

KINDRED HEALTHCARE, INC

Form 424B3

December 18, 2014

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**Filed Pursuant to Rule 424(b)(3)
Registration No. 333-200454**

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Stockholder:

We cordially invite you to attend a special meeting of stockholders of Gentiva Health Services, Inc., or Gentiva, to be held on Thursday, January 22, 2015, at 3:00 p.m. local time, at the Renaissance Waverly Hotel, 2450 Galleria Parkway, Atlanta, Georgia 30339, which we refer to as the special meeting. As previously announced on October 9, 2014, Kindred Healthcare, Inc., or Kindred, and Gentiva entered into an Agreement and Plan of Merger, dated as of October 9, 2014, which we refer to as the merger agreement, pursuant to which a subsidiary of Kindred will merge with and into Gentiva, which we refer to as the merger, with Gentiva surviving the merger as a wholly owned subsidiary of Kindred.

If the merger is completed, each issued and outstanding share of common stock, par value \$0.10 per share, of Gentiva (other than any shares owned by Kindred, Gentiva or their respective wholly owned subsidiaries and shares that are owned by stockholders who have properly exercised and perfected appraisal rights under Delaware law) will automatically be converted into the right to receive \$14.50 in cash and 0.257 of a share of common stock, par value \$0.25 per share, of Kindred. Upon completion of the transaction, it is expected that, immediately upon completion of the merger, Gentiva stockholders will own approximately 12% of the outstanding shares of Kindred's common stock (based upon the number of issued and outstanding shares of Gentiva and Kindred common stock as of December 15, 2014, the most recent practicable date before the mailing of this proxy statement/prospectus). Kindred common stock is traded on the New York Stock Exchange under the symbol **KND** and we encourage you to obtain quotations for shares of Kindred common stock, given that part of the merger consideration is payable in shares of Kindred common stock.

The merger cannot be completed unless Gentiva stockholders holding at least a majority of the shares of Gentiva common stock outstanding as of the close of business on December 19, 2014, the record date for the special meeting, vote in favor of the adoption of the merger agreement at the special meeting.

Gentiva's board of directors unanimously recommends that Gentiva stockholders vote FOR adoption of the merger agreement and FOR the approval of the other matters to be considered at the Gentiva special meeting. In considering the recommendation of the board of directors of Gentiva, you should be aware that certain directors and executive officers of Gentiva will have interests in the merger that may be different from, or in addition to, the interests of Gentiva stockholders generally. See the section entitled **Interests of Gentiva Directors and Executive Officers in the Merger** beginning on page 66 of the accompanying proxy statement/prospectus.

This proxy statement/prospectus describes the special meeting of Gentiva, the merger, the documents relating to the merger and other related matters. **We urge you to read the accompanying proxy statement/prospectus, and the documents incorporated by reference into the accompanying proxy statement/prospectus, carefully and in their entirety. In particular, we urge you to read carefully Risk Factors beginning on page 31.**

We are very excited about the opportunities the proposed merger brings to both Gentiva and Gentiva stockholders, and we thank you for your consideration and continued support.

Sincerely,

Rodney D. Windley

Tony Strange

Executive Chairman

Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger or other transactions described in the attached proxy statement/prospectus or the securities to be issued pursuant to the merger or passed upon the adequacy or accuracy of the attached proxy statement/prospectus. Any representation to the contrary is a criminal offense.

The accompanying proxy statement/prospectus is dated December 18, 2014, and is first being mailed to Gentiva stockholders on or about December 22, 2014.

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GENTIVA HEALTH SERVICES, INC.

3350 Riverwood Parkway

Suite 1400

Atlanta, Georgia 30339

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

Dear Stockholder:

You are cordially invited to attend a special meeting of Gentiva stockholders. The special meeting will be held on Thursday, January 22, 2015, at 3:00 p.m. local time, at the Renaissance Waverly Hotel, 2450 Galleria Parkway, Atlanta, Georgia, 30339, to consider and vote upon the following matters:

1. a proposal to adopt the Agreement and Plan of Merger, dated as of October 9, 2014, as it may be amended from time to time, among Gentiva Health Services, Inc., a Delaware corporation, Kindred Healthcare, Inc., a Delaware corporation, and Kindred Healthcare Development 2, Inc., a Delaware corporation and wholly owned subsidiary of Kindred Healthcare, Inc. (a copy of the merger agreement is attached as Annex A to the proxy statement/prospectus accompanying this notice);
2. a proposal to approve, by advisory (non-binding) vote, certain compensation arrangements for Gentiva's named executive officers in connection with the merger; and
3. a proposal for adjournments of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

The record date for the special meeting is December 19, 2014. Only stockholders of record at the close of business on December 19, 2014, are entitled to notice of the special meeting and to vote at the special meeting and any adjournments or postponements of the special meeting. All stockholders of record as of that date are cordially invited to attend the special meeting in person. Approval of the merger proposal requires the affirmative vote of the holders of at least a majority of the outstanding shares of Gentiva common stock entitled to vote thereon. The proposal to approve the merger-related executive compensation requires the affirmative vote of the holders of a majority of shares of Gentiva common stock present in person or represented by proxy and entitled to vote thereon; however, such vote is advisory (non-binding) only. The approval of adjournments of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement requires the affirmative vote of the holders of a majority of shares of Gentiva common stock present in person or represented by proxy and entitled to vote thereon, whether or not a quorum is present.

The Gentiva board of directors has unanimously approved and declared advisable the merger agreement and the transactions contemplated thereby, including the merger, and has unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to, and in the best interests of, Gentiva and Gentiva stockholders. The Gentiva board of directors unanimously recommends that

you vote FOR the adoption of the merger agreement, FOR the proposal to approve the merger-related executive compensation and FOR the proposal to approve adjournments of the special meeting if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

In deciding to approve the merger agreement and the transactions contemplated by the merger agreement, including the merger, the Gentiva board of directors considered a number of factors, including those beginning on page 52. When you consider the recommendation of the Gentiva board of directors, you should be aware that some of Gentiva's directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of Gentiva stockholders generally.

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Gentiva stockholders who do not vote in favor of the proposal to adopt the merger agreement will have the right to seek appraisal of the fair value of their shares of Gentiva common stock if they deliver a demand for appraisal before the vote is taken on the merger agreement and comply with all the requirements of Delaware law, which are summarized in the accompanying proxy statement/prospectus and reproduced in their entirety in Annex D to the proxy statement/prospectus.

Your vote is very important, regardless of the number of shares of Gentiva common stock you own. The merger cannot be completed unless the merger agreement is adopted by the affirmative vote of the holders of a majority of the outstanding shares of Gentiva common stock entitled to vote thereon. Even if you plan to attend the special meeting in person, Gentiva requests that you complete, sign, date and return, as promptly as possible, the enclosed proxy card in the postage-prepaid envelope provided, or submit your proxy by telephone or over the internet prior to the special meeting as described in the accompanying proxy statement/prospectus. Submitting a proxy or voting by telephone or internet now will not prevent you from being able to vote at the special meeting by attending in person and casting a vote. If you hold your shares in street name through a bank, brokerage firm or other nominee, you should follow the procedures provided by your bank, brokerage firm or other nominee to vote your shares. If you fail to submit a proxy or to attend the special meeting in person or do not provide your bank, brokerage firm or other nominee with instructions as to how to vote your shares, as applicable, your shares of Gentiva common stock will not be counted for purposes of determining whether a quorum is present at the special meeting and will have the same effect as a vote **AGAINST** the adoption of the merger agreement.

By order of the board of directors,

John N. Camperlengo

Senior Vice President, General Counsel and Secretary

Please vote your shares promptly. You can find instructions for voting on the enclosed proxy card.

If you have questions, contact:

Gentiva Health Services, Inc.

3350 Riverwood Parkway

Suite 1400

Atlanta, Georgia 30339

Attention: Investor Relations

(770) 951-6450

or

MacKenzie Partners, Inc.

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105 Madison Avenue

New York, New York 10016

proxy@mackenziepartners.com

Call Collect: (212) 929-5500

or

Toll-Free: (800) 322-2885

YOUR VOTE IS VERY IMPORTANT.

Please complete, date, sign and return your proxy card(s) or vote your shares by telephone or over the internet at your earliest convenience so that your shares are represented at the Gentiva special meeting.

Atlanta, Georgia

Dated: December 18, 2014

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REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Gentiva and Kindred from other documents that Gentiva and Kindred have filed with the U.S. Securities and Exchange Commission, which we refer to as the SEC, and that are contained in or incorporated by reference into this proxy statement/prospectus. For a listing of documents incorporated by reference into this proxy statement/prospectus, please see the section entitled "Where You Can Find More Information" beginning on page 147 of this proxy statement/prospectus. This information is available for you to review at the SEC's public reference room located at 100 F Street, N.E., Room 1580, Washington, DC 20549, and through the SEC's website at www.sec.gov.

You may request copies of this proxy statement/prospectus and any of the documents incorporated by reference into this proxy statement/prospectus or other information concerning Gentiva, without charge, by telephone or written request directed to: John Mongelli, Vice President Treasury and Investor Relations, Telephone (770) 951-6450; or MacKenzie Partners, Inc., Gentiva's proxy solicitor, at (212) 929-5500 or toll-free at (800) 322-2885.

You may also request a copy of this proxy statement/prospectus and any of the documents incorporated by reference into this proxy statement/prospectus or other information concerning Kindred without charge, by telephone or written request directed to: Investor Relations, Telephone (502) 596-7300 or toll-free at (800) 545-0749.

In order for you to receive timely delivery of the documents in advance of the special meeting of Gentiva stockholders to be held on January 22, 2015, you must request the information no later than five business days prior to the date of the special meeting, by January 14, 2015.

ABOUT THIS PROXY STATEMENT/PROSPECTUS

This document, which forms part of a registration statement on Form S-4 filed with the SEC by Kindred (File No. 333-200454), constitutes a prospectus of Kindred under Section 5 of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the shares of common stock, par value \$0.25 per share, of Kindred, which we refer to as Kindred common stock, to be issued to Gentiva stockholders pursuant to the Agreement and Plan of Merger, dated as of October 9, 2014, by and among Gentiva, Kindred and Kindred Healthcare Development 2, Inc., as it may be amended from time to time, which we refer to as the merger agreement. This document also constitutes a proxy statement of Gentiva under Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. It also constitutes a notice of meeting with respect to the special meeting, at which Gentiva stockholders will be asked to consider and vote upon the adoption of the merger agreement.

