

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

FORM 8-K
CURRENT REPORT

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

Date of Report (date of earliest event reported):
August 1, 2007

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

Delaware
(State or other
jurisdiction of
incorporation)

1-8351
(Commission File Number)

31-0791746
(I.R.S. Employer
Identification
Number)

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

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

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

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

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Item 2.02 Results of Operations and Financial Condition

On August 1, 2007 Chemed Corporation issued a press release
announcing its financial results for the quarter ended June 30, 2007. A copy of
the release is furnished herewith as Exhibit 99.

Item 9.01 Financial Statements and Exhibits

d) Exhibit

(99) Registrant's press release dated August 1, 2007

SIGNATURES

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

CHEMED CORPORATION

Dated: August 1, 2007

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

Arthur V. Tucker, Jr.
Vice President and Controller

Chemed Reports Second-Quarter 2007 Results

-- Full year 2007 guidance increased

CINCINNATI--(BUSINESS WIRE)--Aug. 1, 2007--Chemed Corporation (Chemed) (NYSE:CHE), which operates VITAS Healthcare Corporation (VITAS), the nation's largest provider of end-of-life care, and Roto-Rooter, the nation's largest commercial and residential plumbing and drain cleaning services provider, today reported financial results for its second quarter ended June 30, 2007, versus the comparable prior-year period, as follows:

Consolidated operating results from Continuing Operations:

- Revenue increased 9.0% to \$271 million
- Diluted EPS from Continuing Operations of \$.38
- Adjusted diluted EPS from Continuing Operations, which excludes early extinguishments of debt and certain other items, of \$.79

VITAS segment operating results from Continuing Operations:

- Net Patient Revenue of \$186 million, up 8.3%
- Average Daily Census (ADC) of 11,406, up 6.6%
- Admissions of 13,658, an increase of 5.2%
- Average Length of Stay in the quarter of 76.6 days
- Net income of \$14.2 million
- Adjusted EBITDA of \$24.9 million

Roto-Rooter segment operating results:

- Revenue of \$86 million, an increase of 10.5%
- Job count of 201,939 up 1.6%
- Net Income of \$10.7 million
- Adjusted EBITDA of \$18.1 million

VITAS

VITAS generated 13,658 admissions in the quarter, which represents an increase of 5.2% over the prior year. Discharges totaled 13,359, an increase of 6.6%, and ADC in the quarter increased 6.6% to 11,406. VITAS' Average Length of Stay (ALOS) for patients discharged in the quarter was 76.6 days and Median Length of Stay (MLOS) was 13 days. This compares to an ALOS of 76.9 days in the first quarter of 2007 and 68.0 days in the second quarter of 2006.

VITAS recorded net revenue of \$186 million in the second quarter of 2007, which was an increase of 8.3% over the prior-year period. The revenue growth generated from the increase in ADC combined with the Medicare price increase was partially offset by the continued shift in revenue mix to routine home care. Routine homecare revenue increased 11.6% in the quarter. This revenue growth was partially offset by a modest decline in the higher acuity inpatient and continuous care revenue of 0.9% in the quarter. Net income from continuing operations for the second quarter was \$14.2 million, an increase of 16.9%.

VITAS did not record any billing restrictions related to Medicare Cap in the second quarter of 2007. As of June 30, 2007, VITAS has not accrued any Medicare billing restrictions for the 2007 cap year. The ability for VITAS to bill Medicare for 100% of the care provided to terminally ill patients is a result of improved admissions metrics, relatively low MLOS and the continued combination of various hospice provider numbers.

All of VITAS' hospice programs currently have a cap cushion greater than 10% on a trailing twelve-month basis, with the exception of two programs. These two programs have a cap cushion of 5% and 8%, respectively. The same analysis through the first eight months of the 2007 cap year results in all of VITAS' Medicare provider numbers

having a cap cushion greater than 10% with the exception of two programs. These programs have cap cushion of 7% and 8%, respectively.

Gross margin in the quarter was 22.1%, which is a 180 basis point improvement over the prior year quarter. Approximately 90 basis points of this improvement is a result of VITAS managing labor costs to more historical levels. The remaining 90 basis points of this improvement is the result of \$1.6 million of expenses that had been historically charged to cost of services and are now expensed into central support. Effective October 1, 2006, management realigned certain processes and expenses related to hospice program support. These processes and related expenses were centralized effective the beginning of the fourth quarter of 2006 and are now incurred and controlled at VITAS corporate and classified as selling, general and administrative expense. In the second quarter of 2006, approximately \$1.6 million of this type of expense was classified as cost of services. These expenses were charged to central support in the second quarter of 2007.

