KINDRED HEALTHCARE, INC Form 5/A April 0 FO

April 07, 20)06									
FORM 5							OMB APPROVAL			
UNITED STATES SECURITIES AND EXCHANGE COMMISSION							OMB Number:	3235-0362		
5 obligations may continue.			Washington, D.C. 20549				Expires:	January 31, 2005		
			ATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES				Estimated a burden hour response	verage		
See InstructionFiled pursuant to Section 16(a) of the Securities Exchange Act of 1934,1(b).Form 3 Holdings Section 17(a) of the Public Utility Holding Company Act of 1935 or SectionReported30(h) of the Investment Company Act of 1940TransactionsReported										
1. Name and Address of Reporting Person <u>*</u> FRANKLIN MUTUAL ADVISERS LLC			2. Issuer Name and Ticker or Trading Symbol KINDRED HEALTHCARE, INC [(KND)]			 Relationship of Reporting Person(s) to Issuer (Check all applicable) 				
(Last)	(First) (Middle)	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) 12/31/2005			DirectorX 10% Owner Officer (give title Other (specify below) below)				
101 JOHN F. KENNEDY PARKWAY										
(Street)			4. If Amendment, Date Original Filed(Month/Day/Year) 03/03/2006			6. Individual or Joint/Group Reporting				
						(check applicable line)				
SHORT HILLS, NJ 07078 _X_Form Filed by One Reporting Person Form Filed by More than One Reporting Person										
(City)	(State)	(Zip)	^(p) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficiall							
1.Title of Security (Instr. 3)	(Month/Day/Year) Execution Date, if Transaction or Disposed of (D) any Code (Instr. 3, 4 and 5) (Month/Day/Year) (Instr. 8)		4. Securities Acquired or Disposed of (D) (Instr. 3, 4 and 5) (A)	d (A) 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year	Ownership Form:	7. Nature of Indirect Beneficial Ownership (Instr. 4)				

 $P4^{(1)(2)}$

Common 05/19/2004 Stock

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Price

48.0573

\$

(3)

(Instr. 3 and

6,291,368

4)

(4)

(Instr. 4)

D

or

А

Amount (D)

2,600

(3)

SEC 2270 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amor Underlying Secur (Instr. 3 and 4)	
					(A)	(D)	Date Exercisable	Expiration Date	Title	An or Nu of S
Option (Right to Buy) (5)	\$ 47.5 <u>(3)</u>	07/17/2001	Â	J4 (1)(2)(6)	10,000 (3)	Â	07/17/2002 <u>(7)</u>	07/17/2011	Common Stock	10
Option (Right to Buy) <u>(5)</u>	\$ 52 <u>(3)</u>	01/01/2002	Â	J4 (1)(2)(6)	3,000 (3)	Â	01/01/2003(8)	01/01/2012	Common Stock	3,
Option (Right to Buy) (5)	\$ 18.15 (<u>3</u>)	01/01/2003	Â	J4 (1)(2)(6)	3,000 (3)	Â	01/01/2004(9)	01/01/2013	Common Stock	3,
Option (Right to Buy) (5)	\$ 51.98 (<u>3)</u>	01/01/2004	Â	J4 (1)(2)(6)	3,000 (3)	Â	01/01/2005(10)	01/01/2014	Common Stock	3,
Option (Right to Buy) <u>(5)</u>	\$ 27.9	01/10/2005	Â	J4 (1)(2)(6)	5,000	Â	01/10/2006(11)	01/10/2015	Common Stock	5,

Reporting Owners

Reporting Owner Name / Address		Relationsh		
	Director	10% Owner	Officer	Other
FRANKLIN MUTUAL ADVISERS LLC 101 JOHN F. KENNEDY PARKWAY SHORT HILLS, NJ 07078	Â	ÂX	Â	Â
Signatures				

Signatures

By: Bradley D. Takahashi, Vice President of Franklin Mutual Advisers, LLC 04/07/2006

**Signature of Reporting Person

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) This amendment revises the transaction code disclosures in Tables I and II and clarifies certain footnotes.

Reporting Owners

Date

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(2) See Exhibit 99.1 for text of footnote, which text is incorporated by reference herein.

On April 26, 2004, the Issuer's board of directors declared a 2-for-1 stock split in the form of a 100% stock dividend distributed on May
 (3) 27, 2004 to stockholders of record as of May 10, 2004. The share amount and price reported have not been adjusted to reflect this dividend.

- (4) Reflects amount post 2-for-1 stock split described in footnote (3) above.
- (5) This option was granted pursuant to the Kindred Healthcare, Inc. 2001 Stock Option Plan for Non-Employee Directors (Amended and Restated).

The grant was made to an employee of Franklin Mutual Advisers, LLC ("FMA") and previously reported on a Form 4 by such

- (6) employee. In accordance with FMA's internal policy, all cash and non-cash compensation issued to FMA's employee in connection with his service on the Issuer's Board of Directors will be distributed directly to FMA's investment management clients. Under the investment management contracts with FMA, FMA retains sole voting and investment power over these securities.
- (7) This option is exercisable in cumulative equal annual installments over four years commencing on 07/17/02.
- (8) This option is exercisable in cumulative equal annual installments over four years commencing on 01/01/03.
- (9) This option is exercisable in cumulative equal annual installments over four years commencing on 01/01/04.
- (10) This option is exercisable in cumulative equal annual installments over four years commencing on 01/01/05.
- (11) This option is exercisable in cumulative equal annual installments over four years commencing on 01/10/06.

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Remarks:

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.