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): September 30, 2017

KINDRED HEALTHCARE, INC.
(Exact name of registrant as specified in its charter)

Delaware	001-14057	61-1323993
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(IRS Employer Identification No.)

680 South Fourth Street
Louisville, Kentucky
(Address of principal executive offices)

40202
(Zip Code)

Registrant's telephone number, including area code: (502) 596-7300

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation to the registrant under any of the following provisions:

☐ 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 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.01. Completion of Acquisition or Disposition of Assets.

As previously disclosed, Kindred Healthcare, Inc. (the "Company") entered into a definitive agreement with BM Eagle Holdings, LLC, a joint venture led by affiliates of BlueMountain Capital Management, LLC ("BlueMountain") under which it is in process of selling the Company's skilled nursing facility business for $700 million in cash. The Company's skilled nursing facility portfolio included 89 nursing centers and seven assisted living facilities in 18 states. Thirty-six of the skilled nursing facilities (the "Ventas Properties") were or continue to be leased from Ventas, Inc. ("Ventas"), and the Company has an option to acquire the real estate of the Ventas Properties for an aggregate consideration of $700 million. As the Company closes on the sale of the Ventas Properties, the Company will pay to Ventas the allocable portion of the $700 million purchase price for the Ventas Properties and Ventas will convey the real estate for the applicable Ventas Property to BlueMountain or another designee. Through September 30, 2017, the Company has completed the sale of 68 skilled nursing facilities and four assisted living facilities for aggregate proceeds of approximately $627 million, as more specifically set forth below.

On September 30, 2017, the Company transferred the operations of 12 skilled nursing centers and four assisted living centers for aggregate proceeds of approximately $108 million to BlueMountain and affiliated buyers. Also on September 30, 2017, the Company transferred the operations of two skilled nursing facilities for aggregate proceeds of approximately $400,000 to parties unrelated to BlueMountain. These two skilled nursing facilities were previously included in the definitive agreement with BlueMountain but the Company and BlueMountain agreed to allow the sale to other unrelated parties. On August 31, 2017, the Company transferred the operations of 54 skilled nursing facilities for aggregate proceeds of approximately $519 million to BlueMountain and affiliated buyers. As a result of the sales completed on September 30, 2017, the skilled nursing facilities and assisted living facilities sold by the Company are now "significant" under Item 2.01 of Form 8-K.

The completion of the remainder of the sales are subject to customary conditions to closing, including the receipt of all licensure, regulatory and other approvals. The Company expects that the remainder of the sales will occur in phases as regulatory and other approvals are received. The Company expects that all of the sales will be completed by year end.

Item 7.01. Regulation FD Disclosure.

Incorporated by reference is Exhibit 99.2 attached hereto, a press release issued by the Company on October 2, 2017. This information is being furnished under Item 7.01 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of such section nor shall this information be deemed incorporated by reference into any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(b) Pro forma financial information

Pursuant to Article 11 of Regulation S-X, the following unaudited pro forma financial information is also being filed under this Item 9.01:

- Pro forma condensed consolidated statement of operations for the years ended December 31, 2016, 2015 and 2014; and
- Pro forma condensed consolidated balance sheet as of June 30, 2017.

(d) Exhibits

Exhibit	Description
Exhibit 99.1	Unaudited pro forma financial information.
Exhibit 99.2	Press release dated October 2, 2017.

SIGNATURES

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

	KINDRED HEALTHCARE, INC.	
Date: October 3, 2017	By:	/s/ Joseph L. Landenwich
		Joseph L. Landenwich
		General Counsel and Corporate Secretary

Exhibit 99.1

Unaudited pro forma condensed consolidated financial information

On June 30, 2017, Kindred Healthcare, Inc. ("Kindred" or the "Company") entered into a definitive agreement with BM Eagle Holdings, LLC, a joint venture led by affiliates of BlueMountain Capital Management, LLC ("BlueMountain"), under which the Company is selling its skilled nursing facility business for $700 million in cash (the "SNF Divestiture"). The agreement with BlueMountain provided for the sale of 89 nursing centers with 11,308 licensed beds and seven assisted living facilities with 380 licensed beds in 18 states.