Central support costs for VITAS, which are classified as selling, general and administrative expenses in the Consolidating Statement of Income, totaled \$16.3 million, which is an increase of 18.7% over the prior year. Adjusting for the reclassification of expenses noted above, second-quarter 2007 central support costs increased 6.3% over the prior year.

Roto-Rooter

Roto-Rooter's plumbing and drain cleaning business generated sales of \$86 million for the second quarter of 2007, 10.5% higher than the \$78 million reported in the comparable prior-year quarter. Net income for the quarter was \$10.7 million, an increase of 53% over the prior year. Adjusted EBITDA in the second quarter of 2007 totaled \$18.1 million, an increase of 42% over the second quarter of 2006 and equated to an adjusted EBITDA margin of 21.1%, an increase of 469 basis points over the prior-year period.

Job count in the second quarter of 2007 increased 1.6% over the prior-year period. Residential jobs increased 6.0% and commercial jobs decreased 7.4%. Residential plumbing jobs increased 14.7% and residential drain cleaning jobs expanded 2.2% when compared to the second quarter of 2006. Residential jobs represent approximately 70% of total job count. Commercial plumbing job count decreased 3.8% and commercial drain cleaning decreased 8.7% over the prior-year quarter.

Guidance for 2007

VITAS is estimated to generate full-year revenue growth from continuing operations, prior to Medicare Cap, of 9% to 11%. This range is a 100 basis point decrease from the previous guidance to reflect the revenue mix shift to routine home care noted earlier. Admissions are estimated to increase 4% to 6%, increased ADC of 8% to 10% and adjusted EBITDA margins, prior to Medicare Cap, of 13.5% to 14.5%. This guidance assumes the hospice industry receives a full Medicare basket price increase of 3.3% in the fourth quarter of 2007. Full-year 2007 Medicare contractual billing limitations are estimated at \$2.5 million.

Roto-Rooter is estimated to generate an 8.5% to 9.5% increase in revenue in 2007, job count growth between 0.5% and 1.5% and adjusted EBITDA margin in the range of 19.0% to 20.0%.

Based upon these factors, an effective tax rate of 38.5% and an average diluted share count for the second half of 2007 of 24.5 million, our estimate is that full-year 2007 earnings per diluted share from continuing operations, excluding early extinguishment of debt, expense for stock options and other long-term incentive compensation, gain on sale of building, or any other charges or credits not indicative of ongoing operations, will be in the range of \$3.10 to \$3.20.

Conference Call

Chemed will host a conference call and webcast at 10 a.m., ET, on Thursday, August 2, 2007, to discuss the company's quarterly results and provide an update on its business. The dial-in number for the conference call is (800) 573-4842 for U.S. and Canadian participants and (617) 224-4327 for international participants. The participant passcode is 85108295. A live webcast of the call can be accessed on Chemed's website at www.chemed.com by clicking on Investor Relations Home.

A taped replay of the conference call will be available beginning approximately two hours after the call's conclusion. It can be accessed by dialing 888-286-8010 for U.S. and Canadian callers and 617-801-6888 for international callers and will be available for one week following the live call. The replay passcode is 41816435. An archived webcast will also be available at www.chemed.com and will remain available for 14 days following the live call.

Chemed Corporation operates in the healthcare field through its VITAS Healthcare Corporation subsidiary. VITAS provides daily hospice services to over 11,000 patients with severe, life-limiting illnesses. This type of care is focused on making the terminally ill patient's final days as comfortable and pain-free as possible.

