



**KINDRED HEALTHCARE'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.**



Ranked 1st *KINDRED HEALTHCARE RANKED FIRST AMONG HEALTH CARE:
MEDICAL FACILITIES IN FORTUNE MAGAZINE'S LIST OF MOST
ADMIRE COMPANIES*



Kindred Hospitals 2008
Quality Report

CARING FOR THE MOST COMPLEX CLINICAL PATIENTS IN THE UNITED STATES

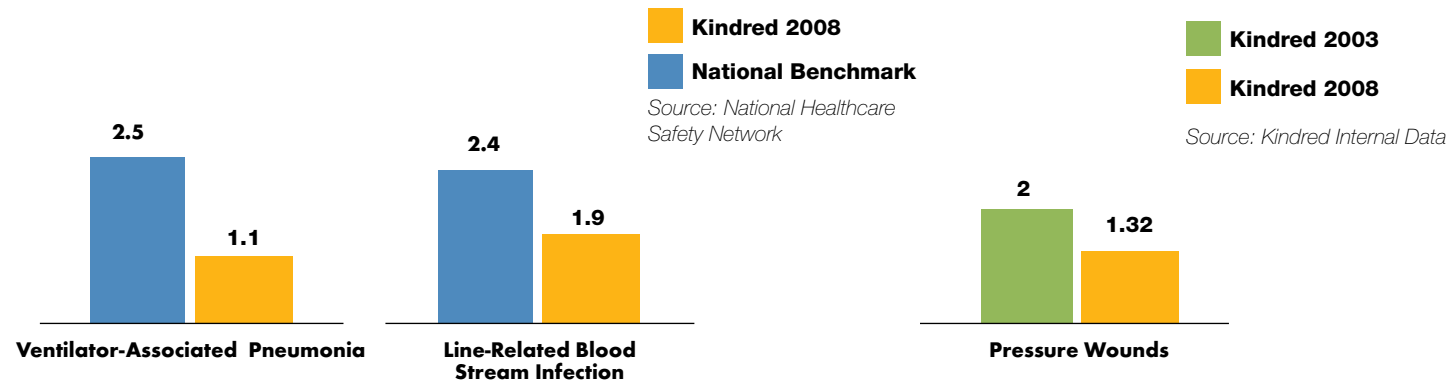
Kindred long-term acute care (LTAC) hospitals provide aggressive, specialized interdisciplinary care to medically complex patients who require extended recovery time. These patients are critically ill and have few care options left; they come to us because they require the aggressive, specialized care and prolonged recovery time that conventional short-term acute care hospitals may not be equipped to provide.

Our hospitals have 24-hour physician support and the ancillary services found at an acute care hospital, including laboratory, radiology, operating or procedure rooms, intensive care units (ICUs) and telemetry units. They are licensed as acute care hospitals and are accredited by The Joint Commission.

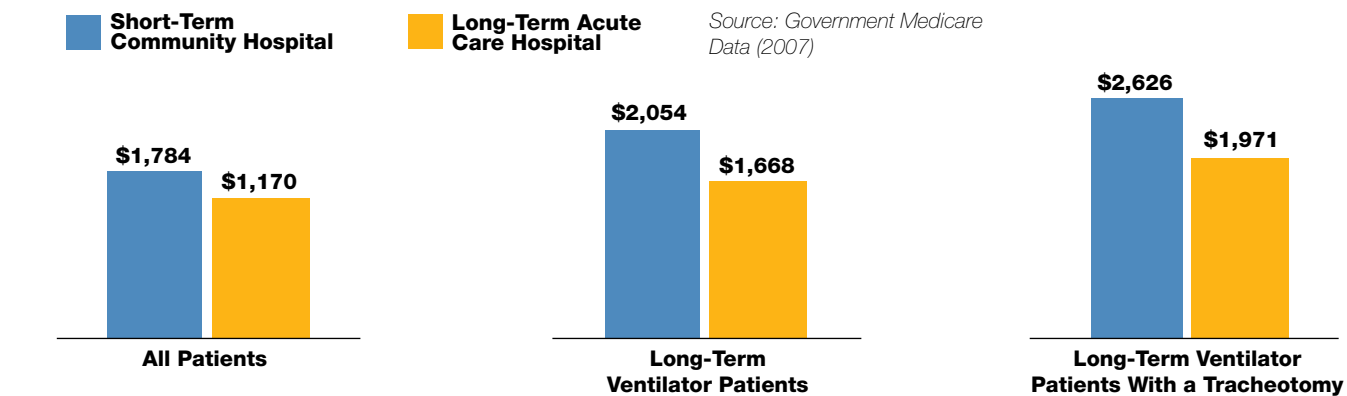
Kindred hospitals reduce the cost, trauma and risk of short-term hospital re-admission by being staffed and equipped to rapidly respond to changes in medical condition.

