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

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

For Quarter Ended March 31, 2003

Commission File Number 1-8351

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

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

2600 Chemed Center, 255 E. Fifth Street, Cincinnati, Ohio 45202  
(Address of principal executive offices) (Zip code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes  No

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

Class	Amount	Date
Capital Stock \$1 Par Value	9,824,542 Shares	April 30, 2003

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CHEMED CORPORATION AND  
SUBSIDIARY COMPANIES

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

	<u>March 31,</u> <u>2003</u>	<u>December 31,</u> <u>2002*</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 43,625	\$ 37,731
Accounts receivable, less allowances of \$3,392 (2002- \$3,309)	14,685	16,071
Inventories	9,090	9,493
Statutory deposits	10,536	12,323
Current deferred income taxes	7,631	7,278
Prepaid expenses and other current assets	<u>12,056</u>	<u>13,332</u>
Total current assets	97,623	96,228
Investments of deferred compensation plans held in trust	15,000	15,176
Other investments	32,789	37,326
Note receivable	12,500	12,500
Properties and equipment, at cost less accumulated depreciation of \$63,496 (2002 - \$62,370)	47,297	48,361
Identifiable intangible assets less accumulated amortization of \$7,319 (2002 - \$7,167)	2,739	2,889
Goodwill less accumulated amortization of \$30,477 (2002 - \$30,457)	111,403	110,843
Other assets	<u>17,232</u>	<u>15,606</u>
Total Assets	<u>\$ 336,583</u>	<u>\$ 338,929</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$ 4,261	\$ 5,686
Current portion of long-term debt	472	409
Income taxes	8,506	7,348
Deferred contract revenue	17,323	17,321
Accrued insurance	17,631	16,978
Other current liabilities	<u>18,515</u>	<u>22,127</u>
Total current liabilities	66,708	69,869
Long-term debt	25,802	25,603
Deferred compensation liabilities	14,925	15,196
Other liabilities	<u>11,872</u>	<u>10,798</u>
Total Liabilities	<u>119,307</u>	<u>121,466</u>
<b>MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED SECURITIES OF THE CHEMED CAPITAL TRUST</b>		
	<u>14,186</u>	<u>14,186</u>
<b>STOCKHOLDERS' EQUITY</b>		
Capital stock-authorized 15,000,000 shares \$1 par; issued 13,451,281 shares (2002 - 13,448,475 shares)	13,451	13,448
Paid-in capital	168,568	168,299
Retained earnings	134,160	132,793
Treasury stock - 3,626,739 shares (2002 - 3,630,689 shares), at cost	(111,476)	(111,582)
Unearned compensation	(4,259)	(4,694)
Deferred compensation payable in company stock	2,294	2,280
Notes receivable for shares sold	(933)	(952)
Accumulated other comprehensive income	<u>1,285</u>	<u>3,685</u>
Total Stockholders' Equity	203,090	203,277
Total Liabilities and Stockholders' Equity	<u>\$ 336,583</u>	<u>\$ 338,929</u>

\*Reclassified to conform with 2003 presentation.  
See accompanying notes to unaudited financial statements.

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

	Three Months Ended	
	March 31,	
	<u>2003</u>	<u>2002*</u>
Continuing Operations		
Service revenues and sales	\$ 77,645	\$ 80,853
Cost of services provided and cost of goods sold	46,152	48,508
General and administrative expenses	16,524	12,654
Selling and marketing expenses	11,078	11,993
Depreciation	<u>3,052</u>	<u>3,492</u>
Total costs and expenses	<u>76,806</u>	<u>76,647</u>
Income from operations	839	4,206
Interest expense	(539)	(773)
Distributions on preferred securities	(268)	(270)
Other income - net	<u>4,263</u>	<u>2,589</u>
Income before income taxes	4,295	5,752
Income taxes	<u>(1,742)</u>	<u>(1,947)</u>
Income from continuing operations	2,553	3,805
Discontinued operations	<u>-</u>	<u>867</u>
Net income	<u>\$ 2,553</u>	<u>\$ 4,672</u>
Earnings Per Common Share		
Income from continuing operations	<u>\$ .26</u>	<u>\$ .39</u>
Net income	<u>\$ .26</u>	<u>\$ .47</u>
Average number of shares outstanding	<u>9,890</u>	<u>9,843</u>
Diluted Earnings Per Share		
Income from continuing operations	<u>\$ .26</u>	<u>\$ .39</u>
Net income	<u>\$ .26</u>	<u>\$ .47</u>
Average number of shares outstanding	<u>9,903</u>	<u>9,883</u>
Cash Dividends Paid Per Share	<u>\$ .12</u>	<u>\$ .11</u>

\*Reclassified for operations discontinued in 2002.  
 See accompanying notes to unaudited financial statements.