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

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

Forward-Looking Statements

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006 (cc)	2007	2006 (cc)
Continuing Operations				
Service revenues and sales	\$271,387	\$249,068	\$541,826	\$492,989

Cost of services provided and goods sold	188,716	179,103	376,963	355,138
Selling, general and administrative expenses (aa)	46,090	38,621	94,160	77,075
Depreciation	4,962	4,082	9,677	8,214
Amortization	1,294	1,317	2,609	2,613
Other operating expense/(income)(aa)	-	-	(1,138)	-
Total costs and expenses	241,062	223,123	482,271	443,040
Income from operations	30,325	25,945	59,555	49,949
Interest expense	(3,400)	(4,300)	(7,142)	(9,645)
Loss on extinguishment of debt (aa)	(13,715)	-	(13,715)	(430)
Other income--net	2,188	524	3,057	2,019
Income before income taxes	15,398	22,169	41,755	41,893
Income taxes	(5,965)	(8,619)	(16,101)	(16,305)
Income from continuing operations	9,433	13,550	25,654	25,588
Discontinued Operations (bb)	-	(708)	-	(531)
Net Income	\$ 9,433	\$ 12,842	\$ 25,654	\$ 25,057

Earnings Per Share (aa)				
Income from continuing operations	\$ 0.38	\$ 0.52	\$ 1.02	\$ 0.98
Net income	\$ 0.38	\$ 0.49	\$ 1.02	\$ 0.96
Average number of shares outstanding	24,506	26,201	25,108	26,123

Diluted Earnings Per Share (aa)				
Income from continuing operations	\$ 0.38	\$ 0.50	\$ 1.00	\$ 0.95
Net income	\$ 0.38	\$ 0.48	\$ 1.00	\$ 0.93
Average number of shares outstanding	25,080	26,846	25,684	26,815

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Selling, general and administrative expenses				
Long-term incentive compensation	\$ (1,620)	\$ -	\$ (7,067)	\$ -
Stock option expense	(897)	(18)	(1,482)	(18)
Legal costs associated with OIG investigation	(74)	(342)	(140)	(474)
Other	-	-	467	-
Other operating expense/(income)				
Gain on sale of property	-	-	1,138	-
Loss on extinguishment of debt	(13,715)	-	(13,715)	(430)
Pretax impact on				

earnings	(16,306)	(360)	(20,799)	(922)
Income tax benefit on the above	5,951	136	7,638	343
	-----	-----	-----	-----
Aftertax impact on earnings	<u>\$(10,355)</u>	<u>\$ (224)</u>	<u>\$(13,161)</u>	<u>\$ (579)</u>
	=====	=====	=====	=====

(bb) Discontinued operations represents the results of operations of VITAS' Phoenix operation

(cc) Reclassified to conform to 2007 presentation.

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

	June 30,	
	2007	2006 (cc)
	-----	-----
Assets		
Current assets		
Cash and cash equivalents	\$ 7,469	\$ 6,816
Accounts receivable less allowances	99,867	93,003
Inventories	6,752	6,210
Current deferred income taxes	19,828	21,110
Prepaid income taxes	2,604	11,983
Current assets of discontinued operations	-	3,555
Prepaid expenses and other current assets	8,570	9,254
	-----	-----
Total current assets	145,090	151,931
Investments of deferred compensation plans held in trust	29,360	23,731
Other investments	-	1,445
Note receivable	14,701	12,500
Properties and equipment, at cost less accumulated depreciation	72,428	65,979
Identifiable intangible assets less accumulated amortization	67,195	70,880
Goodwill	435,209	432,717
Noncurrent assets of discontinued operations	-	7,513
Other assets	15,549	20,693
	-----	-----
Total Assets	<u>\$ 779,532</u>	<u>\$787,389</u>
	=====	=====
Liabilities		
Current liabilities		
Accounts payable	\$ 46,366	\$ 48,330
Current portion of long-term debt	10,162	207
Income taxes	837	4,409
Accrued insurance	37,084	39,310
Accrued compensation	33,046	27,840
Current liabilities of discontinued operations	-	5,443
Other current liabilities	20,638	26,702
	-----	-----
Total current liabilities	148,133	152,241
Deferred income taxes	3,846	26,418
Long-term debt	268,035	169,397
Deferred compensation liabilities	28,912	23,503
Other liabilities	5,945	3,440
	-----	-----
Total Liabilities	454,871	374,999
	-----	-----
Stockholders' Equity		
Capital stock	29,193	28,812
Paid-in capital	261,951	249,461
Retained earnings	242,905	193,089
Treasury stock, at cost	(211,836)	(61,340)
Deferred compensation payable in Company stock	2,448	2,422

Notes receivable for shares sold	-	(54)
Total Stockholders' Equity	324,661	412,390
Total Liabilities and Stockholders' Equity	\$ 779,532	\$787,389
Book Value Per Share	\$ 13.58	\$ 15.71

(cc) Reclassified to conform to 2007 presentation.

