)
Gain on subsidiary's sale of stock	(659)	(659)
Other	(2,576)	(2,243)
Gross deferred income tax liabilities	(30,966)	(21,433)
Net deferred income tax liabilities	$ (9,830)	$ (3,029)

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

Included in other current assets at December 31, 1995, are deferred income tax assets of $5,989,000 (December 31, 1994 -- $4,577,000).

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

	For the Years Ended December 31,		
	1995	1994	1993
Statutory U.S. federal income tax rate	34.0%	34.0%	34.0%
State and local income taxes, less federal income tax benefit	3.6	5.2	3.9
Nondeductible amortization of goodwill	2.6	3.1	3.1
Domestic dividend exclusion	(1.7)	(2.3)	(2.4)

Tax benefit on dividends paid to ESOPs	(1.6)	(2.1)	(3.4)
Favorable tax adjustments	(0.1)	(1.0)	(2.5)
Other -- net	1.3	(0.1)	0.5
	----	----	----
Effective tax rate	38.1%	36.8%	33.2%
	====	====	====

Effective January 1, 1993, the Company adopted Statement of Financial Accounting Standards No. 109 ("SFAS 109") and realized a gain from the cumulative effect of a change in accounting principle in the amount of $1,651,000 ($.17 per share) during the first quarter of 1993.

Provision has not been made for additional taxes on $29,977,000 of undistributed consolidated earnings of Roto-Rooter Inc. (a 58%-owned domestic subsidiary), including $19,601,000 relating to periods prior to the adoption of SFAS 109. Those earnings have been and will continue to be reinvested. Should Chemed elect to sell its interest in Roto-Rooter rather than to effect a tax-free liquidation, additional taxes amounting to $10,492,000 would be incurred based on current income tax rates.

The total amount of income taxes paid during the year ended December 31, 1995, was $18,253,000 (1994 -- $28,533,000; 1993 -- $9,913,000).

7. CASH EQUIVALENTS AND MARKETABLE SECURITIES

Included in cash and cash equivalents at December 31, 1995, are cash equivalents in the amount of $8,804,000 (1994 -- $4,535,000). The cash equivalents at both dates consist of investments in various money market funds and repurchase agreements yielding interest at a weighted average rate of 5.4% in 1995 and 6.2% in 1994.

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

A summary of marketable securities follows (in thousands):

	December 31, 1995	December 31, 1994
U.S. Treasury Notes, maturing in the subsequent year, with a weighted average yield of 7.2% (1994 -- 7.0%)	$ 9,994	$19,417
All other	100	100
Total marketable securities	$10,094	$19,517

8. INVENTORIES

A summary of inventories follows (in thousands):

	December 31, 1995	December 31, 1994
Raw materials	$ 7,921	$ 8,086
Finished goods and general merchandise	50,330	52,187
Total inventories	$58,251	$60,273

9. PROPERTIES AND EQUIPMENT

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

	December 31, 1995	December 31, 1994
Land	$ 8,035	$ 8,072
Buildings	29,567	29,963
Furniture and fixtures	26,301	25,666
Machinery and equipment	30,900	27,911
Transportation equipment	24,198	23,340
Projects under construction	5,204	2,539
Total properties and equipment	124,205	117,491
Less accumulated depreciation	(47,074)	(40,375)
Net properties and equipment	$ 77,131	$ 77,116

10. BANK NOTES AND LOANS PAYABLE

In December 1995, the Company entered into a revolving credit agreement ("Credit Agreement") with Bank of America to borrow up to $30,000,000 at any time during the five-year period ending December 15, 2000. The interest rate is based on various stipulated market rates of interest.

In December 1993, the Company entered into a revolving credit/term loan agreement ("RT Agreement") with PNC Bank, Ohio, N.A., to borrow up to $20,000,000 at any time during the three-year period ending December 31, 1996. At that date, the outstanding borrowings must be either repaid or converted to a term loan repayable in four equal semiannual installments. The interest rate is based on various stipulated market rates of interest.

At December 31, 1995, the Company had $25,000,000 (1994 -- $15,000,000) of borrowings outstanding under the Credit Agreement and nil (1994 -- $10,000,000) under the RT Agreement. In addition to these agreements, the Company had approximately $43,100,000 of unused lines of credit with various banks at December 31, 1995.

The Company's short-term borrowings provide temporary capital for operations. Borrowings under the Credit and RT Agreements are subject to maintaining certain financial covenants, with which the Company has complied. There are no restrictions on any cash balances maintained at the banks. The weighted average interest rate on short-term borrowings at December 31, 1995, was 6.1% (December 31, 1994 -- 6.6%).

11. LONG-TERM DEBT

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

	December 31, 1995	December 31, 1994
Senior Notes:		
8.15%, due 2000 - 2004	$ 50,000	$ 50,000
10.67%, due 1995 - 2003	8,000	9,000
Employee Stock Ownership Plans Loan Guarantees: 6.80% (1994 -- 6.71%), due 1995 - 2000	33,355	38,486
Other	1,102	1,038
Subtotal	92,457	98,524
Less current portion	(7,089)	(6,391)
Long-term debt, less current portion	$ 85,368	$ 92,133

SENIOR NOTES

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

On November 10, 1988, the Company borrowed $31,000,000 from a consortium of insurance companies. Of this amount, $21,000,000 was due and paid on November 1, 1993, and annual installments of $1,000,000 were due and paid on November 1, 1994 and 1995. The remaining $8,000,000 bears interest at the rate of 10.67% with annual principal payments of $1,000,000 due on November 1, 1996 through 2003. Interest is payable on May 1 and November 1 of each year.