As previously disclosed, 36 of the skilled nursing facilities (the "Ventas Properties") were or continue to be leased from Ventas, Inc. ("Ventas") and the Company has an option to acquire the real estate of the Ventas Properties for aggregate consideration of $700 million. As the Company closes on the sale of the Ventas Properties to BlueMountain, the Company will pay to Ventas the allocable portion of the $700 million purchase price for the Ventas Properties and Ventas will convey the real estate for the applicable Ventas Property to BlueMountain or its designee.

In connection with the SNF Divestiture, the results of operations of the skilled nursing facility business, which previously were reported in the Nursing Center division, and the gains or losses associated with the SNF Divestiture, have been classified as discontinued operations for all periods presented. In addition, direct overhead associated with the skilled nursing facility business and the profits from applicable RehabCare contracts servicing the Company's skilled nursing facility business were moved to discontinued operations for all periods presented. The Company has reclassified certain retained businesses and expenses previously reported in the Nursing Center division to other business segments, including hospital-based sub-acute units and a skilled nursing facility to the Hospital division and a small therapy business to the Kindred Hospital Rehabilitation Services operating segment for all periods presented.

The following unaudited pro forma condensed consolidated financial information has been prepared for illustrative purposes only and is not necessarily indicative of the consolidated results of operations or financial position in future periods or the results that actually would have been realized had Kindred divested of its skilled nursing facility business during the periods specified. In addition, the unaudited pro forma condensed consolidated financial information does not reflect expected cost reductions and anticipated new RehabCare contracts signed in connection with the SNF Divestiture.

The following unaudited pro forma condensed consolidated financial information for the years ended December 31, 2016, 2015 and 2014, and as of June 30, 2017 is based upon the historical consolidated financial information of Kindred and its consolidated subsidiaries. The following unaudited pro forma condensed consolidated financial information was derived from and should be read in conjunction with Kindred's consolidated financial statements and related notes previously filed with the Securities and Exchange Commission (the "SEC") by Kindred. The Company is not presenting a pro forma condensed consolidated statement of operations for the six months ended June 30, 2017 because all of the adjustments related to the SNF Divestiture were reflected in the consolidated statement of operations for the six months ended June 30, 2017 in the Form 10-Q filed with the SEC on August 9, 2017.

The accompanying unaudited pro forma condensed consolidated statements of operations give effect to the SNF Divestiture as if this transaction had been consummated on January 1, 2014. The unaudited pro forma condensed consolidated balance sheet gives effect to the SNF Divestiture as if this transaction had been consummated on June 30, 2017.

The following unaudited pro forma condensed consolidated financial information has been prepared under generally accepted accounting principles in the United States, which is subject to change and interpretation.

KINDRED HEALTHCARE, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands, except per share amounts)

	Historical Kindred (a)	Historical Skilled nursing facility business (b)	Pro forma adjustments	Pro forma
Revenues	$7,219,519	$ (1,031,535)	$ 112,041 (c)	$6,300,025
	—	—	(21,427) (d)	(21,427)
	7,219,519	(1,031,535)	90,614	6,278,598
Salaries, wages and benefits	3,758,423	(366,160)	—	3,392,263
Supplies	384,098	(41,033)	—	343,065
Building rent	343,042	(78,736)	—	264,306
Equipment rent	47,492	(7,563)	—	39,929
Other operating expenses	845,680	(300,929)	112,041 (c)	656,792
General and administrative expenses (exclusive of depreciation and amortization expense included below)	1,303,428	(195,780)	—	1,107,648
Other income	(2,900)	(2,166)	—	(5,066)
Litigation contingency expense	2,840	—	—	2,840
Impairment charges	342,559	(27,830)	—	314,729
Restructuring charges	107,175	(11,049)	—	96,126
Depreciation and amortization	159,402	(27,583)	—	131,819
Interest expense	234,647	(35)	—	234,612
Investment income	(3,162)	54	—	(3,108)
	7,522,724	(1,058,810)	112,041	6,575,955
Loss from continuing operations before income taxes	(303,205)	27,275	(21,427)	(297,357)
Provision for income taxes	314,330	—	(68) (e)	314,262
Loss from continuing operations	(617,535)	27,275	(21,359)	(611,619)
Earnings attributable to noncontrolling interests	(53,602)	18,755	—	(34,847)
Loss attributable to Kindred from continuing operations	$ (671,137)	$ 46,030	$ (21,359)	$ (646,466)
Loss per common share from continuing operations:				
Basic	$ (7.73)			$ (7.45)
Diluted	$ (7.73)			$ (7.45)
Shares used in computing loss per common share:				
Basic	86,800			86,800
Diluted	86,800			86,800

See accompanying notes.