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

	Six Months Ended June 30,	
	2007	2006 (bb)
Cash Flows from Operating Activities		
Net income	\$ 25,654	\$ 25,057
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,286	10,827
Write-off of unamortized debt issuance costs	7,153	430
Noncash long-term incentive compensation	6,154	-
Provision for uncollectible accounts receivable	4,009	3,962
Amortization of debt issuance costs	751	882
Provision for deferred income taxes	376	4,679
Discontinued operations	-	531
Changes in operating assets and liabilities, excluding amounts acquired in business combinations:		
Increase in accounts receivable	(11,308)	(5,924)
Decrease/(increase) in inventories	(174)	289
Decrease in prepaid expenses and other current assets	1,377	514
Decrease in accounts payable and other current liabilities	(14,838)	(18,089)
Increase in income taxes	69	1,932
Increase in other assets	(3,932)	(2,892)
Increase in other liabilities	4,540	1,973
Excess tax benefit on share-based compensation	(2,370)	(4,941)
Other uses	477	551
Net cash provided by continuing operations	30,224	19,781
Net cash provided by discontinued operations	-	3,704
Net cash provided by operating activities	30,224	23,485
Cash Flows from Investing Activities		
Capital expenditures	(13,908)	(9,222)
Net uses from the sale of discontinued operations	(5,905)	(2,990)
Proceeds from sales of property and equipment	3,003	161
Business combinations, net of cash acquired	(62)	(814)
Other uses	(564)	(610)

Net cash used by investing activities	(17,436)	(13,475)
Cash Flows from Financing Activities		
Proceeds from issuance of long-term debt	300,000	-
Repayment of long-term debt	(185,643)	(84,499)
Purchases of treasury stock	(130,748)	(3,992)
Purchase of note hedges	(54,939)	-
Proceeds from issuance of warrants	27,614	-
Net increase in revolving line of credit	13,300	19,000
Debt issuance costs	(6,395)	(154)
Dividends paid	(2,997)	(3,156)
Excess tax benefit on share-based compensation	2,370	4,941
Issuance of capital stock	2,069	3,849
Increase in cash overdrafts payable	166	3,397
Other sources	610	287
Net cash used by financing activities	(34,593)	(60,327)
Decrease in Cash and Cash Equivalents	(21,805)	(50,317)
Cash and cash equivalents at beginning of year	29,274	57,133
Cash and cash equivalents at end of period	\$ 7,469	\$ 6,816

(bb) Reclassified for operations discontinued in November 2006.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED JUNE 30, 2007 AND 2006
(in thousands)(unaudited)

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
2007				
Service revenues and sales	\$185,701	\$85,686	\$ -	\$271,387
Cost of services provided and goods sold	144,639	44,077	-	188,716
Selling, general and administrative expenses (a)	16,260	24,191	5,639	46,090
Depreciation	2,776	2,109	77	4,962
Amortization	996	13	285	1,294
Total costs and expenses	164,671	70,390	6,001	241,062
Income/(loss) from operations	21,030	15,296	(6,001)	30,325
Interest expense	(31)	(96)	(3,273)	(3,400)
Intercompany interest income/(expense)	1,731	1,183	(2,914)	-
Loss on extinguishment of debt (a)	-	-	(13,715)	(13,715)
Other income--net	57	796	1,335	2,188
Income/(loss) before income taxes	22,787	17,179	(24,568)	15,398
Income taxes	(8,633)	(6,484)	9,152	(5,965)
Net income/(loss)	\$ 14,154	\$10,695	\$(15,416)	\$ 9,433
2006				
Service revenues and sales	\$171,527	\$77,541	\$ -	\$249,068
Cost of services				