EMPLOYEE STOCK OWNERSHIP PLANS ("ESOPS") LOAN GUARANTEES

The Company has guaranteed ESOP loans made by various institutional lenders. Payments by the ESOPs, including both principal and interest, are to be made in quarterly installments over the next five years, the final payments being due on June 30, 2000. The loans, secured in part by the unallocated shares of the Company's capital stock held by the ESOP trusts, currently bear interest at an average annual rate of 6.80% (1994 -- 6.71%). Such rates are subject to adjustments for changes in interest rates of specified U.S. Treasury obligations, U.S. federal statutory income tax rates and certain federal tax law changes.

The market value of the unallocated shares of the Company's capital stock held by the ESOPs at December 31, 1995, based on that day's closing price of $38.875 was $29,445,000 as compared with aggregate loan guarantees of $33,355,000.

OTHER

Other long-term debt has arisen from the assumption of loans in connection with various acquisitions. Interest rates range from 5% to 15%, and the obligations are due on various dates through 2009.

The following is a schedule by year of required long-term debt payments as of December 31, 1995 (in thousands):

1996	$ 7,089
1997	12,485
1998	10,592
1999	6,453
2000	12,425
After 2000	43,413
Total long-term debt	$92,457

The various loan agreements contain certain covenants which could restrict the amount of cash dividend payments, treasury stock purchases and certain other transactions of the Company. Under the most restrictive of these covenants, the Company is limited to incurring additional debt of $99,147,000, cannot permit its net worth to fall below $171,979,000 and is limited to incurring additional annual net rentals under operating leases with terms of three years or more aggregating $7,892,000.

The total amount of interest paid during the year ended December 31, 1995, was $7,972,000 (1994 -- $8,562,000; 1993 -- $8,893,000).

12. OTHER LIABILITIES

At December 31, 1995, other current liabilities included accrued insurance liabilities of $19,470,000 (1994 -- $17,495,000).

Liabilities for estimated expenses related to the sale of DuBois during 1991 are included in the following accounts on the consolidated balance sheet (in thousands):

	December 31,	
	1995	1994
Amounts included in:		
Other current liabilities	$ 1,943	$ 2,507
Other liabilities and deferred income	23,757	25,067
Total	$25,700	$27,574

Included in other liabilities and deferred income at December 31, 1995, is an accrual of $13,670,000 (1994 -- $14,170,000) for the Company's estimated liability for potential environmental cleanup and related costs arising from the sale of DuBois. The Company is contingently liable for additional DuBois-related environmental cleanup and related costs up to a maximum of $10,000,000. On the basis of a continuing evaluation of the Company's potential liability by the Company's environmental adviser, management believes that it is not probable this additional liability will be paid. Accordingly, no provision for this contingent liability has been recorded. Although it is not presently possible to reliably project the timing of payments related to the Company's potential liability for environmental costs, management believes that any adjustments to its recorded liability will not materially adversely affect its financial position or results of operations.

13. PENSION AND RETIREMENT PLANS

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

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

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

	For the Years Ended December 31,		
	1995	1994	1993
ESOPs:			
Interest expense	$1,217	$1,322	$1,491
Compensation cost	2,782	2,476	2,141
Pension, profit sharing and other similar plans	3,391	2,518	1,813
Total	$7,390	$6,316	$5,445
Dividends on ESOP shares used for debt service	$2,758	$2,820	$2,819

At December 31, 1995, there were 555,687 allocated shares (December 31, 1994 -- 457,725 shares) and 757,437 unallocated shares (December 31, 1994 -- 908,796 shares) in the ESOP trusts.

14. LEASE ARRANGEMENTS

The Company, as lessee, has operating leases which cover its corporate office headquarters; various plant, warehouse and office facilities; office equipment; and plant and transportation equipment. The remaining terms of these leases range from one year to 11 years, and in most cases, management expects that these leases will be renewed or replaced by other leases in the normal course of business. All major plants and warehouses and substantially all equipment are owned by the Company.

The following is a summary of future minimum rental payments and sublease rentals to be received under operating leases that have initial or remaining noncancelable terms in excess of one year at December 31, 1995 (in thousands):

1996	$ 12,805
1997	9,945
1998	7,015
1999	5,714
2000	4,983
After 2000	22,369
Total minimum rental payments	62,831
Less minimum sublease rentals	(15,980)
Net minimum rental payments	$ 46,851

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

	For the Years Ended December 31,		
	1995	1994	1993
Total rental payments	$ 13,353	$ 12,451	$ 9,216
Less sublease rentals	(3,591)	(3,446)	(3,440)
Net rental expense	$ 9,762	$ 9,005	$ 5,776

15. FINANCIAL INSTRUMENTS

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

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

-- For marketable securities, fair value is based upon quoted market prices.