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

	<u>Three Months Ended March 31,</u>	
	<u>2003</u>	<u>2002*</u>
<b>Cash Flows From Operating Activities</b>		
Net income	\$ 2,553	\$ 4,672
Adjustments to reconcile net income to net cash provided by operating activities:		
Gains on sale of investments	(3,544)	(1,141)
Depreciation and amortization	3,236	3,696
Provision for deferred income taxes	(917)	(177)
Provision for uncollectible accounts receivable	85	691
Discontinued operations	-	(867)
Changes in operating assets and liabilities, excluding amounts acquired in business combinations		
Decrease/(increase) in accounts receivable	1,301	(419)
Decrease in inventories	403	391
Decrease in statutory deposits	1,787	773
Decrease/(increase) in prepaid expenses and other current assets	(576)	1,338
Decrease in accounts payable, deferred contract revenue and other current liabilities	(4,273)	(8,872)
Increase in income taxes	3,215	4,793
Other - net	<u>1,915</u>	<u>1,877</u>
Net cash provided by continuing operations	5,185	6,755
Net cash used by discontinued operations	<u>-</u>	<u>(116)</u>
Net cash provided by operating activities	<u>5,185</u>	<u>6,639</u>
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale of investments	4,493	1,917
Capital expenditures	(2,062)	(2,530)
Net uses for discontinued operations	(524)	(816)
Business combinations--net of cash acquired	(168)	(1,229)
Other - net	<u>-</u>	<u>1,228</u>
Net cash provided/(used) by investing activities	<u>1,739</u>	<u>(1,430)</u>
<b>Cash Flows From Financing Activities</b>		
Dividends paid	(1,188)	(1,083)
Issuance of capital stock	194	523
Proceeds from issuances of long-term debt	-	5,000
Purchases of treasury stock	(58)	(3,141)
Other - net	<u>22</u>	<u>(168)</u>
Net cash provided/(used) by financing activities	<u>(1,030)</u>	<u>1,131</u>
Increase in Cash and Cash Equivalents	5,894	6,340
Cash and Cash Equivalents at Beginning of Period	<u>37,731</u>	<u>8,725</u>
Cash and Cash Equivalents at End of Period	<u>\$ 43,625</u>	<u>\$ 15,065</u>

\*Reclassified for operations discontinued in 2002.  
 See accompanying notes to unaudited financial statements.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

Notes to Unaudited Financial Statements

1. The accompanying unaudited consolidated financial statements have been prepared in accordance with Rule 10-01 of SEC Regulation S-X. Consequently, they do not include all the disclosures required under generally accepted accounting principles for complete financial statements. However, in the opinion of the management of Chemed Corporation (the "Company"), the financial statements presented herein contain all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position, results of operations and cash flows of the Company and its consolidated subsidiaries ("Chemed"). For further information regarding Chemed's accounting policies, refer to the consolidated financial statements and notes included in Chemed's Annual Report on Form 10-K for the year ended December 31, 2002.

The Company uses Accounting Principles Board Opinion No. 25 ("APB 25"), Accounting for Stock Issued to Employees, to account for stock-based compensation. Since the Company's stock options qualify as fixed options under APB 25 and since the option price equals the market price on the date of grant, there is no compensation expense for stock options. Stock awards are expensed during the period the related services are provided.