provided and goods sold	136,697	42,406	-	179,103
Selling, general and administrative expenses	13,702	22,232	2,687	38,621
Depreciation	2,087	1,914	81	4,082
Amortization	984	20	313	1,317
	-----	-----	-----	-----
Total costs and expenses	153,470	66,572	3,081	223,123
	-----	-----	-----	-----
Income/(loss) from operations	18,057	10,969	(3,081)	25,945
Interest expense	(38)	(109)	(4,153)	(4,300)
Intercompany interest income/(expense)	1,395	949	(2,344)	-
Other income--net	45	(89)	568	524
	-----	-----	-----	-----
Income/(loss) before income taxes	19,459	11,720	(9,010)	22,169
Income taxes	(7,352)	(4,717)	3,450	(8,619)
	-----	-----	-----	-----
Income/(loss) from continuing operations	12,107	7,003	(5,560)	13,550
Discontinued operations	(708)	-	-	(708)
	-----	-----	-----	-----
Net income/(loss)	\$ 11,399	\$ 7,003	\$ (5,560)	\$ 12,842
	=====	=====	=====	=====

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

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006
(in thousands)(unaudited)

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
	-----	-----	-----	-----
2007				
	-----	-----	-----	-----
Service revenues and sales	\$369,750	\$172,076	\$ -	\$541,826
	-----	-----	-----	-----
Cost of services provided and goods sold	286,734	90,229	-	376,963
Selling, general and administrative expenses (a)	32,164	47,951	14,045	94,160
Depreciation	5,314	4,210	153	9,677
Amortization	1,992	28	589	2,609
Other operating expense/(income) (a)	-	-	(1,138)	(1,138)
	-----	-----	-----	-----
Total costs and expenses	326,204	142,418	13,649	482,271
	-----	-----	-----	-----
Income/(loss) from operations	43,546	29,658	(13,649)	59,555
Interest expense	(67)	(179)	(6,896)	(7,142)
Intercompany interest income/(expense)	3,443	2,339	(5,782)	-
Loss on extinguishment of debt (a)	-	-	(13,715)	(13,715)
Other income--net	(31)	968	2,120	3,057
	-----	-----	-----	-----
Income/(loss) before income taxes	46,891	32,786	(37,922)	41,755
Income taxes	(17,750)	(12,605)	14,254	(16,101)
	-----	-----	-----	-----
Net income/(loss)	\$ 29,141	\$ 20,181	\$ (23,668)	\$ 25,654
	=====	=====	=====	=====
2006				
	-----	-----	-----	-----
Service revenues and sales	\$337,584	\$155,405	\$ -	\$492,989
	-----	-----	-----	-----

Cost of services provided and goods sold	270,293	84,845	-	355,138
Selling, general and administrative expenses	26,917	44,774	5,384	77,075
Depreciation	4,144	3,883	187	8,214
Amortization	1,968	40	605	2,613
	-----	-----	-----	-----
Total costs and expenses	303,322	133,542	6,176	443,040
	-----	-----	-----	-----
Income/(loss) from operations	34,262	21,863	(6,176)	49,949
Interest expense	(69)	(282)	(9,294)	(9,645)
Intercompany interest income/(expense)	2,349	1,801	(4,150)	-
Loss on extinguishment of debt (b)	-	-	(430)	(430)
Other income--net	57	273	1,689	2,019
	-----	-----	-----	-----
Income/(loss) before income taxes	36,599	23,655	(18,361)	41,893
Income taxes	(13,812)	(9,451)	6,958	(16,305)
	-----	-----	-----	-----
Income/(loss) from continuing operations	22,787	14,204	(11,403)	25,588
Discontinued operations	(531)	-	-	(531)
	-----	-----	-----	-----
Net income/(loss)	\$ 22,256	\$ 14,204	\$(11,403)	\$ 25,057
	=====	=====	=====	=====

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

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATING SUMMARY OF EBITDA
FOR THE THREE MONTHS ENDED JUNE 30, 2007 AND 2006
(in thousands)(unaudited)

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
	-----	-----	-----	-----
2007				
Net income/(loss)	\$14,154	\$10,695	\$(15,416)	\$ 9,433
Add/(deduct):				
Interest expense	31	96	3,273	3,400
Income taxes	8,633	6,484	(9,152)	5,965
Depreciation	2,776	2,109	77	4,962
Amortization	996	13	285	1,294
	-----	-----	-----	-----
EBITDA	26,590	19,397	(20,933)	25,054
Add/(deduct):				
Long-term incentive compensation	-	-	1,620	1,620
Stock option expense	-	-	897	897
Legal expenses of OIG investigation	74	-	-	74
Loss on extinguishment of debt	-	-	13,715	13,715
Advertising cost adjustment (c)	-	(99)	-	(99)
Interest income	(66)	(52)	(826)	(944)
Intercompany interest (income)/expense	(1,731)	(1,183)	2,914	-
	-----	-----	-----	-----
Adjusted EBITDA	\$24,867	\$18,063	\$(2,613)	\$40,317
	=====	=====	=====	=====