-- For other investments and other assets, fair value is based upon quoted market prices for these or similar securities, if available. Included in other investments is the Company's investment in privately held Vitas Healthcare Corporation ("Vitas"), which provides noncurative care to chronically ill patients. The market values of Vitas Common Stock Purchase Warrants are based on the difference between Chemed's exercise price and an appraisal of the value of the underlying common stock. The value of the Vitas 9% Cumulative Preferred Stock is based on the present value of the mandatory redemption payments, using an interest rate of 8.2% (1994 -- 10.7%), rates which management believes are reasonable in view of market conditions.

-- For the note receivable, the fair value is determined by discounting the remaining future installment payments using a rate of 6.1% (1994 -- 8.6%), rates considered by management to reflect current market conditions.

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

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

	December 31, 1995		December 31, 1994	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Marketable securities	$10,094	$ 10,094	$19,517	$19,517
Other investments(a)	98,438	101,668	85,073	88,303
Statutory deposits	18,943	18,943	14,408	14,408
Note receivable(b)	5,864	5,909	11,195	11,281
Long-term debt	92,457	94,992	98,524	95,545

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

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

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

	December 31,	
	1995	1994
Aggregate fair value:		
Obligations of the U.S. Treasury	$ 9,994	$ 29,035
Equity securities	98,438	75,455
Gross unrealized holding gains:		
Obligations of the U.S. Treasury	20	--
Equity securities	56,010	31,975
Gross unrealized holding losses:		
Obligations of the U.S. Treasury	--	(129)
Equity securities	--	(117)
Amortized cost:		
Obligations of the U.S. Treasury	9,974	29,164
Equity securities	42,428	43,597

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

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

Included in marketable securities at December 31, 1995, is a Treasury Note with a fair value of $9,994,000, maturing in January 1996 (December 31, 1994 -- $19,417,000, maturing in 1995). Included in other investments is the noncurrent portion of the Company's investment in Vitas mandatorily redeemable preferred stock with a fair value of $19,236,000 at December 31, 1995 (December 31, 1994 - -- $26,200,000). Also included in other investments at December 31, 1994, is a U.S. Treasury Note with a fair value of $9,618,000.

16. STOCK INCENTIVE PLANS

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

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

The other plans are not qualified, restricted or incentive stock option plans under the Internal Revenue Code. Additional options may not be granted under the plans adopted in 1978, 1981 and 1983 covering a total of 1,150,000 shares, but a number of options granted under those plans remains outstanding. Options granted under the 1986, 1988, 1993 and 1995 plans become exercisable six months following the date of grant in either three or four equal annual installments.

The changes in outstanding stock options and other data follow:

	1995		1994	
	Number of Shares	Average Price	Number of Shares	Average Price
Options outstanding at January 1	553,472	$29.38	628,967	$27.04
Options granted	291,650	32.57	260,650	32.13
Options exercised	(208,668)	28.77	(247,845)	26.17
Options terminated or canceled	(8,788)	30.93	(88,300)	29.91
Options outstanding at December 31	627,666	31.05	553,472	29.38
Options exercisable at December 31	325,385		280,193	
Shares available for grant of stock awards and stock options	303,359		109,004	

During 1995, the Company granted stock awards covering 20,538 shares (1994 - -- 15,946 shares) under its Stock Incentive Plans. The shares of capital stock were issued to directors and key employees at no cost and generally are restricted as to the transfer of ownership. Restrictions covering between 20% and 33% of each holder's shares lapse annually commencing one year after the date of grant.

UNAUDITED SUMMARY OF QUARTERLY RESULTS

Chemed Corporation and Subsidiary Companies

(in thousands, except per share data)

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

1994	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
Continuing Operations					
Total sales and service revenues	$152,069	$161,384	$166,089	$165,485	$645,027
Gross profit	$ 50,911	$ 54,170	$ 55,222	$ 57,055	$217,358
Income from operations	$ 5,670	$ 6,579	$ 6,348	$ 8,809	$ 27,406
Interest expense	(2,047)	(2,167)	(2,304)	(2,289)	(8,807)
Other income -- net	3,129	4,158	2,640	1,248	11,175
Income before income taxes and minority interest	6,752	8,570	6,684	7,768	29,774
Income taxes	(2,680)	(3,205)	(2,287)	(2,782)	(10,954)
Minority interest in earnings of subsidiaries	(833)	(939)	(1,187)	(1,329)	(4,288)
Income from continuing operations	3,239	4,426	3,210	3,657	14,532
Discontinued Operations	2,438	3,591	1,884	21,477	29,390
Net Income	$ 5,677	$ 8,017	$ 5,094	$ 25,134	$ 43,922
Earnings Per Common Share					
Income from continuing operations	$ .33	$ .45	$ .33	$ .37	$ 1.47
Net income	$ .58	$ .81	$ .52	$ 2.54	$ 4.46
Average number of shares outstanding	9,824	9,847	9,867	9,884	9,856

SALES AND PROFIT STATISTICS BY BUSINESS SEGMENT(a)

Chemed Corporation and Subsidiary Companies

(in thousands, except percentages and footnote data)

	% of Total 1995	% of Total 1986	1995	1994
SALES AND SERVICE REVENUES FROM CONTINUING OPERATIONS(B)				
National Sanitary Supply	49%	64%	$340,913	$308,280
Roto-Rooter	26	36	179,722	171,930
Omnia	12	--	87,803	95,753
Patient Care	13	--	90,727	69,064
Total	100%	100%	$699,165	$645,027
OPERATING PROFIT FROM CONTINUING OPERATIONS(C)				
National Sanitary Supply	31%	47%	$ 11,847	$ 10,291
Roto-Rooter	41	53	15,908(e)	15,967
Omnia	15	--	5,957	5,415(f)
Patient Care	13	--	4,989	2,790
Total	100%	100%	$ 38,701	$ 34,463

(a) The data are presented on a continuing operations basis, thus excluding DuBois Chemicals Inc., sold in April 1991, and Vestal Laboratories Inc., sold in December 1986. The data for 1995, 1994 and 1993 are covered by the report of independent accountants.