KINDRED'S QUALITY EXCEEDS NATIONAL BENCHMARKS ON KEY INDICATORS

Rates per 1,000 Patient Days



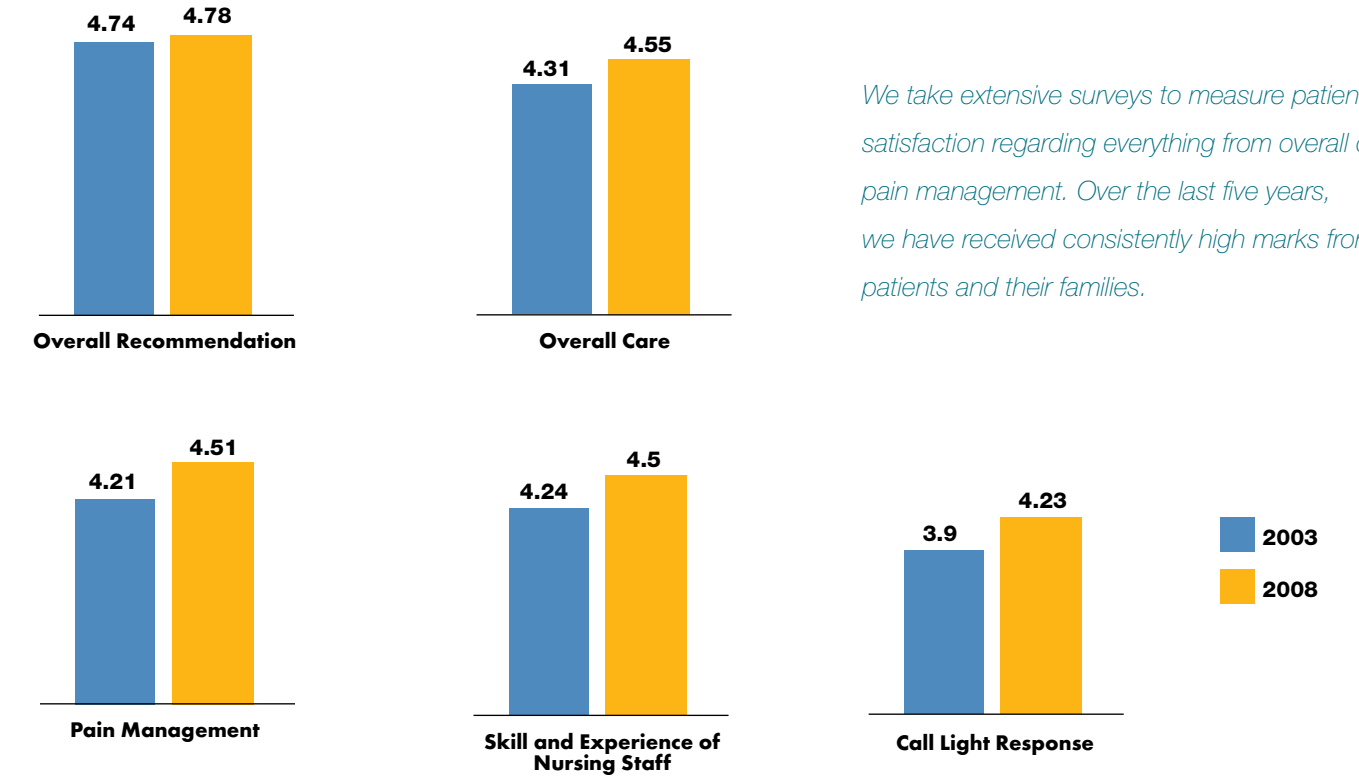
LONG-TERM ACUTE CARE HOSPITALS COST SIGNIFICANTLY LESS THAN SHORT-TERM COMMUNITY HOSPITALS PER DAY



LONG-TERM ACUTE CARE PATIENTS ARE RE-ADMITTED TO ACUTE CARE HOSPITALS 26% LESS OFTEN THAN SIMILAR PATIENTS WHO DID NOT HAVE ACCESS TO LTAC CARE.

Source: Medicare Payment Advisory Commission, Report to Congress (2004)

PATIENT/FAMILY SATISFACTION SCORES (1 = Poor, 5 = Excellent)



We take extensive surveys to measure patient/family satisfaction regarding everything from overall care to pain management. Over the last five years, we have received consistently high marks from our patients and their families.

28,781 PATIENTS (67%) WENT HOME OR TO A LOWER LEVEL OF CARE IN 2008.