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair-value-recognition provisions of Financial Accounting Standards Board Statement No. 123, Accounting for Stock-Based Compensation (in thousands, except per share data):

	<u>Three Months Ended March 31,</u>	
	<u>2003</u>	<u>2002</u>
Net income as reported	\$ 2,553	\$ 4,672
Add: stock-based compensation expense included in net income as reported, net of income tax effects	34	30
Deduct: total stock-based employee compensation determined under a fair-value-based method for all stock options and awards, net of income tax effects	<u>(225)</u>	<u>(105)</u>
Pro forma net income	<u>\$ 2,362</u>	<u>\$ 4,597</u>
Earnings per share		
As reported	<u>\$ .26</u>	<u>\$ .47</u>
Pro forma	<u>\$ .24</u>	<u>\$ .47</u>
Diluted earnings per share		
As reported	<u>\$ .26</u>	<u>\$ .47</u>
Pro forma	<u>\$ .24</u>	<u>\$ .47</u>

2. Service revenues and sales and aftertax earnings by business segment follow (in thousands):

	Three Months Ended	
	March 31,	
	<u>2003</u>	<u>2002</u>
<u>Service Revenues and Sales</u>		
Roto-Rooter	\$ 64,725	\$ 65,279
Service America	<u>12,920</u>	<u>15,574</u>
Total	<u>\$ 77,645</u>	<u>\$ 80,853</u>
<u>Aftertax Earnings</u>		
Roto-Rooter	\$ 3,602	\$ 3,479
Service America	<u>40</u>	<u>327</u>
Total segment earnings	3,642	3,806
Corporate		
Gains on sales of investments	2,151	775
Overhead	(3,583) (a)	(972)
Net investing and financing income	343	196
Discontinued operations	<u>-</u>	<u>867</u>
Net income	<u>\$ 2,553</u>	<u>\$ 4,672</u>

(a) Amount includes aftertax severance charges of \$2,358,000.

3. Earnings per common share are computed using the weighted average number of share of capital stock outstanding. Diluted earnings per share are computed as follows (in thousands, except per share data):

	Income (Numerator)	Shares (Denominator)	Income Per Share
<u>Income from Continuing Operations - For the Three Months Ended March 31,</u>			
2003			
Earnings	\$ 2,553	9,890	<u>\$ .26</u>
Dilutive stock options	<u>-</u>	<u>13</u>	
Diluted earnings	<u>\$ 2,553</u>	<u>9,903</u>	<u>\$ .26</u>
2002			
Earnings	\$ 3,805	\$ 9,843	<u>\$ .39</u>
Dilutive stock options	<u>-</u>	<u>40</u>	
Diluted earnings	<u>\$ 3,805</u>	<u>9,883</u>	<u>\$ .39</u>
<u>Net Income - For the Three Months Ended March 31,</u>			
2003			
Earnings	\$ 2,553	9,890	<u>\$ .26</u>
Dilutive stock options	<u>-</u>	<u>13</u>	
Diluted earnings	<u>\$ 2,553</u>	<u>9,903</u>	<u>\$ .26</u>
2002			
Earnings	\$ 4,672	\$ 9,843	<u>\$ .47</u>
Dilutive stock options	<u>-</u>	<u>40</u>	
Diluted earnings	<u>\$ 4,672</u>	<u>9,883</u>	<u>\$ .47</u>

The impact of the convertible preferred securities has been excluded from the above computations because it is antidilutive on earnings per share from continuing operations for both periods.

4. Other income--net from continuing operations comprises the following (in thousands):

	Three Months Ended March 31,	
	<u>2003</u>	<u>2002</u>
Gains on sales of investments	\$ 3,544	\$ 1,141
Interest income	815	636
Unrealized gains/(losses) on investments	(652)	(71)
Dividend income	616	615
Other--net	(60)	268
Total other income--net	<u>\$ 4,263</u>	<u>\$ 2,589</u>

5. In March 2003, the Company and a corporate officer reached agreement providing for termination of the officer's employment in exchange for payment under her employment contract. The payments comprise a \$1,000,000 lump sum payment made in March 2003 and monthly payments of \$52,788 beginning March 2003 and ending May 2007. The present value of these payments (\$3,627,000) is included in general and administrative expenses.
6. The Company had total comprehensive income of \$153,000 and \$4,760,000 for the three months ended March 31, 2003 and 2002, respectively. The difference between the Company's net income and comprehensive income relates to the cumulative unrealized appreciation/depreciation on its available-for-sale securities.
7. During 2003, one purchase business combination was completed within the Roto-Rooter segment for a purchase price of \$574,000 (\$168,000 in cash and a note payable for \$406,000). The business acquired provides drain cleaning and plumbing services under the Roto-Rooter name. The results of operations of this business are not material to the consolidated operations of the Company.