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

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

1993	1992	1991	1990	1989	1988	1987	1986
$296,865	$288,731	$267,508	$265,424	$262,351	$179,191(d)	$ 92,618	$ 80,010(d)
136,428(d)	104,688	84,774(d)	75,230	66,842	62,255	55,233	45,292
91,800	7,543	--	--	--	--	--	--
--	--	--	--	--	--	--	--
$525,093	$400,962	$352,282	$340,654	$329,193	$241,446	$147,851	$125,302
$ 9,093	$ 9,171	$ 8,504	$ 10,165	$ 10,762	$ 8,507(d)	$ 6,157	$ 5,966(d)
14,371(d)	11,253	8,499(d)	8,049	7,762	8,267	7,573	6,849
5,660	607	--	--	--	--	--	--
--	--	--	--	--	--	--	--
$ 29,124	$ 21,031	$ 17,003	$ 18,214	$ 18,524	$ 16,774	$ 13,730	$ 12,815

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

Name	Business Segment	Effective Date of Acquisition	Amounts Reported in Year Acquired: Sales and Service Revenues	Amounts Reported in Year Acquired: Operating Profit
Encore Service Systems Inc.	Roto-Rooter	July 1993	$18,576,000	$784,000
Service America Systems Inc.	Roto-Rooter	August 1991	5,557,000	773,000
Century Papers Inc.	National Sanitary Supply	July 1988	71,650,000	-- *
National Sanitary Supply acquisitions	National Sanitary Supply	Various 1986	9,778,000	-- *

*Operations were integrated into existing operations and amounts are not determinable.

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

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

SELECTED FINANCIAL DATA

Chemed Corporation and Subsidiary Companies

(in thousands, except per share data, employee numbers, footnote data, ratios and percentages)

	1995	1994	1993
SUMMARY OF OPERATIONS			
Continuing operations			
Total sales and service revenues	$699,165	$645,027	$525,093
Gross profit	235,359	217,358	175,900
Depreciation	11,819	10,686	8,817
Income from operations	32,424	27,406	23,163
Income/(loss) from continuing operations	20,439	14,532	14,843
Discontinued operations(a)	2,743	29,390	2,986
Extraordinary gain	--	--	--
Cumulative effect of changes in accounting principles	--	--	1,651
Net income	23,182	43,922	19,480
Earnings per common share:			
Assuming full dilution --			
Income/(loss) from continuing operations(b)	2.07	1.47	1.52
Net income	2.35	4.46	1.99
Primary --			
Income/(loss) from continuing operations(b)	2.07	1.47	1.52
Net income	2.35	4.46	1.99
Average number of shares outstanding:			
Assuming full dilution	9,861	9,856	9,778
Primary	9,861	9,856	9,778
Cash dividends per share	$ 2.06	$ 2.04	$ 2.01
FINANCIAL POSITION -- YEAR-END			
Cash, cash equivalents and marketable securities	$ 29,281	$ 24,239	$ 15,815
Working capital	74,433	55,061	30,741
Properties and equipment, at cost less accumulated depreciation	77,131	77,116	70,758
Total assets	531,868	505,483	430,253
Long-term debt	85,368	92,133	98,059
Stockholders' equity	208,657	186,320	137,151
Book value per share:			
Assuming full dilution	21.18	18.89	14.00
Primary	21.18	18.89	14.00
OTHER STATISTICS -- CONTINUING OPERATIONS			
Net cash provided/(used) by continuing operations	$ 18,836	$ 23,372	$ 17,715
Capital expenditures	15,413	18,400	13,851
Number of employees	7,335	6,602	4,834
Number of sales and service representatives	4,500	3,919	2,552
Dividend payout ratio(d)	87.7%	45.7%	101.0%
Debt to total capital ratio:			
Total debt basis	32.0	35.7	43.2
Senior debt basis	32.0	35.7	43.2
Return on average equity(d)	11.9	28.4	14.3
Return on average total capital employed(d)	9.3	16.4	9.7
Current ratio	1.51	1.39	1.24

(a) Discontinued operations data include Omnicare Inc., discontinued in 1994; accrual adjustments from 1992 through 1995 related to the gain on the sale of DuBois Chemicals Inc. ("DuBois"); DuBois, sold in April 1991; adjustments to accruals in 1991 and 1988 related to operations discontinued in 1986; and Vestal Laboratories Inc., sold in December 1986.