Kindred has supplied all information contained or incorporated by reference into this proxy statement/prospectus relating to Kindred, and Gentiva has supplied all such information relating to Gentiva.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. Kindred and Gentiva have not authorized anyone to provide you with information that is different from that contained in or incorporated by reference into this proxy statement/prospectus. This proxy statement/prospectus is dated December 18, 2014, and you should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than such date. Further, you should not assume that the information incorporated by reference into this proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither the mailing of this proxy statement/prospectus to Gentiva stockholders nor the issuance by Kindred of shares of its common stock pursuant to the merger agreement will create any implication to

the contrary.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

The following questions and answers briefly address some commonly asked questions about the merger, the merger agreement and the special meeting. They may not include all the information that is important to you as a Gentiva stockholder. We urge you to read carefully this entire proxy statement/prospectus, including the annexes and the other documents to which we have referred you.

Q: Why am I receiving this proxy statement/prospectus?

A: You are receiving this proxy statement/prospectus because you were a Gentiva stockholder of record on December 19, 2014, the record date for the Gentiva special meeting. Gentiva has agreed to be acquired by Kindred under the terms of the merger agreement that are described in this proxy statement/prospectus. If the merger agreement is adopted by Gentiva stockholders and the other conditions to the closing under the merger agreement are satisfied or waived, Kindred Healthcare Development 2, Inc., which we refer to as merger sub, will merge with and into Gentiva, with Gentiva surviving the merger as a wholly owned subsidiary of Kindred. Gentiva is holding the special meeting to ask its stockholders to consider and vote upon a proposal to adopt the merger agreement. Gentiva stockholders are also being asked to consider and vote upon (i) a proposal to approve, by advisory (non-binding) vote, certain compensation arrangements for Gentiva's named executive officers in connection with the merger and (ii) a proposal to grant authority to proxy holders to vote in favor of adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

This proxy statement/prospectus contains important information about the merger, the merger agreement, a copy of which is attached to this proxy statement/prospectus as Annex A, and the special meeting. Gentiva stockholders should read this information carefully and in its entirety. The enclosed proxy materials allow you to grant a proxy or vote your shares by telephone or internet without attending the special meeting in person.

Q: What will Gentiva stockholders receive in the merger?

A: Each share of Gentiva common stock, other than shares owned by Kindred or Gentiva or their respective wholly owned subsidiaries, or shares owned by stockholders who have properly exercised and perfected appraisal rights under Delaware law, will be converted into the right to receive \$14.50 in cash, without interest (which we sometimes refer to as the cash consideration), and 0.257 of a share of Kindred common stock (which we sometimes refer to as the stock consideration, and together with the cash consideration, we refer to as the merger consideration). Kindred will not issue any fractional shares as a result of the merger. Instead, Kindred will pay cash for fractional shares of its common stock that Gentiva stockholders would otherwise be entitled to receive.

Q: What is the value of the per share merger consideration?

A:

Kindred and Gentiva agreed to the 0.257 exchange ratio for the merger based on the volume-weighted average price per share of Kindred common stock on the New York Stock Exchange, which we refer to as the NYSE, for the ten trading days ended on and including October 3, 2014, the date on which the exchange ratio was agreed. Based on the volume-weighted average price per share of Kindred common stock on the NYSE for this period, the merger consideration represented \$19.50 in value for each share of Gentiva common stock. Based on the closing price per share of Kindred common stock on December 15, 2014, the most recent practicable trading day prior to the date of this proxy statement/prospectus, the merger consideration represented \$19.19 in value for each share of Gentiva common stock. **Because Kindred will issue a fixed fraction of a share of Kindred common stock in exchange for each share of Gentiva common stock, the value of the stock portion of the merger consideration that Gentiva stockholders will receive in the merger will depend on the market price of Kindred common stock at the time the merger is completed. The market price of Kindred common stock when Gentiva stockholders receive**

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those shares after the merger is completed could be greater than, less than or the same as the market price of Kindred common stock on the date of this proxy statement/prospectus or at the time of the Gentiva special meeting. Kindred common stock is listed on the NYSE under the symbol KND. Gentiva common stock is listed on the NASDAQ Global Select Market, which we refer to as NASDAQ, under the symbol GTIV. You should obtain current stock price quotations for Kindred common stock and Gentiva common stock before deciding how to vote with respect to the adoption of the merger agreement.

Q: What will holders of Gentiva equity awards receive in the merger?

A: *Stock Options.* At the effective time of the merger, which we sometimes refer to as the effective time, each Gentiva option that is outstanding immediately prior to the effective time with a per share exercise price below the sum of (i) the value of the stock consideration (based on the average closing price per share of Kindred common stock on the NYSE for the ten consecutive trading days ending immediately prior to the closing date of the merger, which we refer to as the Kindred closing price) and (ii) the cash consideration, that is or will become vested as a result of the merger (which we refer to as an in-the-money option), will be canceled and converted into the right to receive an amount in cash equal to the cash consideration plus the value of the stock consideration (based on the Kindred closing price), less the exercise price, subject to withholding taxes. Each Gentiva option that is outstanding immediately prior to the effective time with a per share exercise price at or above the sum of (i) the value of the stock consideration (based on the Kindred closing price) and (ii) the cash consideration (which we refer to as out-of-the-money options) or that will not vest as a result of the merger will be converted into an option to purchase a number of shares of Kindred common stock determined by multiplying the number of shares of Gentiva common stock subject to such Gentiva option by a fraction, the numerator of which is the sum of (A) the product of the stock consideration multiplied by the Kindred closing price and (B) the cash consideration and the denominator of which is the Kindred closing price.

Restricted Stock; Deferred Stock Units. Each outstanding restricted share of Gentiva common stock, which we sometimes refer to as Gentiva restricted stock, that will vest as a result of the merger and each outstanding Gentiva deferred stock unit will receive the merger consideration, subject to withholding taxes. Each outstanding share of Gentiva restricted stock that will not vest as a result of the merger will receive merger consideration in the form of a Kindred restricted cash award in the amount of the cash consideration and restricted shares of Kindred common stock in the amount of the stock consideration, in each case subject to the vesting conditions of such shares of Gentiva restricted stock prior to the effective time.

Performance Cash Awards. Each Gentiva performance cash award that will become vested as a result of the merger will be accelerated and the recipient thereof will receive an amount in cash equal to the target amount of such cash award (unless such performance cash award provides for the accelerated vesting of such award at the maximum level, in which case the recipient thereof will receive an amount in cash equal to the maximum amount of such cash award), subject to withholding taxes. Each Gentiva performance cash award that will not vest as a result of the merger will be converted into the right to receive a Kindred cash award, subject to the vesting conditions of such performance cash award prior to the effective time. To the extent that any performance cash award is, immediately prior to the effective time, subject to any performance-based vesting or other performance conditions, the Kindred board of directors, or an applicable committee thereof, may, following the effective time, make such equitable adjustments, if any, to the applicable performance goals or conditions relating to the Kindred cash award received by the holder of such performance cash award as the Kindred board of directors (or such committee thereof) may determine to be necessary or appropriate as a result of the consummation of the transactions contemplated by the merger agreement, including the merger, and, in each case, subject to and in accordance with the terms and conditions of the applicable performance cash award and the applicable Gentiva stock plan.

Employee Stock Purchase Plan. Participants in the Gentiva Employee Stock Purchase Plan, which we refer to as the ESPP, will be entitled to receive the merger consideration for shares of Gentiva common stock purchased through the ESPP prior to the effective time. No new offering periods under the ESPP will commence after the date of the merger agreement.

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Q: Does my vote matter?

A: Yes. The merger cannot be completed unless the merger agreement is adopted by the Gentiva stockholders. For stockholders, if you fail to submit a proxy or vote in person at the special meeting, or vote to abstain, or you do not provide your bank, brokerage firm or other nominee with instructions, as applicable, this will have the same effect as a vote **AGAINST** the adoption of the merger agreement. The board of directors of Gentiva, which we refer to as the Gentiva board of directors or the Gentiva board, recommends that stockholders vote **FOR** the adoption of the merger agreement.

Q: What is the vote required to approve each proposal at the special meeting?

A: The adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Gentiva common stock entitled to vote thereon. Stockholders holding approximately 15.4% of the outstanding shares of Gentiva common stock as of December 15, 2014, the most recent practicable date prior to the mailing of this proxy statement/prospectus, have agreed to vote for the merger (see the section titled "The Merger Agreement Voting and Support Agreement" which begins on page 109). Because the affirmative vote required to adopt the merger agreement is based upon the total number of outstanding shares of Gentiva common stock, if you fail to submit a proxy or vote in person at the special meeting, or vote to abstain, or you hold your shares through a bank, brokerage firm or other nominee and you do not provide your bank, brokerage firm or other nominee with instructions, as applicable, this will have the same effect as a vote **AGAINST** the adoption of the merger agreement.

The proposal to approve certain compensation arrangements for Gentiva's named executive officers in connection with the merger requires the affirmative vote of the holders of a majority of shares of Gentiva common stock present in person or represented by proxy and entitled to vote thereon; however, such vote is advisory (non-binding) only. If your shares of Gentiva common stock are present at the special meeting but your shares are not voted on the proposal, or if you vote to abstain on the proposal, each will have the effect of a vote **AGAINST** the compensation proposal. If you fail to submit a proxy and fail to attend the special meeting, or if you hold your shares through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee to vote your shares of Gentiva common stock, your shares of Gentiva common stock will not be voted, but this will not have an effect on the advisory (non-binding) vote to approve the merger-related executive compensation except to the extent it results in there being insufficient shares present at the meeting to establish a quorum.

The approval of adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement requires the affirmative vote of the holders of a majority of shares of Gentiva common stock present in person or represented by proxy and entitled to vote thereon, whether or not a quorum is present. If your shares of Gentiva common stock are present at the special meeting but are not voted on the proposal, or if you vote to abstain on the proposal, each will have the effect of a vote **AGAINST** adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement. If you fail to submit a proxy and fail to attend the special meeting or if your shares of Gentiva common stock are held through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee to vote your shares of Gentiva common stock, your shares of Gentiva common stock will not be voted, but this will not have an effect on the vote to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

Q: How does the Gentiva board of directors recommend that I vote at the special meeting?

A: The Gentiva board of directors has unanimously approved and declared advisable the merger agreement and the transactions contemplated thereby, including the merger, and has unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to, and in the best interests of, Gentiva and Gentiva stockholders. The Gentiva board of directors unanimously recommends that Gentiva stockholders vote **FOR** the proposal to adopt the merger agreement, **FOR** the

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proposal to approve by advisory (non-binding) vote certain merger-related executive compensation and **FOR** the proposal to approve adjournments of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

Q: What will happen to Gentiva as a result of the merger?

A: If the merger is completed, merger sub will merge with and into Gentiva, with Gentiva continuing as the surviving corporation and a wholly owned subsidiary of Kindred.