The purchase price was allocated as follows (in thousands):

Goodwill	\$ 474
Other assets	<u>100</u>
Total	<u>\$ 574</u>

8. In the normal course of business the Company enters into various guarantees and indemnifications in its relationships with customers and others. Examples of these arrangements would include guarantees of service and product performance. These guarantees and indemnifications would not materially impact the Company's financial condition or results of operations.
9. In August 2001, the Financial Accounting Standards Board ("FASB") approved the issuance of Statement of Financial Accounting Standards ("SFAS") No. 143, Accounting for Asset Retirement Obligations. This statement became effective for fiscal years beginning after June 15, 2002, and requires recognizing legal obligations associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development



or normal operation of a long-lived asset. Since the Company has no material asset retirement obligations, the adoption of SFAS No. 143 in 2003 did not have a material impact on Chemed's financial statements.

10. In July 2002, the FASB approved the issuance of SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities. Generally, SFAS No. 146 stipulates that defined exit costs (including restructuring and employee termination costs) are to be recorded on an incurred basis rather than on a commitment basis as is presently required. This statement is effective for exit or disposal activities initiated after December 31, 2002. The adoption of SFAS No. 146 in 2003 did not have a material impact on Chemed's financial statements.
11. November 2002, the FASB approved the issuance of FASB Interpretation ("FIN") No. 45, Guarantor's Accounting and Disclosure for Guarantees, Including Indirect Guarantees of Indebtedness of Others. The initial recognition and initial measurement provisions of the Interpretation are applicable to guarantees issued or modified after December 31, 2002. The adoption of FIN No. 45 in 2003 did not have a material impact on Chemed's financial statements.
12. In January 2003, the FASB approved the issuance of FIN No. 46, Consolidation of Variable Interest Entities. It is effective for variable interest entities created after January 31, 2003, and for variable interest entities in which an enterprise obtains an interest after that date. Because the Company has no such investments, the adoption of this statement did not have a material impact on the Company's financial statements.

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

**Financial Condition**

The decline in other investments from \$37,326,000 at December 31, 2002 to \$32,789,000 is due to the sale of various available-for-sale securities in the first quarter of 2003. The decline in other current liabilities from \$22,127,000 at December 31, 2002 to \$18,515,000 is primarily due to the payment of incentive compensation and discretionary thrift plan contributions for 2002 in the first quarter of 2003. There are no other significant changes in the balance sheet accounts during the first three months of 2003.

At March 31, 2003, Chemed had cash and cash equivalents of \$43.6 million and approximately \$53.4 million of unused lines of credit with various banks. Management believes its liquidity and sources of capital are satisfactory for the Company's needs in the foreseeable future.

**Results of Operations**

Data relating to (a) the decrease in service revenues and sales and (b) aftertax earnings/(loss) as a percent of service revenues and sales for each segment are set forth below:

Three Months Ended <u>March 31,</u>	<b>Service Revenues and Sales - %</b>	<b>Aftertax Earnings as a % Of Revenues (Aftertax Margin)</b>	
	<b><u>Increase/(Decrease)</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
	<b>2003 vs. 2002</b>		
Roto-Rooter	( 1)%	5.6%	5.3%
Service America	(17)	0.3	2.1
Total	(4)	4.7	4.7

**First Quarter 2003 versus First Quarter 2002**

Service revenues and sales of the Roto-Rooter segment for the first quarter of 2003 totaled \$64,725,000, a decline of 1% versus the \$65,279,000 recorded in the first quarter of 2002. Revenues of the drain cleaning business and the plumbing services business declined 2% and 1%, respectively, for the first quarter of 2003, as compared with revenues for 2002. Each of these businesses' revenues accounts for 42% and 38%, respectively, of Roto-Rooter's total revenues and sales. As a result of Roto-Rooter's disposing of most of its heating and cooling businesses and non-Roto-Rooter-branded operations in 2002, revenues of this line of business declined by \$1,794,000 in 2003. The aftertax margin of this segment during the first quarter of 2003 was 5.6% as compared with 5.3% in the first quarter of 2002. This increase is attributable to a higher gross profit margin in the 2003 quarter.