KINDRED HEALTHCARE, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands, except per share amounts)

	Historical			
	Kindred (a)	Skilled nursing facility business (b)	Pro forma adjustments	Pro forma
Revenues	$7,054,907	$ (1,044,277)	$ 116,527 (c)	$6,127,157
	—	—	(23,933) (d)	(23,933)
	7,054,907	(1,044,277)	92,594	6,103,224
Salaries, wages and benefits	3,614,091	(381,044)	—	3,233,047
Supplies	384,354	(42,279)	—	342,075
Building rent	333,910	(76,689)	—	257,221
Equipment rent	45,979	(7,389)	—	38,590
Other operating expenses	825,996	(302,915)	116,527 (c)	639,608
General and administrative expenses (exclusive of depreciation and amortization expense included below)	1,385,038	(174,251)	—	1,210,787
Other income	(3,016)	658	—	(2,358)
Litigation contingency expense	138,648	—	—	138,648
Impairment charges	24,757	—	—	24,757
Restructuring charges	12,970	(352)	—	12,618
Depreciation and amortization	157,251	(28,005)	—	129,246
Interest expense	232,395	(44)	—	232,351
Investment income	(2,806)	50	—	(2,756)
	7,149,567	(1,012,260)	116,527	6,253,834
Loss from continuing operations before income taxes	(94,660)	(32,017)	(23,933)	(150,610)
Income tax benefit	(42,797)	—	(15,211) (e)	(58,008)
Loss from continuing operations	(51,863)	(32,017)	(8,722)	(92,602)
Earnings attributable to noncontrolling interests	(42,564)	16,520	—	(26,044)
Loss attributable to Kindred from continuing operations	$ (94,427)	$ (15,497)	$ (8,722)	$ (118,646)
Loss per common share from continuing operations:				
Basic	$ (1.12)			$ (1.40)
Diluted	$ (1.12)			$ (1.40)
Shares used in computing loss per common share:				
Basic	84,558			84,558
Diluted	84,558			84,558

See accompanying notes.

KINDRED HEALTHCARE, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014
(In thousands, except per share amounts)

	Historical			
	Kindred (a)	Skilled nursing facility business (b)	Pro forma adjustments	Pro forma
Revenues	$5,027,599	$ (1,019,660)	$ 111,288 (c)	$4,119,227
	—	—	(22,710) (d)	(22,710)
	5,027,599	(1,019,660)	88,578	4,096,517
Salaries, wages and benefits	2,442,879	(345,228)	—	2,097,651
Supplies	289,043	(33,070)	—	255,973
Building rent	269,147	(75,714)	—	193,433
Equipment rent	43,645	(7,826)	—	35,819
Other operating expenses	679,992	(347,419)	111,288 (c)	443,861
General and administrative expenses (exclusive of depreciation and amortization expense included below)	969,035	(145,523)	—	823,512
Other (income) expense	(872)	937	—	65
Litigation contingency expense	4,600	—	—	4,600
Restructuring charges	4,435	(4,435)	—	—
Depreciation and amortization	155,570	(29,990)	—	125,580
Interest expense	168,763	(30)	—	168,733
Investment income	(3,996)	33	—	(3,963)
	5,022,241	(988,265)	111,288	4,145,264
Income (loss) from continuing operations before income taxes	5,358	(31,395)	(22,710)	(48,747)
Provision (benefit) for income taxes	462	—	(14,059) (e)	(13,597)
Income (loss) from continuing operations	4,896	(31,395)	(8,651)	(35,150)
Earnings attributable to noncontrolling interests	(18,872)	17,597	—	(1,275)
Loss attributable to Kindred from continuing operations	$ (13,976)	$ (13,798)	$ (8,651)	$ (36,425)
Loss per common share from continuing operations:				
Basic	$ (0.24)			$ (0.62)
Diluted	$ (0.24)			$ (0.62)
Shares used in computing loss per common share:				
Basic	58,634			58,634
Diluted	58,634			58,634

See accompanying notes.