Q: What equity stake will Gentiva stockholders hold in Kindred immediately following the merger?

A: Based upon the number of issued and outstanding shares of Kindred common stock and Gentiva common stock as of December 15, 2014, the most recent practicable date prior to the mailing of this proxy statement/prospectus, it is expected that, immediately upon completion of the merger, Gentiva stockholders will own approximately 12% of the outstanding shares of Kindred common stock.

Q: Where will the Kindred common stock that I receive in the merger be publicly traded?

A: Kindred will apply to have the new shares of Kindred common stock issued in the merger listed on the NYSE upon the closing of the merger.

Q: When do you expect to complete the merger?

A: If the merger agreement is adopted at the special meeting, we expect to complete the merger in the first quarter of 2015, subject to the satisfaction of the other conditions to the merger. However, we cannot assure you that such timing will occur or that the merger will be completed.

Q: What happens if the merger is not consummated?

A: If the merger agreement is not adopted by Gentiva stockholders or if the merger is not consummated for any other reason, Gentiva stockholders will not receive any payment for their shares in connection with the merger. Instead, Gentiva will remain an independent public company and Gentiva common stock will continue to be listed and traded on the NASDAQ.

Under specified circumstances, Gentiva may be required to pay to Kindred a fee with respect to the termination of the merger agreement, as described under **The Merger Agreement Termination Fees and Expenses** beginning on page 108.

Q: What am I being asked to vote on at the special meeting?

A: At the special meeting, Gentiva stockholders of record at the close of business on December 19, 2014 will be asked to consider and vote upon the following proposals: (i) a proposal to adopt the merger agreement, as it may be amended from time to time; (ii) a proposal to approve, by advisory (non-binding) vote, certain compensation arrangements for Gentiva's named executive officers in connection with the merger; and (iii) a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

Q: Why am I being asked to consider and vote on a proposal to approve, by advisory (non-binding) vote, certain compensation arrangements for Gentiva's named executive officers in connection with the merger?

A: Under SEC rules, Gentiva is required to seek an advisory (non-binding) vote with respect to the compensation that may be paid or become payable to its named executive officers that is based on, or otherwise relates to, the merger.

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Q: What happens if Gentiva stockholders do not approve the merger-related executive compensation proposal?

A: Approval of the compensation that may be paid or become payable to Gentiva's named executive officers that is based on, or otherwise relates to, the merger is not a condition to completion of the merger. The vote is an advisory vote and will not be binding on Gentiva or the surviving company in the merger. If the merger is completed, the merger-related compensation may be paid to Gentiva's named executive officers to the extent payable in accordance with the terms of their compensation and benefits agreements and arrangements even if Gentiva stockholders do not approve, by advisory (non-binding) vote, the merger-related compensation.

Q: Do any of Gentiva's directors or executive officers have interests in the merger that may differ from those of Gentiva stockholders?

A: Gentiva's directors and executive officers have interests in the merger that are different from, or in addition to, their interests as Gentiva stockholders. Other than Kindred's entry into an employment agreement with David. A. Causby, Gentiva's President and Chief Operating Officer, which took place after the signing of the merger agreement, the members of Gentiva's board of directors were aware of and considered these interests, among other matters, in evaluating the merger agreement and the merger, and in recommending that Gentiva stockholders adopt the merger agreement. For a description of these interests, refer to the section entitled "The Merger - Interests of Gentiva Directors and Executive Officers in the Merger" beginning on page 66.

Q: What constitutes a quorum at the special meeting?

A: For business to be conducted at the special meeting, a quorum must be present. The presence of the holders of record of a majority of the issued and outstanding shares of Gentiva common stock entitled to vote at the special meeting constitutes a quorum. Stockholders may be present in person or by proxy. A stockholder will be considered part of the quorum if such stockholder returns a signed and dated proxy card, votes by telephone or the internet or votes in person at the special meeting.

Q: Do Gentiva stockholders have appraisal rights?

A: Yes. Under the Delaware General Corporation Law, which we refer to as the DGCL, holders of Gentiva common stock who do not vote for the adoption of the merger agreement have the right to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery if the merger is completed, but only if they comply with all requirements of Delaware law, which are summarized in this proxy statement/prospectus. Failure to comply with all requirements of Delaware law may result in your waiver of, or inability to exercise, appraisal rights. Please see [Annex D](#) for the text of the applicable provisions of the DGCL as in effect with respect to this transaction.

Q:

What happens if I sell or transfer my shares of Gentiva common stock after the record date but before the special meeting?

- A: The record date for Gentiva stockholders entitled to vote at the special meeting is earlier than both the date of the Gentiva special meeting and the consummation of the merger. If you sell or transfer your shares of Gentiva common stock after the record date but before the special meeting, you will, unless other arrangements are made (such as provision of a proxy), retain your right to vote at the special meeting but will transfer the right to receive the merger consideration to the person to whom you sell or transfer your shares.

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Q: What are the federal income tax consequences of the merger to Gentiva stockholders?

A: In general, the exchange of shares of Gentiva common stock for cash and Kindred common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. We urge Gentiva stockholders to consult a tax advisor about the tax consequences of the exchange of their shares of Gentiva common stock for cash and Kindred common stock pursuant to the merger in light of the particular circumstances of each Gentiva stockholder, including the application and effect of any state, local, federal or other tax laws. **For more information regarding the amount and timing of any income, gain or loss with respect to the merger, see Material United States Federal Income Tax Consequences beginning on page 88.**

Q: Are Kindred stockholders voting on the merger?

A: No. The vote of Kindred stockholders is not required to complete the merger.

Q: Should I send in my stock certificates now?

A: **NO, PLEASE DO NOT SEND YOUR STOCK CERTIFICATE(S) WITH YOUR PROXY CARD(S).** If the merger is completed, you will be sent written instructions for sending in your stock certificates or, in the case of book-entry shares, for surrendering your book-entry shares. See Information About the Special Meeting Stock Certificates beginning on page 117, and The Merger Agreement Exchange of Shares beginning on page 94.

Q: Who can answer my questions about the merger?

A: If you have any questions about the merger or the special meeting, need assistance in voting your shares, or need additional copies of this proxy statement/prospectus or the enclosed proxy card(s), you should contact:
MacKenzie Partners, Inc.

105 Madison Avenue

New York, New York 10016

Call collect: (212) 929-5500 or toll-free: (800) 322-2885

Q: When and where is the special meeting?

A: The special meeting will be held on Thursday, January 22, 2015, at 3:00 p.m. local time, at the Renaissance Waverly Hotel, 2450 Galleria Parkway, Atlanta, Georgia 30339.

Q: Who is eligible to vote at the special meeting?

A: Owners of Gentiva common stock are eligible to vote at the special meeting if they were stockholders of record at the close of business on December 19, the record date for the special meeting. Each share of Gentiva common stock issued and outstanding on the record date is entitled to one vote in respect of each proposal.

Q: What is a proxy?

A: A proxy is a stockholder's legal designation of another person, referred to as a proxy, to vote shares of such stockholder's common stock at a stockholders' meeting. The document used to designate a proxy to vote your shares of Gentiva common stock is called a proxy card.

Q: What should I do now?

A: You should read this proxy statement/prospectus carefully, including the annexes, and return your completed, signed and dated proxy card(s) by mail in the enclosed postage-paid envelope or submit your voting instructions by telephone or over the internet as soon as possible so that your shares will be

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represented and voted at the special meeting. A number of banks and brokerage firms participate in a program that also permits stockholders whose shares are held in street name to direct their vote by telephone or over the internet. This option, if available, will be reflected in the voting instructions from the bank or brokerage firm that accompany this proxy statement/prospectus. If your shares are held in an account at a bank or brokerage firm that participates in such a program, you may direct the vote of these shares by telephone or over the internet by following the voting instructions enclosed with the proxy card from the bank or brokerage firm.

Q: May I attend the special meeting?

A: All Gentiva stockholders of record or beneficial owners as of the close of business on December 19, 2014, the record date for the special meeting, or those persons who hold a valid proxy, may attend the special meeting. If your shares are held in street name by your broker, bank or other nominee, and you plan to attend the special meeting, you must present proof of your ownership of Gentiva common stock, such as a bank or brokerage account statement, to be admitted to the meeting. You also must present at the meeting a proxy issued to you by the holder of record of your shares.

Q: If I am going to attend the special meeting, should I return my proxy card(s)?

A: Yes. Returning your completed, signed and dated proxy card(s) or voting by telephone or over the internet ensures that your shares will be represented and voted at the special meeting. Voting your shares in advance of the special meeting will not impact your ability to attend the special meeting. If you do attend the meeting and decide to vote in person, your in person vote will revoke any previously submitted proxy cards.

Q: How will my proxy be voted?

A: If you complete, sign and date your proxy card(s) or vote by telephone or over the internet, your shares will be voted in accordance with your instructions. If you sign and date your proxy card(s) but do not indicate how you want to vote at the special meeting, your shares will be voted **FOR** the adoption of the merger agreement; **FOR** the approval to approve, by non-binding, advisory vote, the merger-related executive compensation; and **FOR** the proposal to approve adjournments or postponements of the special meeting, if necessary or appropriate, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

Q: What if my broker holds my shares in street name?

A: If a broker holds your shares for your benefit but not in your own name, your shares are in street name. A number of banks and brokerage firms participate in a program that also permits stockholders whose shares are held in street name to direct their vote by telephone or over the internet. If your shares are held in an account at a bank or brokerage firm that participates in such a program, you may direct the vote of these shares by telephone or over the internet by following the voting instructions enclosed with the proxy form from the bank or brokerage firm.

The internet and telephone proxy procedures are designed to authenticate stockholders' identities, to allow stockholders to give their proxy voting instructions and to confirm that those instructions have been properly recorded. Votes directed by telephone or over the internet through such a program must be received by 11:59 p.m., Eastern Standard Time, on January 21, 2015. Directing the voting of your shares will not affect your right to vote in person if you decide to attend the special meeting. If your shares are held in "street name" by your broker, bank or other nominee, and you plan to attend the special meeting, you must present proof of your ownership of Gentiva common stock, such as a bank or brokerage account statement, to be admitted to the meeting. In addition, you must first obtain a signed and properly executed legal proxy from your bank, broker or other nominee to vote your shares held in "street name" at the special meeting. Requesting a legal proxy prior to the deadline described above will automatically cancel any voting directions you have previously given by telephone or over the internet with respect to your shares.

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Q. Can I change my vote after I mail my proxy card(s) or vote by telephone or over the internet?