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

1992	1991	1990	1989	1988	1987	1986
$400,962	$352,282	$340,654	$329,193	$241,446	$147,851	$125,302
138,517	123,077	118,235	110,618	87,071	65,577	57,145
6,348	5,899	5,413	4,811	3,738	3,049	2,484
15,180	9,500	11,147	11,281	9,529	7,636	6,259
12,506	9,858	3,616	2,908	416	632	(4,930)(c)
3,145	43,109	12,938	23,274	22,972	19,730	42,351
--	--	--	--	--	--	212
--	--	--	--	732	--	--
15,651	52,967	16,554	26,182	24,120	20,362	37,633(c)
1.28	.98	.35	.29	.29	.35	(.18)(c)
1.60	5.27	1.60	2.61	2.47	2.15	3.68(c)
1.28	.98	.35	.29	.04	.07	(.55)(c)
1.60	5.27	1.60	2.61	2.60	2.28	4.21(c)
9,803	10,059	10,371	10,042	10,879	11,006	11,008
9,803	10,059	10,371	10,042	9,280	8,939	8,946
$ 2.00	$ 1.97	$ 1.96	$ 1.84	$ 1.72	$ 1.60	$ 1.56
$ 47,704	$ 83,044	$ 775	$ 5,346	$ 4,033	$ 4,387	$ 26,165
62,452	82,675	14,377	28,236	24,740	10,064	22,108
62,872	44,391	36,802	38,574	36,335	25,034	22,882
404,944	364,335	277,169	285,600	276,276	218,314	234,984
103,778	77,928	82,151	85,834	90,405	46,504	47,328
133,511	139,407	109,504	119,121	109,276	111,754	120,392
13.68	14.08	10.75	11.61	13.19	14.69	15.22
13.68	14.08	10.75	11.61	11.65	12.71	13.41
$ 15,563	$ 19,572	$ 13,505	$ 9,333	$ 7,589	$ (6,335)	$ (4,817)
8,232	11,416	7,128	7,723	10,259	5,597	6,475
3,856	3,325	2,965	2,851	2,633	1,796	1,657
1,790	1,665	1,409	1,356	1,223	967	853
125.0%	37.4%	122.5%	70.5%	66.2%	70.2%	37.1%
44.3	34.5	42.4	40.3	43.5	29.3	26.5
44.3	34.5	42.4	34.9	29.2	3.8	1.5
11.6	42.5	13.8	22.3	20.6	17.0	38.7
8.7	24.4	9.8	14.0	14.9	13.5	24.1
1.60	1.98	1.27	1.61	1.55	1.32	1.56

(c) Included in income from continuing operations, net income and the corresponding earnings per share amounts for 1986 is an aftertax loss of $3,635,000 for the cost of terminating interest rate exchange arrangements.

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

ADDITIONAL SEGMENT DATA(a)

Chemed Corporation and Subsidiary Companies

(in thousands) For the Years Ended December 31,	1995	1994	1993
IDENTIFIABLE ASSETS			
National Sanitary Supply	$121,427	$122,175	$109,952
Roto-Rooter	134,891	127,602	125,280
Omnia	83,697	84,682	78,468
Patient Care	46,211	38,857	--
Total identifiable assets	386,226	373,316	313,700
Corporate assets(b)	145,642	132,167	116,553
Total assets	$531,868	$505,483	$430,253
CAPITAL EXPENDITURES			
National Sanitary Supply	$ 3,393	$ 6,715	$ 2,688
Roto-Rooter	5,544	6,214	6,885
Omnia	2,801	2,079	3,743
Patient Care	2,608	2,541	--
Subtotal	14,346	17,549	13,316
Corporate assets	1,067	851	535
Total capital expenditures	$ 15,413	$ 18,400	$ 13,851
DEPRECIATION AND AMORTIZATION(c)			
National Sanitary Supply	$ 4,848	$ 4,525	$ 4,752
Roto-Rooter	7,646	7,227	5,169
Omnia	2,727	2,643	2,113
Patient Care	1,463	718	--
Subtotal	16,684	15,113	12,034
Corporate assets	1,521	694	1,089
Total depreciation and amortization	$ 18,205	$ 15,807	$ 13,123
RECONCILIATION OF OPERATING PROFIT TO INCOME BEFORE INCOME TAXES AND MINORITY INTEREST			
Total operating profit	$ 38,701	$ 34,463	$ 29,124
Interest expense	(8,466)	(8,807)	(8,889)
Corporate expenses, net of investment income(d)	10,724	4,118	7,695
Income before income taxes and minority interest	$ 40,959	$ 29,774	$ 27,930

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

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

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

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

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

Chemed Corporation and Subsidiary Companies

FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES

Significant factors affecting the Company's consolidated cash flows during 1995 and financial position at December 31, 1995, include the following:

-- Proceeds from sales of investments aggregated $32.4 million;

-- Cash generated by operations totaled $18.8 million;

-- The sale of the Veratex Retail division generated cash proceeds of $14.1 million; and

-- Purchase business combinations completed in 1995 required cash outlays aggregating $11.9 million.

As a result of the foregoing, the Company's current ratio improved to 1.5 at December 31, 1995, as compared with 1.4 at the end of 1994. Additionally, the ratio of total debt to total capital declined from 36% at December 31, 1994, to 32% at the end of 1995. Excluding the debt guarantees of the Employee Stock Ownership Plans ("ESOPs"), the total debt to total capital ratios were 23% and 25%, respectively, at December 31, 1995 and 1994.

Including the unused portion of its committed credit lines with Bank of America and PNC Bank, the Company had $43.1 million of unused lines of short-term credit with various banks at December 31, 1995.