KINDRED HEALTHCARE, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2017
(In thousands, except per share amounts)

	Historical (f)	Pro forma adjustments	Pro forma
ASSETS			
Current assets:			
Cash and cash equivalents	$ 130,047	$ 700,000 (g)	$ 130,047
		(700,000) (h)	
Insurance subsidiary investments	97,076	—	97,076
Accounts receivable less allowance for loss	1,224,442	—	1,224,442
Inventories	21,951	—	21,951
Income taxes	5,718	—	5,718
Assets held for sale	282,341	(282,341) (g)	—
Other	61,990	—	61,990
	1,823,565	(282,341)	1,541,224
Property and equipment	1,537,821	—	1,537,821
Accumulated depreciation	(938,054)	—	(938,054)
	599,767	—	599,767
Goodwill	2,427,668	—	2,427,668
Intangible assets less accumulated amortization	623,454	—	623,454
Insurance subsidiary investments	207,427	—	207,427
Other	296,088	(3,648) (g)	292,440
Total assets	$ 5,977,969	$ (285,989)	$ 5,691,980
LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable	$ 180,618	$ —	$ 180,618
Salaries, wages and other compensation	372,090	(17,961) (i)	354,129
Due to third party payors	28,177	—	28,177
Professional liability risks	55,330	—	55,330
Accrued lease termination fees	267,804	(263,922) (h)	3,882
Other accrued liabilities	281,984	416,238 (g)	264,898
		(416,238) (h)	
		(17,086) (i)	
Long-term debt due within one year	21,539	—	21,539
	1,207,542	(298,969)	908,573
Long-term debt	3,303,539	62,047 (i)	3,365,586
Professional liability risks	310,516	—	310,516
Deferred tax liabilities	185,960	—	185,960
Deferred credits and other liabilities	354,361	(2,227) (g)	332,294
		(19,840) (h)	
Equity:			
Stockholder’s equity:			
Common stock, par value	21,756	—	21,756
Capital in excess of par value	1,705,228	—	1,705,228
Accumulated other comprehensive income	1,836	—	1,836
Accumulated deficit	(1,335,410)	(27,000) (i)	(1,362,410)
	393,410	(27,000)	366,410
Noncontrolling interests	222,641	—	222,641
Total equity	616,051	(27,000)	589,051
Total liabilities and equity	$ 5,977,969	$ (285,989)	$ 5,691,980

See accompanying notes.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

NOTE 1 – BASIS OF PRESENTATION

The accompanying unaudited pro forma condensed consolidated financial information was prepared in accordance with the provisions of the authoritative guidance for discontinued operations accounting.

The accompanying unaudited pro forma condensed consolidated financial information presents the pro forma results of operations based upon the historical audited financial statements for the years ended December 31, 2016, 2015 and 2014, and unaudited balance sheet as of June 30, 2017 of Kindred, after giving effect to the SNF Divestiture. The unaudited pro forma condensed consolidated financial information has been prepared for illustrative purposes only and does not reflect the effects of any other items directly attributable to the SNF Divestiture that are not expected to have a continuing impact on the consolidated results of operations.

The accompanying unaudited pro forma condensed consolidated statements of operations give effect to the SNF Divestiture as if this transaction had been consummated on January 1, 2014. The unaudited pro forma condensed consolidated balance sheet gives effect to the SNF Divestiture as if this transaction had been consummated on June 30, 2017.

NOTE 2 – PRO FORMA ADJUSTMENTS

The unaudited pro forma condensed consolidated financial information includes the following adjustments to reflect the SNF Divestiture and the reclassification to discontinued operations:

a) As reported on Form 10-K for the fiscal year ended December 31, 2016 filed with the SEC on February 28, 2017.

b) To reclassify the Company's skilled nursing facility business operations to discontinued operations.

c) To reverse historical intercompany revenue and expense related to rehabilitation services and room and board provided between the Company's skilled nursing facility business and the Company's RehabCare and Hospice business segments (in thousands):