A: Yes. If you are a stockholder of record (that is, you hold your shares in your own name), you can change your vote by:

sending a written notice to the corporate secretary of Gentiva, bearing a date later than the date of the proxy, that is received prior to the special meeting and states that you revoke your proxy;

voting at a later date by telephone or over the internet by 11:59 p.m., Eastern Standard Time, the day preceding the special meeting;

signing, dating and delivering a new valid proxy card(s) bearing a later date that is received prior to the special meeting; or

attending the special meeting and voting in person, although your attendance alone will not revoke your proxy.

If your shares of Gentiva common stock are held in street name by your broker, you will need to follow the instructions you receive from your broker to revoke or change your proxy.

Q: What if I don't provide my broker with instructions on how to vote?

A: Your bank, brokerage firm or other nominee will only be permitted to vote your shares of Gentiva common stock if you instruct your bank, brokerage firm or other nominee how to vote. You should follow the procedures provided by your bank, brokerage firm or other nominee regarding the voting of your shares of Gentiva common stock. In accordance with the rules of NASDAQ, banks, brokerage firms and other nominees who hold shares of Gentiva common stock in street name for their customers have authority to vote on routine proposals when they have not received instructions from beneficial owners. However, banks, brokerage firms and other nominees are precluded from exercising their voting discretion with respect to non-routine matters, such as the adoption of the merger agreement, the proposal to approve, by non-binding, advisory vote, the merger-related executive compensation, and adjournments of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement. As a result, absent specific instructions from the beneficial owner of such shares, banks, brokerage firms and other nominees are not empowered to vote such shares. The effect of not instructing your broker how you wish your shares to be voted will be the same as a vote AGAINST the adoption of the merger agreement, but will not have an effect on the proposal to approve, by non-binding, advisory vote, the merger-related executive compensation or on the vote to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

Q: What does it mean if I receive multiple proxy cards?

A: Your shares may be registered in more than one account, such as brokerage accounts and 401(k) accounts. To ensure that all your shares are voted, it is important that you complete, sign, date and return each proxy card or voting instruction form you receive or vote using the telephone or over the internet as described in the instructions included with your proxy card(s) or voting instruction form(s).

Q: Where can I find more information about Kindred and Gentiva?

A: You can find more information about Kindred and Gentiva from various sources described under [Where You Can Find More Information](#) beginning on page 147.

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SUMMARY

This summary highlights selected information contained elsewhere in this proxy statement/prospectus. It may not contain all of the information that is important to you. You should read carefully this entire proxy statement/prospectus and the other documents to which this proxy statement/prospectus refers to understand fully the merger and the related transactions. See **Where You Can Find More Information** beginning on page 147. Most items in this summary include a page reference directing you to a more complete description of those items.

Information About Gentiva (page 118)

Gentiva is one of the nation's largest providers of home health, hospice and community care services, delivering innovative, high quality care to patients across the United States. Gentiva is a single source for skilled nursing; physical, occupational, speech and neurorehabilitation services; hospice services; social work; nutrition; disease management education; help with daily living activities; and other therapies and services.

Gentiva is a Delaware corporation with principal executive offices at 3350 Riverwood Parkway, Suite 1400, Atlanta, GA 30339-3314. The telephone number of Gentiva's executive offices is (770) 951-6450, and Gentiva's website is www.gentiva.com. Gentiva common stock is listed on NASDAQ and trades under the symbol **GTIV**. Additional information about Gentiva is included in documents incorporated by reference into this proxy statement/prospectus. See the section entitled **Where You Can Find More Information** beginning on page 147.

Information About Kindred (page 119)

Kindred is a healthcare services company that through its subsidiaries operates transitional care hospitals, inpatient rehabilitation hospitals, nursing centers, assisted living facilities, a contract rehabilitation services business and a home health and hospice business across the United States. At September 30, 2014, Kindred's hospital division operated 97 transitional care hospitals (certified as long-term acute care hospitals under the Medicare program) and five inpatient rehabilitation hospitals in 22 states. Kindred's nursing center division operated 99 nursing centers and six assisted living facilities in 21 states. Kindred's rehabilitation division provided rehabilitation services primarily in hospitals and long-term care settings. Kindred's care management division (formerly known as Kindred's home health and hospice division) primarily provided home health, hospice and private duty services from 152 locations in 13 states.

Kindred is a Delaware corporation headquartered in Louisville, Kentucky. Kindred's principal offices are located at 680 South Fourth Street, Louisville, Kentucky 40202 and its telephone number is (502) 596-7300. Kindred's website is www.kindredhealthcare.com. Kindred common stock is listed on the NYSE and trades under the symbol **KND**. Additional information about Kindred is included in documents incorporated by reference into this proxy statement/prospectus. See the section entitled **Where You Can Find More Information** beginning on page 147.

Information About Merger Sub (page 120)

Kindred Healthcare Development 2, Inc., a Delaware corporation and wholly owned subsidiary of Kindred, was formed on June 13, 2014 for the purpose of commencing an offer to acquire all of the outstanding shares of Gentiva common stock, which we refer to as the tender offer, pursuant to a Tender Offer Statement on Schedule TO filed by Kindred and merger sub with the SEC on June 17, 2014. Merger sub has not carried on any activities or operations to date, except for those incidental to its formation and undertaken in connection with the tender offer and, following termination of the tender offer, the transactions contemplated by the merger agreement. By operation of the merger, merger sub will merge with and into Gentiva, with Gentiva continuing as the surviving corporation and a wholly

owned subsidiary of Kindred.

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The Merger (page 41)

Pursuant to the merger agreement, merger sub will merge with and into Gentiva, with Gentiva, which we sometimes refer to as the surviving corporation, surviving the merger as a wholly owned subsidiary of Kindred.

We encourage you to read the merger agreement, which governs the merger and is attached as Annex A to this proxy statement/prospectus, because it sets forth the terms of the merger.

Merger Consideration (page 65)

At the effective time of the merger, each share of Gentiva common stock outstanding, other than shares owned by Kindred or Gentiva or their respective wholly owned subsidiaries, or shares owned by stockholders who have properly exercised and perfected appraisal rights under Delaware law, will be converted into the right to receive \$14.50 in cash, without interest, and 0.257 of a share of Kindred common stock.

The exchange ratio is a fixed ratio. Therefore, the number of shares of Kindred common stock to be received by holders of Gentiva common stock as a result of the merger will not change between now and the time the merger is completed to reflect changes to the trading price of Kindred common stock.

Effect of the Merger on Gentiva's Equity Awards (page 94)

At the effective time, each Gentiva in-the-money option will be canceled and converted into the right to receive an amount in cash, without interest, equal to the cash consideration plus the value of the stock consideration (based on the Kindred closing price), less the exercise price, subject to withholding taxes. Each Gentiva out-of-the-money option or Gentiva option that will not vest as a result of the merger will be converted into an option to purchase a number of shares of Kindred common stock determined by multiplying the number of shares of Gentiva common stock subject to such Gentiva option by a fraction, the numerator of which is the sum of (A) the product of the stock consideration multiplied by the Kindred closing price and (B) the cash consideration and the denominator of which is the Kindred closing price.

Each outstanding share of Gentiva restricted stock that will vest as a result of the merger and each outstanding Gentiva deferred stock unit will receive the merger consideration, subject to withholding taxes. Each outstanding share of Gentiva restricted stock that will not vest as a result of the merger will receive merger consideration in the form of a restricted Kindred cash award and restricted Kindred common stock, in each case subject to the vesting conditions of such shares of Gentiva restricted stock prior to the effective time.

Each Gentiva performance cash award that will become vested as a result of the merger will be accelerated and the recipient thereof will receive an amount in cash, without interest, equal to the target amount of such cash award (unless such performance cash award provides for the accelerated vesting of such award at the maximum level, in which case the recipient thereof will receive an amount in cash, without interest, equal to the maximum amount of such cash award), subject to withholding taxes. Each Gentiva performance cash award that will not vest as a result of the merger will be converted into the right to receive a Kindred cash award, subject to the vesting conditions of such performance cash award prior to the effective time of the merger. To the extent that any performance cash award is, immediately prior to the effective time, subject to any performance-based vesting or other performance conditions, the board of directors of Kindred, or an applicable committee thereof, may, following the effective time, make such equitable adjustments, if any, to the applicable performance goals or conditions relating to the Kindred cash award received by the holder of such performance cash award, as the Kindred board (or such committee thereof) may determine to be necessary or appropriate as a result of the consummation of the transactions contemplated by the

merger agreement, including the merger, and, in each case, subject to and in accordance with the terms and conditions of the applicable performance cash award and the applicable Gentiva stock plan.

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Participants in the ESPP will be entitled to receive the merger consideration for shares of Gentiva common stock purchased through the ESPP prior to the effective time. No new offering periods under the ESPP will commence after the date of the merger agreement.

Financing Relating to the Merger (page 81)

Funds needed to complete the merger include funds to:

pay Gentiva stockholders (and holders of Gentiva's equity-based interests and any payable cash awards) amounts due to them under the merger agreement;

refinance certain existing debt of Gentiva; and

pay fees and expenses related to the merger and the debt financing for the merger.

Kindred anticipates that the funds needed to complete the merger will be obtained from a combination of (i) existing cash balances, (ii) the proceeds from the issuances of Kindred common stock and tangible equity units, and (iii) the proceeds from third-party financing, which we refer to as the debt financing and which may include Kindred's existing senior secured asset-based revolving credit facility, a senior secured term loan facility, a senior unsecured bridge loan facility and senior unsecured notes.

On October 9, 2014, Kindred obtained a debt commitment letter from Citigroup Global Markets Inc. (which we refer to as Citi), JPMorgan Chase Bank, N.A. and J.P. Morgan Securities LLC, which was amended and restated on October 30, 2014, and which, as amended and restated, we refer to as the debt commitment letter. The debt commitment letter was provided by Citi, Citibank, N.A., Citigroup USA, Inc., Citigroup North America, Inc. and/or their affiliates, JPMorgan Chase Bank, N.A., J.P. Morgan Securities LLC, General Electric Capital Corporation, GE Capital Markets, Inc., Guggenheim Securities, LLC (which we refer to as Guggenheim), Security Benefit Corporation and its designated affiliates, Morgan Stanley Senior Funding, Inc., Bank of Montreal, BMO Capital Markets Corp., Deutsche Bank AG New York Branch, Deutsche Bank Securities Inc., SunTrust Bank and SunTrust Robinson Humphrey, Inc., which we refer to collectively as the debt commitment parties.

Under the debt commitment letter, the debt commitment parties agreed to provide a \$750 million senior secured asset-based revolving credit facility, a \$992.5 million senior secured term loan facility and a \$1,700 million senior unsecured bridge loan facility.