Service revenues and sales of the Service America segment declined 17% from \$15,574,000 in the first quarter of 2002 to \$12,920,000 in the first quarter of 2003. This decline is attributable to a decline in contract renewals in 2003 and lower retail sales in 2003. The aftertax margin of this segment was .3% in the first quarter of 2003 as compared with 2.1% in the first quarter of 2002.

This decline is attributable to a decline in the gross profit margin (3.4 percentage points) in the 2003 quarter, partially offset by lower operating expenses as a percent of sales (1.0 percentage points). The lower gross margin is primarily due to higher labor costs (as a percent of revenues) in 2003.

Income from operations declined from \$4,206,000 in the first quarter of 2002 to \$839,000 in the first quarter of 2003. This decline is attributable to charges of \$3,627,000 (included in general and administrative expenses) for the settlement of an employment contract with a corporate officer in March 2003. The amount of the charge represents the present value of payments beginning in March 2003 and ending in May 2007.

Interest expense declined from \$773,000 in the first quarter of 2002 to \$539,000, as a result of lower debt levels during 2003.

Other income-net increased from \$2,589,000 in the first quarter of 2002 to \$4,263,000 in the first quarter of 2003 primarily due to higher capital gains on the sales of investments in the 2003 quarter. These gains totaled \$3,544,000 in the first quarter of 2003 versus \$1,141,000 in the first quarter of 2002.

The effective income tax rate during the first quarter of 2003 was 40.6% as compared with 33.8% during the first quarter of 2002. The higher effective rate in 2003 versus the rate for 2002 is primarily attributable to a higher effective state income tax rate in 2003 related to gains on the sales of investments and favorable tax adjustments in 2002.

Income from continuing operations declined from \$3,805,000 (\$.39 per share) in the first quarter of 2002 to \$2,553,000 (\$.26 per share) in the first quarter of 2003. Income for 2003 included aftertax severance charges of \$2,358,000 (\$.24 per share) and aftertax gains on the sales of investments of \$2,151,000 (\$.22 per share). Income for 2002 included aftertax gains on the sales of investments of \$775,000 (\$.08 per share).

Net income declined from \$4,672,000 (\$.47 per share) in the first quarter of 2002 to \$2,553,000 (\$.26 per share) in the first quarter of 2003. Income for 2003 included aftertax severance charges of \$2,358,000 (\$.24 per share) and aftertax gains on the sales of investments of \$2,151,000 (\$.22 per share). Income for 2002 included aftertax gains on the sales of investments of \$775,000 (\$.08 per share) and discontinued operations of \$867,000 (\$.08 per share).

#### **Recent Accounting Statements**

In August 2001, the Financial Accounting Standards Board ("FASB") approved the issuance of Statement of Financial Accounting Standards ("SFAS") No. 143, Accounting for Asset Retirement Obligations. This statement became effective for fiscal years beginning after June 15, 2002, and requires recognizing legal obligations associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development or normal operation of a long-lived asset. Since the Company has no material asset retirement obligations, the adoption of SFAS No. 143 in 2003 did not have a material impact on Chemed's financial statements.

In July 2002, the FASB approved the issuance of SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities. Generally, SFAS No. 146 stipulates that defined exit costs (including restructuring and employee termination costs) are to be recorded on an

incurred basis rather than on a commitment basis as is presently required. This statement is effective for exit or disposal activities initiated after December 31, 2002. The adoption of SFAS No. 146 in 2003 did not have a material impact on Chemed's financial statements.

In November 2002, the FASB approved the issuance of FASB Interpretation ("FIN") No. 45, Guarantor's Accounting and Disclosure for Guarantees, Including Indirect Guarantees of Indebtedness of Others. The initial recognition and initial measurement provisions of the Interpretation are applicable to guarantees issued or modified after December 31, 2002. The adoption of FIN No. 45 in 2003 did not have a material impact on Chemed's financial statements.