CASH FLOW

The Company's cash flows for 1995 and 1994 may be summarized as follows (in millions):

	For the Years Ended December 31,	
	1995	1994
Proceeds from sale of investments	$ 32.4	$ 9.2
Proceeds from sale of divested operations	16.5	49.5
Purchase of investments	(1.9)	(29.8)
Net activity from investments	47.0	28.9
Cash from operations	18.8	23.4
Cash dividends	(20.3)	(20.1)
Capital expenditures	(15.4)	(18.4)
Business combinations	(11.9)	(18.4)
Other -- net	(3.7)	(5.3)
Increase/(decrease) in cash and cash equivalents	$ 14.5	$ (9.9)

For 1995, net cash generated from the sales of investments and divested operations ($47.0 million), coupled with cash generated by operations ($18.8 million), was more than sufficient to cover the Company's cash dividends, capital expenditures and business combinations (total outlays of $47.6 million).

Based on recent cash and earnings projections, cash flow from operations is expected to increase in 1996 and later years, and the level of gains generated by sales of investments should decline moderately. Management views the Company's investment portfolio as a potential source of cash during the interim period in which the Company's dividend exceeds its core earnings from continuing operations (i.e., excluding gains on sales of investments). Unrealized aftertax gains on the Company's available-for-sale investments, including $28.3 million relating to the Company's investment in Omnicare, amounted to $37.0 million at December 31, 1995 ($20.9 million at December 31, 1994). In February 1996, the Company sold approximately one-third of its investment in Omnicare, realizing an aftertax gain of approximately $9 million.

The Board of Directors declared a quarterly dividend of $.52 per share of capital stock in February 1996, payable in March 1996 (the same rate paid in each of the prior two quarters). The dividend rate is set each quarter with a long-term perspective, taking into consideration the Company's financial position, earnings and cash flow, as well as interest rates, market conditions and other economic factors.

COMMITMENTS

The Company's lease for corporate and general office facilities covers the period from April 1991 to April 2006 and includes space which has been subleased to the Company's former DuBois Chemicals Inc. subsidiary ("DuBois") for varying terms expiring in the years 1998 through 2004. As a result, the Company had net lease commitments aggregating $46.9 million at December 31, 1995.

As a part of the DuBois sale agreement between the Company and Diversey Corporation ("Diversey"), the Company agreed to reimburse Diversey up to a maximum of $25.5 million for environmental cleanup and related costs arising from the operations of DuBois prior to the sale date. At the time of the sale, Chemed's environmental adviser estimated the extent of Chemed's liability under the environmental indemnification sections of the sale agreement with Diversey to be in the range of $9.5 million to $18.5 million. Furthermore, this adviser opined that the single best estimate of Chemed's liability was $15.5 million. Accordingly, the Company accrued $15.5 million in 1991 for its estimated share of these costs and is contingently liable for additional cleanup and related costs up to a maximum of $10.0 million, for which no provision has been recorded. Through December 31, 1995, the Company has reimbursed Diversey $1.8 million for prior years' environmental and related costs of DuBois.

The Company's various loan agreements and guarantees of indebtedness contain certain restrictive covenants; however, management believes that such covenants will not adversely affect the operations of the Company. Under the most restrictive of these covenants at December 31, 1995, the Company would be limited to incurring additional debt totaling $99.1 million and could not permit its net worth to fall below $172.0 million (versus a balance of $208.7 million at December 31, 1995). Additionally, the Company is limited to incurring net rentals under operating leases with terms of three years or more aggregating $15.6 million as compared with such rentals totaling $7.8 million during 1995.

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

RESULTS OF OPERATIONS

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

	Percent Increase/(Decrease) in Sales and Service Revenues	
	1995 vs. 1994	1994 vs. 1993
National Sanitary Supply	11%	4%
Roto-Rooter	5	26
Omnia	(8)	4
Patient Care	31	n.a.
Total	8	23

	Operating Profit as a Percent of Sales and Service Revenues (Operating Margin)		
	1995	1994	1993
National Sanitary Supply	3.5%	3.3%	3.1%
Roto-Rooter	8.9	9.3	10.5
Omnia	6.8	5.7	6.2
Patient Care	5.5	4.0	n.a.
Total	5.5	5.3	5.5

1995 VERSUS 1994

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

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

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

Omnia's core wholesale and manufacturing business.

Revenues of the Patient Care segment increased 31% from $69,064,000 in 1994 to $90,727,000 in 1995. This revenue increase is attributable to increased referrals from new and existing contracts with freestanding and hospital-based home-healthcare agencies and from government programs. Additionally, 1994 revenues were adversely impacted by the severe winter weather conditions experienced in the northeastern United States. As a result of the significant revenue growth and increased emphasis on higher-margin personal care services, Patient Care was able to improve its operating margin from 4.0% in 1994 to 5.5% in 1995.

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

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

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

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

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

1994 versus 1993

Sales of the National Sanitary Supply segment increased 4% to $308,280,000 in 1994. This increase resulted from stronger sales during the last six months of 1994 due to an improved economic climate, especially in Southern California, and to improved product pricing, particularly in paper and plastic products. As a result of tight expense controls over personnel costs and other operating expenses, the operating margin of this segment improved to 3.3% during 1994 as compared with 3.1% in 1993.