The commitments for the asset-based revolving credit facility and the term loan facility were available to refinance Kindred's existing credit facilities in the event that Kindred did not obtain the consents required for certain amendments to such credit facilities on or prior to the closing of the merger. Kindred obtained the consents required for the amendments to its existing asset-based revolving credit facility and term loan facility on October 31, 2014 and November 25, 2014, respectively, and, as a result, the commitments for such facilities were terminated on such dates.

The commitments for the bridge loan facility are available to the extent Kindred does not complete planned offerings of senior unsecured notes, common stock and tangible equity units prior to the closing of the merger. On November 25, 2014, Kindred completed an offering of 150,000 7.50% tangible equity units for \$150 million in gross cash proceeds and 5,000,000 shares of Kindred common stock for approximately \$98.8 million in gross cash proceeds. On

December 1, 2014, the underwriters for the tangible equity units and common stock offerings exercised their over-allotment options to purchase 22,500 additional tangible equity units for approximately \$22.5 million in gross cash proceeds and 395,759 additional shares of Kindred common stock for approximately \$7.8 million in gross cash proceeds, each of which closed on December 3, 2014. As a result of Kindred's issuance of tangible equity units and common stock, the commitments for the bridge loan facility were reduced to \$1,421 million.

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On December 8, 2014, Kindred Escrow Corp. II, a wholly owned subsidiary of Kindred (which we refer to as the escrow issuer), launched an unregistered offering of \$750 million aggregate principal amount of 8.00% senior notes due 2020 and \$600 million aggregate principal amount of 8.75% senior notes due 2023 (which together we refer to as the senior notes) in a private placement (which we refer to as the senior notes offering). The senior notes priced on December 11, 2014 and closed on December 18, 2014. The net proceeds of the offering were deposited into an escrow account and such funds will be released to Kindred subject to the concurrent closing of the acquisition of Gentiva, the merger of the escrow issuer with and into Kindred, and Kindred's assumption of the escrow issuer's obligations under the senior notes. Kindred does not expect to draw on the bridge loan facility and instead expects to use the funds received from the senior notes offering and the offerings of tangible equity units and common stock to complete the merger.

Although Kindred does not expect to draw on the bridge loan facility to complete the merger, Kindred might be required to draw on the bridge loan facility if one of its expected financing sources is unavailable. However, the definitive documentation governing the bridge loan facility has not been finalized, and the obligation of the commitment parties to provide debt financing under the bridge loan facility is subject to a number of conditions. There is a risk that these conditions will not be satisfied and the debt financing may not be available when required. In the event that the bridge loan facility is not available to Kindred on the terms set forth in the debt commitment letter or Kindred anticipates that the bridge loan facility will not be available on the terms set forth in the debt commitment letter due to the failure of a condition thereto or for any other reason, Kindred has the right under the merger agreement to seek alternative financing. As of the date of this proxy statement/prospectus, no such alternative financing has been arranged. Kindred's obligation to complete the merger is not conditioned upon the receipt of any financing.

Gentiva's Reasons for the Merger and Recommendation of Gentiva's Board of Directors (page 52)

After careful consideration of the various factors as described in *The Merger* *Gentiva's Reasons for the Merger and Recommendation of Gentiva's Board of Directors* beginning on page 52, the Gentiva board of directors has unanimously approved and declared advisable the merger agreement and the transactions contemplated thereby, including the merger, and has unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to, and in the best interests of, Gentiva and its stockholders. The Gentiva board of directors unanimously recommends that Gentiva stockholders vote **FOR** the proposal to adopt the merger agreement at the special meeting. In addition, the Gentiva board of directors unanimously recommends that Gentiva stockholders vote **FOR** the proposal to approve the merger-related executive compensation and **FOR** the proposal to approve adjournments of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

Opinion of Gentiva's Financial Advisor (page 55)

In connection with the merger, Gentiva's board of directors received a written opinion, dated October 8, 2014, of Barclays Capital Inc., which we refer to as Barclays, that as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the consideration to be offered to Gentiva stockholders (other than Kindred and its affiliates) in the merger was fair, from a financial point of view, to such stockholders. The full text of Barclays' written opinion is attached to this proxy statement/prospectus as Annex C. Gentiva stockholders are encouraged to read Barclays' opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Barclays.

Barclays' opinion was provided for the benefit of Gentiva's board of directors (in its capacity as such) in connection with, and for the purpose of, its evaluation of the merger consideration from a financial point of view and did not

address any other aspect of the merger. The opinion did not address the relative merits of the merger

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as compared to other business strategies or transactions that might be available with respect to Gentiva or Gentiva's underlying business decision to effect the merger. Barclays expressed no opinion on, and its opinion does not in any manner address, the fairness of the amount or the nature of any compensation to any officers, directors or employees of any parties to the merger, or any class of such persons, including relative to the consideration to be offered to Gentiva stockholders in the merger. The opinion does not constitute a recommendation to any stockholder as to how to vote or act with respect to the merger. See *The Merger Opinion of Gentiva's Financial Advisor* beginning on page 55.

Record Date; Outstanding Shares; Shares Entitled to Vote (page 111)

The record date for the special meeting of Gentiva stockholders is December 19, 2014. This means that you must be a holder of record of Gentiva common stock at the close of business on December 19, 2014 in order to vote at the special meeting. You are entitled to one vote for each share of Gentiva common stock you own. As of December 15, 2014, the most recent practicable date before the mailing of this proxy statement/prospectus, there were 37,408,360 shares of Gentiva common stock outstanding and entitled to vote at the special meeting. As of December 15, 2014, the most recent practicable date before the mailing of this proxy statement/prospectus, the directors and executive officers of Gentiva and their affiliates owned and were entitled to vote approximately 5,718,819 shares of Gentiva common stock, representing approximately 15.3% of the shares of Gentiva common stock outstanding on that date. For further information, see *The Merger Agreement Voting and Support Agreement* beginning on page 109.

Quorum and Vote Required (page 112)

A majority of the shares of Gentiva common stock outstanding at the close of business on the record date and entitled to vote, present in person or represented by proxy, at the special meeting constitutes a quorum for purposes of the special meeting. Shares of Gentiva common stock represented at the special meeting but not voted, including shares of common stock for which a stockholder directs an abstention from voting, as well as broker non-votes, will be counted for purposes of establishing a quorum.

Approval of the proposal to adopt the merger agreement requires the affirmative vote of at least a majority of the outstanding shares of Gentiva common stock entitled to vote at the special meeting. The proposal to approve certain compensation arrangements for Gentiva's named executive officers in connection with the merger requires the affirmative vote of the holders of a majority of shares of Gentiva common stock present in person or represented by proxy and entitled to vote thereon; however, such vote is advisory (non-binding) only. Approval of the proposal to adjourn the special meeting, if necessary or appropriate, to solicit proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement, requires the affirmative vote of the majority of stockholders present, in person or by proxy, and entitled to vote at the special meeting, whether or not a quorum is present.

Interests of Gentiva Directors and Executive Officers in the Merger (page 66)

In considering the recommendation of the Gentiva board of directors with respect to the proposal to adopt the merger agreement, you should be aware that our directors and executive officers may have interests in the merger that are different from, or in addition to, those of stockholders generally. These interests include, but are not limited to, the following: the treatment of equity awards held by Gentiva's directors and executive officers (including the acceleration of deferred stock units and restricted stock awards and potential acceleration of unvested stock options and performance cash awards); the potential payment of severance and other benefits to Gentiva's executive officers; the continuation of certain rights to indemnification and of coverage under directors' and officers' liability insurance policies following completion of the merger; the potential to serve as directors and/or officers of Kindred; that the Gentiva compensation committee has discretion to award Mr. Rodney D. Windley, Gentiva's Executive Chairman, and

certain other core management team members certain incentive bonus compensation in an aggregate amount of a pool of \$10 million to be allocated at the sole

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discretion of the compensation committee, provided that at least a significant minority of such pool will be allocated to core management team members other than Mr. Windley; that the Gentiva compensation committee has discretion to pay Mr. Windley, for 2014 and 2015, bonus payments in the ordinary course (apart from the timing of payment), both of which will be payable on or before the consummation of the merger; and the entry into an employment agreement between David A. Causby and Kindred. Other than Kindred's entry into an employment agreement with David A. Causby, which took place after the signing of the merger agreement, the Gentiva board of directors was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger and in recommending that the merger agreement be adopted by Gentiva stockholders. See the section titled "The Merger - Interests of Gentiva Directors and Executive Officers in the Merger" beginning on page 66.

Board of Directors and Management of Kindred Following the Merger (page 79)

Following the closing of the merger, the Kindred board of directors is expected to remain the same as the current Kindred board of directors, subject to the planned appointment of Benjamin A. Breier as a member, effective March 31, 2015. The Kindred senior management team after the closing of the merger is expected to be the same as the current senior management team of Kindred, with the addition of David A. Causby and subject to the planned transition of Mr. Breier, who currently serves as Kindred's Chief Operating Officer and President, as successor to Paul J. Diaz as Chief Executive Officer, effective March 31, 2015. Following Gentiva and Kindred's entry into the merger agreement, Mr. Causby, who is currently a named executive officer of Gentiva, entered into an employment agreement with Kindred, pursuant to which he will become President of the combined *Kindred at Home* business and will serve on Kindred's Executive Committee following the closing of the merger.

Listing of Kindred Common Stock and De-listing of Gentiva Common Stock (page 80)

It is a condition to the merger that the shares of common stock to be issued by Kindred in connection with the merger be authorized for listing on the NYSE, subject to official notice of issuance. Shares of Kindred common stock are currently traded on the NYSE under the symbol KND. Shares of Gentiva common stock are currently traded on NASDAQ under the symbol GTIV. If the merger is completed, Gentiva common stock will no longer be listed on NASDAQ and will be deregistered under the Exchange Act and Gentiva will no longer file periodic reports with the SEC.

Appraisal Rights (page 83)

Gentiva stockholders have the right under Delaware law to dissent from the approval and adoption of the merger agreement, to exercise appraisal rights and to receive payment in cash of the judicially determined fair value for their shares, plus interest, if any, on the amount determined to be the fair value, in accordance with Delaware law. The fair value of shares of Gentiva common stock, as determined in accordance with Delaware law, may be more or less than, or equal to, the merger consideration to be paid to non-dissenting stockholders in the merger. To preserve their rights, Gentiva stockholders who wish to exercise appraisal rights must not vote in favor of the proposal to adopt the merger agreement and must follow the specific procedures provided under Delaware law for perfecting appraisal rights. Dissenting stockholders must precisely follow these specific procedures to exercise appraisal rights or their appraisal rights may be lost. These procedures are described in this proxy statement/prospectus, and a copy of Section 262 of the DGCL (which we refer to as Section 262), which grants appraisal rights and governs such procedures, is attached as Annex D to this proxy statement/prospectus.