2006				
Net income/(loss)	\$11,399	\$ 7,003	\$(5,560)	\$12,842
Add/(deduct):				
Discontinued operations	708	-	-	708
Interest expense	38	109	4,153	4,300
Income taxes	7,352	4,717	(3,450)	8,619
Depreciation	2,087	1,914	81	4,082
Amortization	984	20	313	1,317

EBITDA	22,568	13,763	(4,463)	31,868
Add/(deduct):				
Stock option expense	-	-	18	18
Legal expenses of OIG investigation	342	-	-	342
Advertising cost adjustment (c)	-	(87)	-	(87)
Interest income	(35)	(17)	(527)	(579)
Intercompany interest (income)/expense	(1,395)	(949)	2,344	-
Adjusted EBITDA	\$21,480	\$12,710	\$ (2,628)	\$31,562

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

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATING SUMMARY OF EBITDA
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006
(in thousands)(unaudited)

	VITAS	Roto-Rooter	Corporate	Chemed Consolidated
2007				
Net income/(loss)	\$29,141	\$20,181	\$(23,668)	\$25,654
Add/(deduct):				
Discontinued operations	-	-	-	-
Interest expense	67	179	6,896	7,142
Income taxes	17,750	12,605	(14,254)	16,101
Depreciation	5,314	4,210	153	9,677
Amortization	1,992	28	589	2,609
EBITDA	54,264	37,203	(30,284)	61,183
Add/(deduct):				
Long-term incentive compensation	-	-	7,067	7,067
Stock option expense	-	-	1,482	1,482
Legal expenses of OIG investigation	140	-	-	140
Gain on sale of property	-	-	(1,138)	(1,138)
Other	-	-	(467)	(467)
Loss on extinguishment of debt	-	-	13,715	13,715
Advertising cost adjustment (c)	-	(396)	-	(396)
Interest income	(79)	(111)	(1,521)	(1,711)
Intercompany interest (income)/expense	(3,443)	(2,339)	5,782	-
Adjusted EBITDA	\$50,882	\$34,357	\$ (5,364)	\$79,875

2006				
Net income/(loss)	\$22,256	\$14,204	\$(11,403)	\$25,057
Add/(deduct):				
Discontinued operations	531	-	-	531
Interest expense	69	282	9,294	9,645
Income taxes	13,812	9,451	(6,958)	16,305
Depreciation	4,144	3,883	187	8,214
Amortization	1,968	40	605	2,613
EBITDA	42,780	27,860	(8,275)	62,365
Add/(deduct):				
Stock option expense	-	-	18	18
Legal expenses of OIG investigation	474	-	-	474
Loss on extinguishment of debt	-	-	430	430
Advertising cost adjustment (c)	-	(581)	-	(581)
Interest income	(76)	(40)	(1,435)	(1,551)
Intercompany interest				

(income)/expense	(2,349)	(1,801)	4,150	-
Adjusted EBITDA	\$40,829	\$25,438	\$ (5,112)	\$61,155

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

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
RECONCILIATION OF ADJUSTED NET INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2007 AND 2006
(in thousands, except per share data)(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Net income/(loss) as reported	\$ 9,433	\$12,842	\$25,654	\$25,057
Add/(deduct):				
Discontinued operations	-	708	-	531
Aftertax cost of long-term incentive compensation	1,013	-	4,427	-
Aftertax stock option expense	570	12	941	12
Aftertax cost of legal expenses of OIG investigation	46	212	87	294
Aftertax other	-	-	(296)	-
Gain on sale of property	-	-	(724)	-
Aftertax cost of loss on extinguishment of debt	8,726	-	8,726	273
Adjusted income from continuing operations	\$19,788	\$13,774	\$38,815	\$26,167
Earnings/(Loss) Per Share As Reported				
Net income/(loss)	\$ 0.38	\$ 0.49	\$ 1.02	\$ 0.96
Average number of shares outstanding	24,506	26,201	25,108	26,123
Diluted Earnings/(Loss) Per Share As Reported				
Net income/(loss)	\$ 0.38	\$ 0.48	\$ 1.00	\$ 0.93
Average number of shares outstanding	25,080	26,846	25,684	26,815
Adjusted Earnings Per Share				
Income from continuing operations	\$ 0.81	\$ 0.53	\$ 1.55	\$ 1.00
Average number of shares outstanding	24,506	26,201	25,108	26,123
Adjusted Diluted Earnings Per Share				
Income from continuing operations	\$ 0.79	\$ 0.51	\$ 1.51	\$ 0.98
Average number of shares outstanding	25,080	26,846	25,684	26,815