	Year ended December 31,		
	2016	2015	2014
Rehabilitation services (RehabCare)	$ 105,570	$ 111,062	$ 108,136
Room and board (Hospice)	6,471	5,465	3,152
	$ 112,041	$ 116,527	$ 111,288

d) To adjust for the profits from applicable RehabCare contracts servicing the Company's skilled nursing facility business (in thousands):

Year ended December 31,		
2016	2015	2014
$ (21,427)	$ (23,933)	$ (22,710)

e) To adjust the income tax provision to reflect the reclassification of the Company's skilled nursing facility business operations to discontinued operations. At each balance sheet date, management assesses all available positive and negative evidence to determine whether a valuation allowance is needed against its deferred tax assets. The Company recorded a full valuation allowance for the year ended December 31, 2016.

The Company has deferred tax liabilities related to tax amortization of acquired indefinite lived intangible assets because these assets are not amortized for financial reporting purposes. The tax amortization in current and future years created a deferred tax liability that will reverse at the time of ultimate sale or book impairment. Due to the uncertain timing of this reversal, the temporary difference associated with indefinite lived intangible assets cannot be considered a source of future taxable income for purposes of determining the valuation allowance. As such, this deferred tax liability cannot be used to offset the deferred tax asset related to the net deferred tax assets. The amortization of the skilled nursing facility business indefinite lived intangible assets resulted in tax expense of $68,000 for the year ended December 31, 2016.

The new tax provision for the years ended December 31, 2015 and 2014 was determined by calculating a new effective tax rate for continuing operations for each respective year. That new effective tax rate was applied to the adjusted income or loss from continuing operations to determine the new tax provision.

f) As reported on Form 10-Q for the six months ended June 30, 2017 filed with the SEC on August 9, 2017.

g) To record the receipt of cash from BlueMountain related to the SNF Divestiture.

NOTE 2 – PRO FORMA ADJUSTMENTS (Continued)

h) To record the payment of cash to Ventas of $700 million related to the SNF Divestiture, net of deferred rent credits of $1.7 million in accrued lease termination fees and $19.8 million in deferred credits and other liabilities.

i) To record the payment of transaction and severance costs associated with the SNF Divestiture, which were either accrued as of June 30, 2017 or additional costs incurred at date of transaction. In association with these payments, the Company utilized its revolving credit facility.

EXHIBIT 99.2

Contact: Todd Flowers
Investor Relations
(502) 596-6569

KINDRED COMPLETES ADDITIONAL TRANSACTION CLOSING FOR ITS SKILLED NURSING FACILITY BUSINESS DIVESTITURE

Sale Proceeds from the Additional Transaction Closing Approximated $108 Million

Transaction Closing Covered 12 Skilled Nursing Facilities and Four Assisted Living Facilities Held for Sale

LOUISVILLE, Ky. (October 2, 2017) – Kindred Healthcare, Inc. ("Kindred" or the "Company") (NYSE:KND) today announced that it has completed an additional transaction closing (the "Closing") related to its previously announced agreement with BM Eagle Holdings, LLC, a joint venture led by affiliates of BlueMountain Capital Management, LLC ("BlueMountain"), to sell the Company's skilled nursing facility business for $700 million in cash.

The Closing included 12 skilled nursing facilities and four assisted living facilities. Sale proceeds from the Closing were approximately $108 million. To date, the Company has completed the sale to BlueMountain and affiliated buyers of 66 skilled nursing facilities and four assisted living facilities for aggregate proceeds of approximately $627 million.

Benjamin A. Breier, President and Chief Executive Officer of Kindred, commented, "We continue to make great progress on our skilled nursing facility divestitures and believe we will complete the remainder of the closings by year end. The sale of our nursing facility operations should significantly enhance shareholder value, focus our attention to our higher margin and faster growing businesses, and advance our efforts to transform Kindred."

Mr. Breier continued, "On behalf of the Kindred Board of Directors and management team, I thank all of our caregivers for their hard work to facilitate another smooth transfer process. We appreciate and respect their dedication to our patients, residents and their families."