Dividend Policy of Kindred Following the Merger (page 81)

Kindred paid dividends of \$0.12 per share in each of the last two quarters of 2013 and each of the four quarters of 2014. Gentiva stockholders have historically not received dividends. The payment of dividends by Kindred after the merger will be subject to the determination of the Kindred board of directors. Decisions by the

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Kindred board of directors regarding whether or not to pay dividends on Kindred common stock and the amount of any dividends will be based on compliance with the DGCL, compliance with agreements governing Kindred's indebtedness, earnings, cash requirements, results of operations, cash flows, financial condition and other factors that the Kindred board of directors considers important.

Conditions to Completion of the Merger (page 105)

The respective obligations of Kindred and Gentiva to complete the merger are subject to the satisfaction or, if permissible, waiver, of certain conditions, including:

the adoption of the merger agreement by the Gentiva stockholders at the special meeting;

the authorization for listing on the NYSE, subject to official notice of issuance, of the shares of Kindred common stock to be issued in the merger;

the effectiveness of the registration statement on Form S-4, of which this proxy statement/prospectus forms a part, and absence of any stop order by the SEC, or pending or threatened proceedings of the SEC seeking a stop order, suspending the effectiveness of such registration statement;

the absence of any laws or orders by any governmental authority that make illegal, enjoin or otherwise prohibit consummation of the merger or the other transactions contemplated by the merger agreement; and

the accuracy of the representations and warranties of the parties (subject to customary exceptions) and material compliance by the parties with their respective obligations under the merger agreement.

The obligation of Kindred to consummate the merger is also subject to obtaining certain regulatory approvals or licenses and delivery of certain notices by Gentiva as set forth in the merger agreement, provided that, if not previously fulfilled, this condition will be deemed satisfied on February 28, 2015.

Regulatory Approvals (page 80)

The completion of the merger is not conditioned upon the expiration or termination of any statutory waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (which we refer to as the HSR Act). Pursuant to the requirements of the HSR Act, Kindred, merger sub and Gentiva each made filings with the U.S. Federal Trade Commission (which we refer to as the FTC) and the Antitrust Division of the U.S. Department of Justice (which we refer to as the Antitrust Division) in connection with the tender offer. On July 22, 2014, the FTC granted termination of the waiting period under the HSR Act.

The obligation of Kindred to consummate the merger is subject to obtaining certain regulatory approvals or licenses and delivery of certain notices by Gentiva as set forth in the merger agreement, provided that, if not previously fulfilled, this condition will be deemed satisfied on February 28, 2015.

Termination of the Merger Agreement (page 107)

The merger agreement may be terminated at any time before the effective time, whether or not the Gentiva stockholders have adopted the merger agreement (except in the case of Gentiva's fiduciary termination right described below):

by mutual written agreement of Kindred, merger sub and Gentiva;

by either Kindred or Gentiva if:

the merger has not been consummated on or before the outside date of March 31, 2015, unless the breach of any representation, warranty, covenant or agreement set forth in the merger agreement by the party seeking to terminate was the direct cause of the failure to consummate the merger by such date;

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if any governmental entity has enacted, issued, promulgated, enforced or entered any law or order making illegal, permanently enjoining or otherwise permanently prohibiting the consummation of the merger or the other transactions contemplated by the merger agreement, and such law or order has become final and nonappealable, unless the breach of any representation, warranty, covenant or agreement set forth in the merger agreement by the party seeking to terminate was the direct cause of such action; or

the adoption of the merger agreement by the Gentiva stockholders was not obtained at the special meeting of Gentiva stockholders (or adjournment or postponement of the meeting);

by Kindred if:

(i) there occurs a company adverse recommendation change (as defined on page 102), (ii) Gentiva has entered into, or publicly announced its intention to enter into, a company acquisition agreement other than an acceptable confidentiality agreement, (iii) the Gentiva board of directors fails to reaffirm (publicly, if requested by Kindred) its recommendation to Gentiva stockholders to approve the merger agreement within ten business days after the date a takeover proposal is first publicly disclosed, or (iv) Gentiva or its board of directors has publicly announced its intention to do any of the foregoing; or

Gentiva breaches its representations or warranties or fails to perform any covenants or agreements set forth in the merger agreement, which breach or failure would cause the conditions to the closing relating to the accuracy of the representations and warranties of Gentiva or compliance by Gentiva with its obligations under the merger agreement not to be satisfied and such breach is incapable of being cured by March 31, 2015, provided that Kindred gives 30 days written notice of its intention to terminate the merger agreement;

by Gentiva if:

at any time prior to the adoption of the merger agreement by Gentiva stockholders, the Gentiva board of directors authorizes Gentiva, in full compliance with the terms of the merger agreement, to enter into a written definitive agreement with respect to a superior proposal (as defined on page 103) and Gentiva concurrently pays a \$32.5 million termination fee; or

Kindred or merger sub breaches its representations or warranties or fails to perform any covenants or agreements set forth in the merger agreement, which breach or failure would cause the conditions to the closing relating to the accuracy of the representations and warranties of Kindred or compliance by Kindred with its obligations under the merger agreement not to be satisfied, and such breach is incapable of being cured by March 31, 2015, provided that Gentiva gives 30 days written notice of its intention to terminate the merger agreement.

Termination Fees and Expenses (page 108)

If the merger agreement is terminated in certain circumstances described under The Merger Agreement Termination of the Merger Agreement beginning on page 107, Gentiva may be obligated to pay to Kindred a termination fee of \$32.5 million.

In general, each of Kindred and Gentiva will bear its own expenses in connection with the merger agreement and the related transactions.

Voting and Support Agreement (page 109)

In connection with the merger agreement, Kindred entered into a Voting and Support Agreement, dated as of October 9, 2014 (which we refer to as the voting agreement), with each of the directors and executive officers of Gentiva, to, among other things, vote their shares of Gentiva common stock in favor of the merger, the adjournment proposal if there are not sufficient votes to adopt the merger agreement, and against any proposals

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for an alternative business combination transaction or which would be reasonably likely to prevent, materially impede or materially delay the merger, in each case subject to the terms and conditions of the voting agreement. As of December 15, 2014, the most recent practicable date before the mailing of this proxy statement/ prospectus, the voting agreement covered 5,754,720 shares of Gentiva common stock, or approximately 15.4% of the outstanding shares of Gentiva common stock. A copy of the voting agreement is attached as Annex B to this proxy statement/prospectus.

Litigation Related to the Merger (page 81)

Three lawsuits have been filed in the Delaware Court of Chancery against Gentiva, the members of the Gentiva board of directors, Kindred and merger sub. The lawsuits allege that the Gentiva board breached its fiduciary duties by agreeing to the merger for inadequate consideration and by agreeing to terms in the merger agreement that deter alternative bids. The lawsuits further allege that Gentiva, Kindred and merger sub aided and abetted these alleged breaches of fiduciary duties. The lawsuits seek, among other things, an injunction against the completion of the merger, damages in an unspecified amount and attorneys' fees and expenses incurred in connection with the actions. Gentiva, the members of the Gentiva board of directors, Kindred and merger sub each believe that all allegations contained in the complaints filed in these actions are without merit. On November 18, 2014, all three lawsuits were consolidated for all purposes by the Delaware Court of Chancery. See The Merger Litigation Related to the Merger beginning on page 81.

Material United States Federal Income Tax Consequences (page 88)

The merger will be a taxable transaction to U.S. holders of Gentiva common stock for U.S. federal income tax purposes. You should read the section entitled Material United States Federal Income Tax Consequences beginning on page 88 for a more complete discussion of the U.S. federal income tax consequences of the transaction. Tax matters can be complicated, and the tax consequences of the transaction to Gentiva stockholders will depend on their particular tax situations. Gentiva stockholders should consult their tax advisors to determine the tax consequences of the transaction to them.

Accounting Treatment (page 87)

The merger will be accounted for under the acquisition method of accounting in conformity with U.S. generally accepted accounting principles (which we refer to as GAAP), for accounting and financial reporting purposes.

Risk Factors (page 31)

In evaluating the merger and the merger agreement, you should read carefully this proxy statement/prospectus and especially consider the factors discussed in the section titled Risk Factors beginning on page 31.

Comparison of Rights of Stockholders (page 121)

As a result of the merger, holders of Gentiva common stock will become holders of Kindred common stock and their rights as stockholders will be governed by the DGCL and by Kindred's certificate of incorporation and bylaws. Following the merger, Gentiva stockholders will have different rights as stockholders of Kindred than they currently have as stockholders of Gentiva. For a summary of the material differences between the rights of Gentiva stockholders and Kindred stockholders, see Comparison of Rights of Stockholders beginning on page 121.

Table of Contents**FINANCIAL SUMMARY****Comparative Market Price Data and Dividends**

Kindred common stock is traded on the NYSE under the symbol **KND** and Gentiva common stock is traded on the NASDAQ under the symbol **GTIV**. The following table shows the high and low daily sales prices per share of Kindred common stock and Gentiva common stock, and cash dividends paid or declared per share, during the periods indicated. For current price information, you are urged to consult publicly available sources.

Fiscal Year Ended	Kindred		Dividends Paid	Gentiva	
	Price Range of Common Stock High	Price Range of Common Stock Low		Price Range of Common Stock High	Price Range of Common Stock Low
December 31, 2012:					
First Quarter	\$ 13.62	\$ 8.63		\$ 8.99	\$ 6.25
Second Quarter	10.87	7.60		9.04	5.13
Third Quarter	12.76	8.80		12.85	6.05
Fourth Quarter	12.13	9.68		11.79	9.20
December 31, 2013:					
First Quarter	11.74	10.21		12.90	9.20
Second Quarter	14.49	9.75		11.90	9.09
Third Quarter	16.63	12.50	0.12	13.85	8.47
Fourth Quarter	20.51	13.13	0.12	13.54	10.28
December 31, 2014:					
First Quarter	23.57	17.59	0.12	12.50	8.45
Second Quarter	26.81	21.74	0.12	16.13	7.35
Third Quarter	24.94	18.80	0.12	18.93	14.96
Fourth Quarter (through December 15)	22.12	17.72	0.12	19.90	16.30

The Kindred board of directors has the power to determine the amount and frequency of the payment of dividends. Decisions regarding whether to pay dividends and the amount of any dividends are based upon compliance with the DGCL, compliance with agreements governing Kindred's indebtedness, earnings, cash requirements, results of operations, cash flows, financial condition and other factors that the Kindred board of directors considers important. Kindred paid dividends of \$0.12 per share in each of the last two quarters of 2013 and each of the four quarters of 2014.