Sales and service revenues of the Roto-Rooter segment for 1994 totaled $171,930,000, an increase of 26% over the revenues recorded in 1993. Excluding Encore Service Systems Inc. ("Encore"), acquired by Roto-Rooter's and Chemed's jointly owned Service America subsidiary, total revenues of this segment for 1994 increased 14% as compared with revenues recorded in 1993. Also during 1994, plumbing revenues rose 20% to $37,048,000 and drain cleaning revenues grew 9% to $52,793,000 as compared with revenues recorded in 1993. The operating margin of this segment declined from 10.5% during 1993 to 9.3% in 1994. This decline was attributable to lower margins in Roto-Rooter's service contract business, primarily due to the Encore acquisition, which, as expected, has lower margins than those achieved in Roto-Rooter's other repair and maintenance businesses. Higher material and labor costs as a percent of sales and service revenues also contributed to the lower margins in 1994. The higher labor costs resulted from expansion of the service labor force at a faster rate than the growth rate in service contracts. Partially offsetting this margin decline was continued improvement in Roto-Rooter's insurance claims experience which had a favorable impact of 1.5 percentage points on this segment's operating margin.

Sales of the Omnia segment for 1994 totaled $95,753,000, an increase of 4% over sales for 1993. The operating margin of the Omnia segment declined from 6.2% in 1993 to 5.7% in 1994, primarily due to nonrecurring expenses aggregating $648,000 for the cost of staff reductions and refocusing marketing efforts. Excluding these charges, the operating margin during 1994 was 6.3%.

Sales of the Patient Care segment, acquired in January 1994, totaled $69,064,000, an increase of 29% over the revenues Patient Care recorded during 1993. Patient Care contributed $2,790,000 to the Company's operating profit in 1994.

Consolidated sales and service revenues for 1994 totaled $645,027,000, an increase of 23% over revenues recorded in 1993. Excluding the sales of Patient Care and Encore, total sales and service revenues for 1994 increased 6% over revenues recorded in 1993. The consolidated operating margin for 1994 was 5.3% as compared with 5.5% in 1993.

Income from operations increased 18% from $23,163,000 in 1993 to $27,406,000 in 1994, primarily as a result of the acquisition of Patient Care and higher levels of operating profits in the Roto-Rooter and National Sanitary Supply segments. Partially offsetting these increases were nonrecurring charges of $1,705,000 in 1994.

Other income -- net for 1994 totaled $11,175,000 as compared with $13,656,000 for 1993, a decline of $2,481,000. This decline was attributable to smaller gains on the sales of investments ($5,471,000 in 1994 versus $6,695,000 in 1993) and lower interest income in 1994 due to a lower average balance in cash and marketable securities.

For 1994, the Company's effective tax rate was 36.8% as compared with 33.2% in 1993, primarily due to a higher effective state and local tax rate in 1994. In addition, a lower ESOP dividend tax credit and lower favorable tax adjustments (as a percent of pretax income) in 1994 contributed to the higher effective rate.

Income from continuing operations declined slightly from $14,843,000 ($1.52 per share) in 1993 to $14,532,000 ($1.47 per share) in 1994, largely as a result of the previously mentioned nonrecurring expenses. Excluding nonrecurring expenses ($1,107,000 in 1994) and realized investment gains ($3,377,000 in 1994 and $4,274,000 in 1993), income from continuing operations increased 16% from $10,569,000 ($1.08 per share) in 1993 to $12,262,000 ($1.24 per share) in 1994.

Net income for 1994 increased to $43,922,000 ($4.46 per share) from $19,480,000 ($1.99 per share) in 1993. Earnings for 1994 included discontinued operations of $29,390,000 ($2.99 per share), primarily relating to the Company's equity investment in Omnicare, which was discontinued in 1994.

OUTLOOK FOR 1996

During the fourth quarter of 1995, a major customer of National Sanitary Supply gave notice that it would begin phasing out most of its purchases from National Sanitary during the first half of 1996. Sales to this customer represented approximately 15% of National Sanitary's sales in 1995 and consisted primarily of low-margin paper and promotional items.

Nonetheless, because the rest of National Sanitary's business has been growing rapidly, management anticipates that earnings of this segment for 1996 will increase as compared with earnings for 1995, albeit at a smaller rate of increase. Plans have been made to accelerate the growth of National Sanitary's field sales through increased geographic expansion via either grass-root start-ups or acquisitions.

ACCOUNTING FOR STOCK-BASED COMPENSATION

In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123 ("SFAS 123"), Accounting for Stock-Based Compensation. SFAS 123 establishes a fair-value-based method of accounting for stock-based compensation plans and is required to be adopted in 1996 for all stock-based compensation plans other than those that are within the scope of Accounting Principles Board Opinion No. 25 ("APBO 25"), Accounting for Stock Issued to Employees. Adoption of SFAS 123 for employees' stock-based compensation plans is optional.

Because the Company plans to continue using APBO 25 to account for its stock-based compensation plans, the adoption of the remaining provisions of SFAS 123 in 1996 (primarily increased disclosures) is not anticipated to have a material effect on the Company's financial position or results of operations.

EXHIBIT 21
SUBSIDIARIES OF CHEMED CORPORATION

The following is a list of subsidiaries of the Company as of December 31, 1995. Other subsidiaries which have been omitted from the list would not, when considered in the aggregate, constitute a significant subsidiary. Each of the companies is incorporated under the laws of the state following its name. The percentage given for each company represents the percentage of voting securities of such company owned by the Company or, where indicated, subsidiaries of the Company as at December 31, 1995.