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

OPERATING STATISTICS FOR VITAS SEGMENT
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2007 AND 2006
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006 (f)	2007	2006 (f)
OPERATING STATISTICS				
Net revenue (\$000) (d)				
Homecare	\$134,794	\$120,768	\$266,341	\$234,000
Inpatient	22,745	21,720	46,207	44,736
Continuous care	28,162	29,638	56,730	59,447
Total before Medicare cap allowance	185,701	172,126	369,278	338,183
Medicare cap allowance	-	(599)	472	(599)
Total	\$185,701	\$171,527	\$369,750	\$337,584
=====				
Net revenue as a percent of total before Medicare cap allowance				
Homecare	72.6 %	70.2 %	72.0 %	69.2 %
Inpatient	12.2	12.6	12.5	13.2
Continuous care	15.2	17.2	15.4	17.6
Total before Medicare cap allowance	100.0	100.0	99.9	100.0
Medicare cap allowance	-	(0.3)	0.1	(0.2)
Total	100.0 %	99.7 %	100.0 %	99.8 %
=====				
Average daily census ("ADC") (days)				
Homecare	6,915	6,275	6,851	6,104
Nursing home	3,574	3,488	3,574	3,424
Routine homecare	10,489	9,763	10,425	9,528
Inpatient	413	404	419	417
Continuous care	504	537	514	553
Total	11,406	10,704	11,358	10,498
=====				
Total Admissions	13,658	12,987	27,768	26,760
Total Discharges	13,359	12,528	27,416	25,825
Average length of stay (days)	76.6	68.0	76.8	70.3
Median length of stay (days)	13.0	13.0	13.0	13.0
ADC by major diagnosis				
Neurological	33.0 %	33.1 %	33.2 %	33.1 %
Cancer	19.7	20.0	19.7	20.2
Cardio	14.6	15.0	14.6	14.9
Respiratory	6.9	7.2	6.9	7.2
Other	25.8	24.7	25.6	24.6
Total	100.0 %	100.0 %	100.0 %	100.0 %
=====				
Admissions by major diagnosis				
Neurological	18.0 %	19.6 %	18.6 %	20.1 %
Cancer	35.9	35.0	35.0	34.4
Cardio	12.9	13.2	13.1	13.6
Respiratory	7.7	7.0	7.8	7.5
Other	25.5	25.2	25.5	24.4
Total	100.0 %	100.0 %	100.0 %	100.0 %
=====				
Direct patient care margins (e)				
Routine homecare	51.1 %	49.5 %	50.9 %	48.6 %
Inpatient	18.9	20.9	19.5	22.0
Continuous care	17.7	20.3	18.9	19.3
Homecare margin drivers (dollars per patient day)				
Labor costs	\$ 48.96	\$ 48.31	\$ 49.04	\$ 49.77
Drug costs	7.82	8.39	7.99	7.90
Home medical equipment	5.78	5.51	5.77	5.52

Medical supplies	2.11	2.11	2.14	2.10
Inpatient margin drivers (dollars per patient day)				
Labor costs	\$ 262.37	\$ 258.32	\$ 257.35	\$ 252.87
Continuous care margin drivers (dollars per patient day)				
Labor costs	\$ 484.13	\$ 463.62	\$ 474.21	\$ 458.96
Bad debt expense as a percent of revenues	0.9 %	0.9 %	0.9 %	0.9 %
Accounts receivable -- days of revenue outstanding	37.5	40.1	N.A.	N.A.