The Gentiva board of directors has the power to determine the amount and frequency of the payment of dividends. Decisions regarding whether to pay dividends and the amount of any dividends are based upon compliance with the DGCL, compliance with agreements governing Gentiva's indebtedness, earnings, cash requirements, results of operations, cash flows, financial condition and other factors that the Gentiva board of directors considers important. While Gentiva anticipates that if the merger were not consummated it would continue not to pay dividends, it cannot assure that will be the case. Under the merger agreement, until the effective time, Gentiva will not declare, set aside or pay any dividends on, or make any other distributions in respect of, any of its capital stock.

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Selected Historical Consolidated Financial Data of Kindred

The following table shows selected historical financial data for Kindred for the periods indicated. The selected financial data as of and for the years ended December 31, 2013, 2012, 2011, 2010 and 2009 were derived from the historical consolidated financial statements and related footnotes of Kindred.

Detailed historical financial information included in the audited consolidated balance sheets as of December 31, 2013 and 2012, and the consolidated statements of operations, stockholders' equity, cash flows and related notes for each of the years in the three-year period ended December 31, 2013, are included in Kindred's Current Report on Form 8-K filed on November 14, 2014 and incorporated by reference in this proxy statement/prospectus. You should read the following selected financial data together with Kindred's historical consolidated financial statements, including the related notes, and the other information contained or incorporated by reference in this proxy statement/prospectus. The selected consolidated balance sheet data as of December 31, 2011, 2010 and 2009 and the selected consolidated financial and operating data for the years ended December 31, 2010 and 2009 have been derived from Kindred's audited consolidated financial statements and related notes for such years, which have not been incorporated by reference into this proxy statement/prospectus.

The selected financial data of Kindred as of September 30, 2014, and for the nine months ended September 30, 2014 and 2013 have been derived from Kindred's historical unaudited interim consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014, which is incorporated by reference into this proxy statement/prospectus. The selected historical consolidated financial data of Kindred as of September 30, 2013 has been derived from Kindred's historical unaudited interim consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2013, as adjusted for certain discontinued operations, which is not incorporated by reference into this proxy statement/prospectus. Kindred's management believes Kindred's interim unaudited financial statements have been prepared on a basis consistent with its audited financial statements and include all normal and recurring adjustments necessary for a fair statement of the results for each interim period. Results of interim periods are not necessarily indicative of the results expected for a full year or for future periods. This information is only a summary and should be read in conjunction with Kindred's management's discussion and analysis of financial condition and results of operations and Kindred's consolidated financial statements and notes thereto incorporated by reference into this proxy statement/prospectus. For additional information, see "Where You Can Find More Information" beginning on page 147.

Table of Contents**Kindred Selected Financial Data****(In thousands, except per share amounts)**

	Nine months ended		Year ended December 31,				
	September 30,	2013	2013	2012	2011	2010	2009
	2014	2013	2013	2012	2011	2010	2009
Statement of Operations Data:							
Revenues	\$ 3,806,019	\$ 3,625,909	\$ 4,835,585	\$ 4,856,142	\$ 4,160,108	\$ 3,105,013	\$ 3,027,216
Salaries, wages and benefits	2,300,567	2,215,711	2,954,663	2,974,342	2,548,832	1,844,981	1,808,639
Supplies	242,176	244,247	322,941	335,905	309,103	259,140	251,937
Rent	241,449	230,605	311,526	303,564	276,540	240,493	232,210
Other operating expenses	768,247	720,498	965,760	893,974	838,647	648,308	609,421
Other income	(741)	(984)	(1,442)	(12,660)	(13,180)	(12,225)	(13,112)
Impairment charges		1,066	77,193	108,953	73,554		
Depreciation and amortization	117,802	116,659	154,206	160,066	126,905	90,594	93,534
Interest expense	128,845	82,857	108,009	107,825	80,841	6,987	7,777
Investment income	(2,975)	(2,794)	(4,046)	(986)	(987)	(1,211)	(4,379)
	3,795,370	3,607,865	4,888,810	4,870,983	4,240,255	3,077,067	2,986,027
Income (loss) from continuing operations before income taxes	10,649	18,044	(53,225)	(14,841)	(80,147)	27,946	41,189
Provision (benefit) for income taxes	3,582	9,203	(11,319)	30,642	(13,604)	9,873	15,808
Income (loss) from continuing operations	7,067	8,841	(41,906)	(45,483)	(66,543)	18,073	25,381
Discontinued operations, net of income taxes:							
Income (loss) from operations	(22,255)	(31,892)	(39,042)	10,904	12,824	38,871	38,162
Loss on divestiture of operations	(3,637)	(77,893)	(83,887)	(4,745)		(453)	(23,432)

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Income (loss) from discontinued operations	(25,892)	(109,785)	(122,929)	6,159	12,824	38,418	14,730
Net income (loss) (Earnings) loss attributable to noncontrolling interests:	(18,825)	(100,944)	(164,835)	(39,324)	(53,719)	56,491	40,111
Continuing operations	(13,729)	(1,424)	(3,890)	(1,382)	81		
Discontinued operations	401	172	233	339	157		
	(13,328)	(1,252)	(3,657)	(1,043)	238		
Income (loss) attributable to Kindred	\$ (32,153)	\$ (102,196)	\$ (168,492)	\$ (40,367)	\$ (53,481)	\$ 56,491	\$ 40,111
Amounts attributable to Kindred stockholders:							
Income (loss) from continuing operations	\$ (6,662)	\$ 7,417	\$ (45,796)	\$ (46,865)	\$ (66,462)	\$ 18,073	\$ 25,381
Income (loss) from discontinued operations	(25,491)	(109,613)	(122,696)	6,498	12,981	38,418	14,730
Net income (loss)	\$ (32,153)	\$ (102,196)	\$ (168,492)	\$ (40,367)	\$ (53,481)	\$ 56,491	\$ 40,111
Earnings (loss) per common share:							
Basic:							
Income (loss) from continuing operations	\$ (0.12)	\$ 0.14	\$ (0.88)	\$ (0.91)	\$ (1.44)	\$ 0.46	\$ 0.65
Discontinued operations:							
Income (loss) from operations	(0.39)	(0.59)	(0.74)	0.22	0.28	0.98	0.98
Loss on divestiture of operations	(0.06)	(1.44)	(1.61)	(0.09)		(0.01)	(0.60)
Income (loss) from discontinued operations	(0.45)	(2.03)	(2.35)	0.13	0.28	0.97	0.38

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Net income (loss)	\$	(0.57)	\$	(1.89)	\$	(3.23)	\$	(0.78)	\$	(1.16)	\$	1.43	\$	1.03
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Diluted:

Income (loss) from continuing operations	\$	(0.12)	\$	0.14	\$	(0.88)	\$	(0.91)	\$	(1.44)	\$	0.46	\$	0.65
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Discontinued operations:

Income (loss) from operations		(0.39)		(0.59)		(0.74)		0.22		0.28		0.98		0.97
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Loss on divestiture of operations		(0.06)		(1.44)		(1.61)		(0.09)				(0.01)		(0.60)
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Income (loss) from discontinued operations		(0.45)		(2.03)		(2.35)		0.13		0.28		0.97		0.37
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Net income (loss)	\$	(0.57)	\$	(1.89)	\$	(3.23)	\$	(0.78)	\$	(1.16)	\$	1.43	\$	1.02
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Shares used in computing earnings (loss) per common share:

Basic	56,443	52,218	52,249	51,659	46,280	38,738	38,339
Diluted	56,443	52,234	52,249	51,659	46,280	38,954	38,502

Cash dividends declared and paid per common share	\$	0.36	\$	0.12	\$	0.24	\$		\$		\$		\$	
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Financial Position:

Working capital	\$	553,856	\$	370,512	\$	404,307	\$	438,435	\$	384,359	\$	214,654	\$	241,032
Total assets		4,024,788		3,864,609		3,945,869		4,237,946		4,138,493		2,337,415		2,022,224
Long-term debt		1,484,436		1,382,385		1,579,391		1,648,706		1,531,882		365,556		147,647
Equity		1,303,454		1,187,728		1,121,216		1,292,844		1,320,541		1,031,759		966,594

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Selected Historical Consolidated Financial Data of Gentiva

The following table shows selected historical financial data for Gentiva for the periods indicated. The selected financial data as of and for the years ended December 31, 2013, 2012, 2011, 2010, and January 3, 2010 were derived from the audited historical consolidated financial statements and related footnotes of Gentiva.

Detailed historical financial information included in the audited consolidated balance sheets as of December 31, 2013 and 2012, and the consolidated statements of comprehensive income (loss), changes in shareholders' equity, cash flows and related notes for each of the years in the three-year period ended December 31, 2013, are included in Gentiva's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2013 filed on November 14, 2014 and are incorporated by reference in this proxy statement/prospectus. You should read the following selected financial data together with Gentiva's historical consolidated financial statements, including the related notes, and the other information contained or incorporated by reference in this proxy statement/prospectus. The selected consolidated balance sheet data as of December 31, 2011, 2010 and January 3, 2010 and the selected consolidated financial and operating data for the years ended December 31, 2010 and January 3, 2010 have been derived from Gentiva's audited consolidated financial statements and related notes for such years, which have not been incorporated by reference into this proxy statement/prospectus.

The selected financial data of Gentiva as of September 30, 2014, and for the nine months ended September 30, 2014 and 2013 have been derived from Gentiva's historical unaudited interim consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, which is incorporated by reference into this proxy statement/prospectus. The selected historical consolidated financial data of Gentiva as of September 30, 2013 has been derived from Gentiva's historical unaudited interim consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, which is not incorporated by reference into this proxy statement/prospectus. Certain historical financial information contained in Gentiva's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 has subsequently been revised. See Note 1A in Gentiva's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014. Gentiva's management believes Gentiva's interim unaudited financial statements have been prepared on a basis consistent with its audited financial statements and include all normal and recurring adjustments necessary for a fair statement of the results for each interim period. Results of interim periods are not necessarily indicative of the results expected for a full year or for future periods. This information is only a summary and should be read in conjunction with Gentiva's management's discussion and analysis of financial condition and results of operations and Gentiva's consolidated financial statements and notes thereto incorporated by reference into this proxy statement/prospectus. For additional information, see "Where You Can Find More Information" beginning on page 147.