All of the majority owned companies listed below are included in the consolidated financial statements as of December 31, 1995.

Alan Home Health Agency, Inc. (New Jersey, 100% by Patient Care, Inc.)
Amira Services, Inc. (Florida, 100% by Service America Systems, Inc.)
Cardinal Paper Company (Oklahoma, 100% by Century Papers, Inc.)
Century Papers, Inc. (Texas, 100% by National Sanitary Supply Company)
Encore Service Systems, Inc. (Florida, 100% by Service America Systems, Inc.)
Jet Resource, Inc. (Delaware, 100%)
National Home Care, Inc. (New York, 100% by Patient Care, Inc.)
National Sanitary Supply Company (Delaware, 84%)
National Sanitary Supply Development, Inc. (Delaware, 100% by National Sanitary Supply Company)
Nurotoco of Massachusetts, Inc. (Massachusetts, 100% by Roto-Rooter Services Company)
Nurotoco of New Jersey, Inc. (Delaware, 80% by Roto-Rooter Services Company)
OCR Holding Company (Nevada, 100%)
OnCall Craftsmen, Inc. (Ohio, 100% by Roto-Rooter Services Company)
Omnia, Inc. (Delaware, 100% by OCR Holding Company)
Patient Care, Inc. (Delaware, 100% by Chemed Corporation)
Patient Care Medical Services, Inc. (New Jersey, 100% by Patient Care)
Roto-Rooter Corporation (Iowa, 100% by Roto-Rooter, Inc.)
Roto-Rooter Development Company (Delaware, 100% by Roto-Rooter Corporation)
Roto-Rooter, Inc. (Delaware, 58%)
Roto-Rooter Management Company (Delaware, 100% by Roto-Rooter, Inc.)
Roto-Rooter Services Company (Iowa, 100% by Roto-Rooter, Inc.)
RR Plumbing Services Corporation (New York, 49% by Roto-Rooter Services Company; included within the consolidated financial statements as a consolidated subsidiary)
Service America Systems, Inc. (Florida, 70% by Roto-Rooter, Inc. and 30% by Chemed)
Tidi Products, Inc. (Delaware, 100% by OCR Holding Company)
Unidisco, Inc. (Delaware, 100% by OCR Holding Company)
The Omnia Group (Delaware, 100% by OCR Holding Company)

EXHIBIT 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 33-28594, 33-9549, 2-87202, 2-80712, 33-65244 and 33-61063) of Chemed Corporation of our report dated February 5, 1996 appearing on page 17 of the 1995 Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedule, which appears on page S-2 of this Form 10-K.

/s/ Price Waterhouse LLP

PRICE WATERHOUSE LLP

Cincinnati, Ohio
March 28, 1996

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as his true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 6, 1996

/s/ James A. Cunningham

James A. Cunningham

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as his true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 13, 1996

/s/ James H. Devlin

James H. Devlin

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as his true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 7, 1996

/s/ Charles H. Erhart, Jr.

Charles H. Erhart, Jr.

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as his true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 22, 1996

/s/ Joel F. Gemunder

Joel F. Gemunder

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as his true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 7, 1996

/s/ William R. Griffin

William R. Griffin

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as his true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 15, 1996

/s/ Thomas C. Hutton

Thomas C. Hutton

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as his true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 19, 1996

/s/ Walter L. Krebs

Walter L. Krebs

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as her true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 6, 1996

/s/ Sandra E. Laney

Sandra E. Laney

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as his true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 18, 1996

/s/ Kevin J. McNamara

Kevin J. McNamara

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as his true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 12, 1996

/s/ John M. Mount

John M. Mount

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as his true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 6, 1996

/s/ D. Walter Robbins, Jr.

D. Walter Robbins, Jr.

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as his true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 11, 1996

/s/ Paul C. Voet

Paul C. Voet

POWER OF ATTORNEY

The undersigned director of CHEMED CORPORATION ("Company") hereby appoints EDWARD L. HUTTON, KEVIN J. MCNAMARA and NAOMI C. DALLOB as his true and lawful attorneys-in-fact for the purpose of signing the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and all amendments thereto, to be filed with the Securities and Exchange Commission. Each of such attorneys-in-fact is appointed with full power to act without the other.

Dated: March 8, 1996

/s/ George J. Walsh III

George J. Walsh III

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 1995 FOR CHEMED CORPORATION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

0000019584
CHEMED CORPORATION
1,000

12-MOS
DEC-31-1995
JAN-01-1995
DEC-31-1995
19,187
10,094
90,696
(3,519)
58,251
219,437
124,205
(47,074)
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23,182
2.35
2.35

WARNING: THE EDGAR SYSTEM ENCOUNTERED ERROR(S) WHILE PROCESSING THIS SCHEDULE.

5

THIS SCHEDULE CONTAINS RESTATED SUMMARY FINANCIAL INFORMATION EXTRACTED FROM FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 1994 FOR CHEMED CORPORATION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
[/LEGEND]
0000019584
CHEMED CORPORATION
1,000

12-MOS
DEC-31-1994
JAN-01-1994
DEC-31-1994
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4.46