In January 2003, the FASB approved the issuance of FIN No. 46, Consolidation of Variable Interest Entities. It is effective for variable interest entities created after January 31, 2003, and for variable interest entities in which an enterprise obtains an interest after that date. Because the Company has no such investments, the adoption of this statement did not have a material impact on the Company's financial statements.

**Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 Regarding Forward-Looking Information**

In addition to historical information, this report contains forward-looking statements and performance trends that are based upon assumptions subject to certain known and unknown risks, uncertainties, contingencies and other factors. Variances in any or all of the risks, uncertainties, contingencies, and other factors from the Company's assumptions could cause actual results to differ materially from these forward-looking statements and trends. The Company's ability to deal with the unknown outcomes of these events, many of which are beyond the control of the Company, may affect the reliability of its projections and other financial matters.

#### **Item 4. Controls and Procedures**

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management to allow timely decisions regarding required disclosure. Management necessarily applies its judgment in assessing the costs and benefits of such controls and procedures which, by their nature, can provide only reasonable assurance regarding management's control objectives.

Within 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision of the Company's President and Chief Executive Officer, and with the participation of the Executive Vice President and Treasurer and the Vice President and Controller, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon the foregoing, the Company's President and Chief Executive Officer, Executive Vice President and Treasurer and Vice President and Controller concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company and its consolidated subsidiaries required to be included in the Company's Exchange Act reports. There have been no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

**PART II OTHER INFORMATION**

**Item 6. Exhibits and Reports on Form 8-K**

(a) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Certification by Kevin J. McNamara pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.2	Certification by Timothy S. O'Toole pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.3	Certification by Arthur V. Tucker, Jr. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

- A current Report on Form 8-K, dated April 17, 2003, was filed April 18, 2003. The report includes the Company's first quarter 2003 earnings release dated April 17, 2003.
- A current Report on Form 8-K, dated April 23, 2003, was filed April 24, 2003. The report includes the Company's First Quarter Report for the period ending March 31, 2003.

**SIGNATURES**

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

Chemed Corporation  
(Registrant)

Dated: May 9, 2003

By Kevin J. McNamara  
Kevin J. McNamara  
(President and Chief  
Executive Officer)

Dated: May 9, 2003

By Timothy S. O'Toole  
Timothy S. O'Toole  
(Executive Vice President and  
Treasurer)

Dated: May 9, 2003

By Arthur V. Tucker, Jr.  
Arthur V. Tucker, Jr.  
(Vice President and Controller)

**CERTIFICATIONS PURSUANT TO RULE 13A - 14 OF THE EXCHANGE ACT OF 1934**

I, Kevin J. McNamara, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Chemed Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

Date: May 9, 2003

Kevin J. McNamara  
Kevin J. McNamara  
(President and Chief  
Executive Officer)

I, Timothy S. O'Toole, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Chemed Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;



5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

Date: May 9, 2003

Timothy S. O'Toole  
Timothy S. O'Toole  
(Executive Vice President  
and Treasurer)

I, Arthur V. Tucker, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Chemed Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including

its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

Date: May 9, 2003

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

CERTIFICATION BY KEVIN J. MCNAMARA  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002.

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as President and Chief Executive Officer of Chemed Corporation ("Company"), does hereby certify that:

- 1) the Company's Quarterly Report of Form 10-Q for the quarter ending March 31, 2003 ("Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2003

Kevin J. McNamara  
Kevin J. McNamara  
(President and Chief  
Executive Officer)

CERTIFICATION BY TIMOTHY S. O'TOOLE  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002.

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Executive Vice President and Treasurer of Chemed Corporation ("Company"), does hereby certify that:

- 1) the Company's Quarterly Report of Form 10-Q for the quarter ending March 31, 2003 ("Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2003

Timothy S. O'Toole  
Timothy S. O'Toole  
(Executive Vice President and  
Treasurer)

CERTIFICATION BY ARTHUR V. TUCKER, JR.  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002.

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Vice President and Controller of Chemed Corporation ("Company"), does hereby certify that:

- 1) the Company's Quarterly Report of Form 10-Q for the quarter ending March 31, 2003 ("Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2003

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