

KINDRED HEALTHCARE, INC
 Form 5/A
 April 07, 2006

FORM 5

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

OMB APPROVAL

OMB Number: 3235-0362
 Expires: January 31, 2005
 Estimated average burden hours per response... 1.0

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
FRANKLIN MUTUAL ADVISERS LLC

2. Issuer Name and Ticker or Trading Symbol
KINDRED HEALTHCARE, INC [(KND)]

5. 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

____ Director _____ 10% Owner
 _____ Officer (give title below) _____ Other (specify 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

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|---|
| Common Stock | 05/19/2004 | Â | P4(1)(2) | 2,600 (A) or (D) | \$ 48.0573 (3) | D | Â |
| | | | | Amount | Price | | |
| | | | | 2,600 (3) | \$ 48.0573 (3) | | |
| | | | | | 6,291,368 (4) | | |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 2270 (9-02)

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 Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Option (Right to Buy) ⁽⁵⁾ | \$ 47.5 ⁽³⁾ | 07/17/2001 | Â | J4 ⁽¹⁾⁽²⁾⁽⁶⁾ | 10,000 ⁽³⁾ | Â 07/17/2002 ⁽⁷⁾ 07/17/2011 | Common Stock 10 |
| Option (Right to Buy) ⁽⁵⁾ | \$ 52 ⁽³⁾ | 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 ⁽³⁾ | 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 ⁽³⁾ | 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) ⁽⁵⁾ | \$ 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 | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| FRANKLIN MUTUAL ADVISERS LLC 101 JOHN F. KENNEDY PARKWAY SHORT HILLS, NJ 07078 | Â | Â X | Â | Â |

Signatures

By: Bradley D. Takahashi, Vice President of Franklin Mutual Advisers, LLC

04/07/2006

__Signature of Reporting Person

Date

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.