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

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
FOOTNOTES TO FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2007 AND 2006
(unaudited)

- (a) Included in the results of operations for the three and six months ended June 30, 2007 are the following significant credits/(charges) which may not be indicative of on going operations (in thousands):

	Three Months Ended June 30, 2007		
	VITAS	Corporate	Consolidated
Selling, general and administrative expenses			
Long-term incentive compensation	\$ -	\$ (1,620)	\$ (1,620)
Costs associated with OIG investigation	(74)	-	(74)
Stock option expense	-	(897)	(897)
Loss on extinguishment of debt	-	(13,715)	(13,715)
	-----	-----	-----
Pretax impact on earnings	(74)	(16,232)	(16,306)
Income tax benefit/(charge) on the above	28	5,923	5,951
	-----	-----	-----
Aftertax impact on earnings	\$ (46)	\$(10,309)	\$(10,355)
	=====	=====	=====
	Six Months Ended June 30, 2007		
	VITAS	Corporate	Consolidated
Selling, general and administrative expenses			
Long-term incentive compensation	\$ -	\$ (7,067)	\$ (7,067)
Costs associated with OIG investigation	(140)	-	(140)
Stock option expense	-	(1,482)	(1,482)
Other	-	467	467
Other operating expenses/(income)			
Gain on sale of property	-	1,138	1,138
Loss on extinguishment of debt	-	(13,715)	(13,715)
	-----	-----	-----
Pretax impact on earnings	(140)	(20,659)	(20,799)
Income tax benefit/(charge) on the above	53	7,585	7,638
	-----	-----	-----
Aftertax impact on earnings	\$ (87)	\$(13,074)	\$(13,161)
	=====	=====	=====

- (b) Included in the results of operations for the three and six months ended June 30, 2006 are the following significant credits/(charges) which may not be indicative of on going

operations (in thousands):

	Three Months Ended June 30, 2006		
	VITAS	Corporate	Consolidated
Selling, general and administrative expenses			
Costs associated with OIG investigation	\$ (342)	\$ -	\$ (342)
Stock option expense	-	(18)	(18)
Pretax impact on earnings	(342)	(18)	(360)
Income tax benefit on the above	130	6	136
Aftertax impact on earnings	\$ (212)	\$ (12)	\$ (224)
	=====	=====	=====
	Six Months Ended June 30, 2006		
	VITAS	Corporate	Consolidated
Selling, general and administrative expenses			
Costs associated with OIG investigation	\$ (474)	\$ -	\$ (474)
Stock option expense	-	(18)	(18)
Loss on extinguishment of debt	-	(430)	(430)
Pretax impact on earnings	(474)	(448)	(922)
Income tax benefit on the above	180	163	343
Aftertax impact on earnings	\$ (294)	\$ (285)	\$ (579)
	=====	=====	=====

(c) Under Generally Accepted Accounting Principles ("GAAP"), the Roto-Rooter segment expenses all advertising, including the cost of telephone directories, immediately upon the initial release of the advertising. Telephone directories are generally in circulation 12 months. If a directory is in circulation for a time period greater or less than 12 months, the publisher adjusts the directory billing for the change in billing period. The timing of when a telephone directory is published can and does fluctuate significantly on a quarterly basis. This "direct expensing" results in significant fluctuations in quarterly advertising expense. In the second quarters of 2007 and 2006, GAAP advertising expense for Roto-Rooter totaled \$5,449,000 and \$4,914,000, respectively. If the expense of the telephone directories were spread over the periods they are in circulation, advertising expense for the second quarters of 2007 and 2006 would total \$5,548,000 and \$5,001,000, respectively. For the six months ended June 30, 2007 and 2006, GAAP advertising expense for Roto-Rooter totaled \$10,642,000 and \$9,338,000, respectively. If the expense of the telephone directories were spread over the periods they are in circulation, advertising expense for the six months ended June 30, 2007 and 2006 would total \$11,038,000 and \$9,919,000, respectively.

(d) VITAS has 6 large (greater than 450 ADC), 15 medium (greater than 200 but less than 450 ADC) and 23 small (less than 200 ADC) hospice programs. There are two programs with Medicare cap cushion of less than 10% for the 2007 measurement period.

(e) Amounts exclude indirect patient care and administrative costs, as well as Medicare Cap billing limitation.

(f) Reclassified for operations discontinued in November 2006.

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