As previously disclosed, Kindred entered into a definitive agreement with BlueMountain under which it will sell the Company's skilled nursing facility business for $700 million in cash. The Company's skilled nursing facility portfolio included 89 nursing centers and seven assisted living facilities in 18 states. Thirty-six of these skilled nursing facilities (the "Ventas Properties") were or continue to be leased from Ventas, Inc. ("Ventas") (NYSE:VTR), and Kindred has an option to acquire the real estate of the Ventas Properties for an aggregate consideration of $700 million. As Kindred closes on the sale of the Ventas Properties, Kindred will pay to Ventas the allocable portion of the $700 million purchase price for the Ventas Properties and the real estate for the applicable Ventas Property will be conveyed to BlueMountain or another designee. In connection with the Closing described above, Kindred paid approximately $82.5 million to Ventas for seven Ventas Properties that were included in the Closing. To date, the Company has paid in aggregate approximately $571 million to Ventas for the Ventas Properties involved in all of the completed closings.

In addition to the Closing above, Kindred also transferred its interest in two skilled nursing centers to parties unrelated to BlueMountain. These two skilled nursing facilities were previously included in the definitive agreement with BlueMountain but Kindred and BlueMountain agreed to allow the sale to other unrelated parties. Kindred received approximately $400,000 in proceeds from these transfers.

The completion of the remainder of the closings pursuant to the definitive agreement with BlueMountain are subject to customary conditions to closing, including the receipt of all licensure, regulatory and other approvals. Kindred expects that the remainder of the closings will occur in phases as regulatory and other approvals are received. Kindred expects that all of the closings will be completed by year end.

– MORE –

Forward-Looking Statements

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements include, but are not limited to, all statements regarding the Company's ability to exit the skilled nursing facility business and the expected timing of such exit, including the receipt of all required regulatory approvals and the satisfaction of the closing conditions for the transaction, as well as the Company's ability to realize the anticipated benefits, sale proceeds, cost savings and strategic gains from the transaction, all statements regarding the Company's expected future financial position, results of operations, cash flows, dividends, financing plans, business strategy, budgets, capital expenditures, competitive positions, growth opportunities, plans and objectives of management, government investigations, regulatory matters, and statements containing words such as "anticipate," "approximate," "believe," "plan," "estimate," "expect," "project," "could," "would," "should," "will," "intend," "hope," "may," "potential," "upside," and other similar expressions. Statements in this press release concerning the Company's business outlook or future economic performance, anticipated profitability, revenues, expenses, dividends or other financial items, and product or services line growth, and expected outcome of government investigations and other regulatory matters, together with other statements that are not historical facts, are forward-looking statements that are estimates reflecting the best judgment of the Company based upon currently available information.

Such forward-looking statements are inherently uncertain, and stockholders and other potential investors must recognize that actual results may differ materially from the Company's expectations as a result of a variety of factors. Such forward-looking statements are based upon management's current expectations and include known and unknown risks, uncertainties and other factors, many of which the Company is unable to predict or control, that may cause the Company's actual results, performance, or plans to differ materially from any future results, performance or plans expressed or implied by such forward-looking statements. These statements involve risks, uncertainties, and other factors detailed from time to time in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the Securities and Exchange Commission.

Many of these factors are beyond the Company's control. The Company cautions investors that any forward-looking statements made by the Company are not guarantees of future performance. The Company disclaims any obligation to update any such factors or to announce publicly the results of any revisions to any of the forward-looking statements to reflect future events or developments.

About Kindred Healthcare

Kindred Healthcare, Inc., a top-100 private employer in the United States, is a FORTUNE 500 healthcare services company based in Louisville, Kentucky with annual revenues of approximately $6.1 billion[1]. At June 30, 2017, Kindred's continuing operations, through its subsidiaries, had approximately 88,100 employees providing healthcare services in 2,540 locations in 45 states, including 81 long-term acute care hospitals, 19 inpatient rehabilitation hospitals, 19 sub-acute units, 614 Kindred at Home home health, hospice and non-medical home care sites of service, 102 inpatient rehabilitation units (hospital-based) and contract rehabilitation service businesses which served 1,705 non-affiliated sites of service. Ranked as one of Fortune magazine's Most Admired Healthcare Companies for eight years, Kindred's mission is to promote healing, provide hope, preserve dignity and produce value for each patient, resident, family member, customer, employee and shareholder we serve. For more information, go to www.kindredhealthcare.com. You can also follow us on Twitter and Facebook.

(1) Revenues from continuing operations for the last twelve months ended June 30, 2017.

– END –