Table of Contents**Gentiva Selected Financial Data****(in thousands, except per share amounts)**

	For the nine months ended September 30				For the Year		
	2014	2013 (Revised)	2013 (Restated)	2012 (Revised)	2011 (Revised)	2010 (Revised)	2009
Statement of Operations Data							
Revenues	\$ 1,483,551	\$ 1,240,507	\$ 1,726,644(1)	\$ 1,712,804	\$ 1,798,778	\$ 1,414,459(8)	\$ 1,118,811
Gross profit	672,474	579,509	784,464(1)	804,063	850,323	734,385(8)	584,614
Operating, general and administrative expenses	(567,722)	(483,243)	(706,227)(1),(7)	(655,766)(7)	(731,299)(7)	(608,860)(7),(8)	(480,461)
Goodwill, intangibles and other long-lived asset impairment		(210,672)	(612,380)(4)	(19,132)(4)	(643,305)(4)		
Income (loss) from continuing operations attributable to Gentiva shareholders	30,846	(181,189)	(605,061)(5)	26,796(2),(3)	(459,377)	54,087	67,331
Income (loss) from continuing operations, net of (6)					8,315	(3,135)	(8,149)
Income (loss) attributable to Gentiva shareholders	17,687	(184,441)	(605,061)(5)	26,796(2),(3)	(451,062)	50,952	59,182
Basic earnings per share:							
Income (loss) from continuing operations attributable to Gentiva shareholders	\$ 0.49	\$ (5.97)	\$ (18.94)	\$ 0.88	\$ (15.14)	\$ 1.82	\$ 2.31
Income (loss) attributable to Gentiva shareholders	0.49	(5.97)	(18.94)	0.88	(14.86)	1.71	2.03

holders								
ighted average								
es								
tanding basic	36,285	30,921	31,954	30,509	30,336	29,724	29,103	
ted earnings								
share:								
ome (loss) from								
inuing								
rations								
utable to								
tiva								
holders	\$ 0.48	\$ (5.97)	\$ (18.94)	\$ 0.87	\$ (15.14)	\$ 1.77	\$ 2.26	
continued								
rations, net of								
					0.28	(0.10)	(0.28)	
income (loss)								
utable to								
tiva								
holders	0.48	(5.97)	(18.94)	0.87	(14.86)	1.67	1.98	
ighted average								
es								
tanding diluted	37,052	30,921	31,954	30,687	30,336	30,468	29,822	
<u>Balance Sheet</u>								
a								
h items and								
t-term								
stments	\$ 114,206	\$ 183,294	\$ 86,957	\$ 207,052	\$ 164,912	\$ 104,752	\$ 152,410	
orking capital	130,016	238,884	94,291	226,128	225,139	124,764	190,918	
al assets	1,225,226	1,262,218	1,253,468	1,508,046	1,527,440	2,118,133	1,060,603	
g-term debt								
capital leases	1,105,750	891,432	1,124,432	910,182	973,261	1,026,760	232,466	
tiva s								
holders								
ty	(289,010)	54,808	(310,876)	231,422	198,198	634,371	571,163	
mon shares								
tanding	36,902	31,389	36,375	30,748	30,779	30,158	29,480	

(1) Effective October 18, 2013, Gentiva completed the acquisition of Harden Healthcare Holdings, Inc., which we refer to as Harden, and its home health, hospice, and community care businesses. Gentiva also completed several other smaller acquisitions during 2013. For additional information, see Note 5 to Gentiva's consolidated financial statements incorporated by reference to the Gentiva Annual Report on Form 10-K/A for the year ended December 31, 2013.

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- (2) For the year ended December 31, 2012, net income includes an \$8.0 million pre-tax gain related to the (i) sale of the Phoenix area hospice operations, (ii) the sale of the Gentiva consulting business and (iii) the sale of eight home health branches and four hospice branches in Louisiana. For additional information, see Note 5 to Gentiva's consolidated financial statements incorporated by reference to the Gentiva Annual Report on Form 10-K/A for the year ended December 31, 2013.
- (3) In anticipation of a settlement of claims alleged by the owner of CareCentrix Holdings Inc., which we refer to as CareCentrix, and working capital adjustments as set forth in the stock purchase agreement, during the fourth quarter of 2012, Gentiva recorded a \$6.5 million adjustment to the seller financing note receivable to reflect its revised estimated fair value of \$3.4 million, which is recorded in equity in net loss of CareCentrix. For additional information, see Note 8 to Gentiva's consolidated financial statements incorporated by reference to the Gentiva Annual Report on Form 10-K/A for the year ended December 31, 2013.
- (4) Gentiva performed its annual impairment test as of December 31, 2013 for its home health, hospice and community care reporting units. Based on this assessment, Gentiva recorded non-cash impairment charges relating to the goodwill and intangibles of its Hospice segment of approximately \$399.7 million and \$2.0 million, respectively, for the year 2013.

At March 31, 2013, Gentiva performed an interim impairment test of its hospice reporting unit. Based on the results of the interim impairment test, Gentiva recorded a non-cash impairment charge relating to goodwill of approximately \$207.2 million. As part of that analysis, Gentiva reviewed the valuation of its owned real estate utilized in the hospice business. The analysis indicated that two of Gentiva's hospice inpatient units had estimated fair values lower than their carrying values and, as such, Gentiva recorded a non-cash impairment charge of approximately \$1.9 million.

In addition, Gentiva conducted an evaluation of the various systems used to support its field operations. In connection with that review, Gentiva made a strategic decision to replace its business intelligence software platform and, as such, recorded a non-cash impairment charge, related to developed software, of approximately \$1.6 million.

For the year ended December 31, 2012, Gentiva recorded non-cash impairment charges associated with a write-off of its trade name intangibles of \$19.1 million in connection with Gentiva's initiative to re-brand its operations under the Gentiva name.

For the year ended December 31, 2011, Gentiva recorded non-cash impairment charges associated with goodwill, intangibles and other long-lived assets of \$643.3 million. This charge was the result of (i) changes in Gentiva's business climate, (ii) uncertainties around Medicare reimbursement as the federal government worked to reduce the federal deficit, (iii) a significant decline in the price of Gentiva's common stock during the fiscal year, (iv) a write-down of software and (v) a change in the estimated fair value of real estate. For additional information, see Notes 9 and 10 to Gentiva's consolidated financial statements incorporated by reference to the Gentiva Annual Report on Form 10-K/A for the year ended December 31, 2013.

- (5) For the year ended December 31, 2013, net loss includes \$19.1 million relating to the write-off of deferred debt issuance costs and fees associated with Gentiva entering a new credit agreement, dated October 18, 2013.
- (6) During 2011, Gentiva sold its Rehab Without Walls® and homemaker service agency businesses. As such, Gentiva has reflected the financial results of these businesses as discontinued operations. In addition, in the fourth quarter of 2009, Gentiva committed to a plan to exit its HME and IV businesses. As such, Gentiva has reflected the financial results of the operating segments as discontinued operations, including a write-down of goodwill associated with these businesses of approximately \$9.6 million for 2009. Results for all prior years have been reclassified to conform to this presentation. For additional information, see Note 5 to Gentiva's consolidated financial statements incorporated by reference to the Gentiva Annual Report on Form 10-K/A for the year ended

December 31, 2013.

- (7) Gentiva recorded charges relating to cost savings initiatives and other restructuring costs, acquisition and integration costs, and legal settlements of \$27.5 million, \$5.7 million, \$49.1 million, \$46.0 million and \$2.4 million, as summarized below. For additional information, see Note 11 to Gentiva's consolidated financial statements incorporated herein by reference to the Gentiva Annual Report on Form 10-K/A for the year ended December 31, 2013.

	2013	2012	2011	2010	2009
Home Health	\$ 3.3	\$ 5.6	\$ 7.7	\$ 11.8	\$ 1.4
Hospice	8.2	0.4	3.7	0.3	
Community Care					
Corporate expenses	16.0	(0.3)	37.7	33.9	1.0
Total	\$ 27.5	\$ 5.7	\$ 49.1	\$ 46.0	\$ 2.4

- (8) Effective August 17, 2010, Gentiva completed the acquisition of 100 percent of the equity interest of Odyssey HealthCare Inc., a leading provider of hospice care, operating approximately 100 Medicare-certified providers in 30 states. Gentiva also completed several other smaller acquisitions in 2010. For additional information, see Note 5 to Gentiva's consolidated financial statements incorporated herein by reference to the Gentiva Annual Report on Form 10-K/A for the year ended December 31, 2013.
- (9) Net income includes a \$6.0 million pre-tax gain related to the (i) sale of assets and certain branch offices that specialized primarily in pediatric home care services and (ii) sale of assets associated with two branch offices in upstate New York providing home health services under New York Medicaid programs. For additional information, see Note 5 to Gentiva's consolidated financial statements incorporated by reference to the Gentiva Annual Report on Form 10-K/A for the year ended December 31, 2013.

Table of Contents**Selected Unaudited Pro Forma Condensed Combined Financial Information**

The following unaudited pro forma condensed combined financial information is based upon the historical consolidated financial information of Kindred and Gentiva incorporated by reference in this proxy statement/prospectus, and has been prepared to reflect the merger. The unaudited pro forma condensed combined balance sheet is presented as if the merger and the related financing transactions (as defined below), which, collectively, we refer to as the Gentiva transaction, had occurred on September 30, 2014. The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2013 and for the nine months ended September 30, 2014 were prepared assuming the Gentiva transaction and other events described below occurred on January 1, 2013. The historical consolidated financial information has been adjusted to give effect to estimated pro forma events that are (1) directly attributable to the merger, (2) factually supportable and (3) with respect to the statements of operations, expected to have a continuing impact on the combined results of operations. The historical consolidated financial statements of Gentiva have been adjusted to reflect certain reclassifications to conform to Kindred's financial statement presentation. The financing transactions refer to the following transactions that have occurred or are expected to occur in connection with the merger: (i) Kindred's issuance of 172,500 tangible equity units, (ii) Kindred's issuance of 5,395,759 shares of Kindred common stock, (iii) Kindred's amendment to its existing credit facilities and planned borrowing of approximately \$164 million under Kindred's existing asset-based revolving credit facility, dated as of June 1, 2011, as amended and restated from time to time, which we refer to as the ABL facility, and (iv) Kindred's issuance of \$1.35 billion aggregate principal amount of the senior notes that closed on December 18, 2014.

The following selected unaudited pro forma condensed combined financial information should be read in conjunction with the section entitled "Unaudited Pro Forma Condensed Combined Financial Information" beginning on page 128 and the historical consolidated financial statements and accompanying notes of Kindred and Gentiva, which are incorporated by reference in this proxy statement/prospectus. See "Where You Can Find More Information" beginning on page 147.

The following selected unaudited pro forma condensed combined financial information has been prepared for illustrative purposes only and is not necessarily indicative of the consolidated financial position or results of operations in future periods or the results that actually would have been realized had Kindred and Gentiva been a combined company during the periods specified. The pro forma adjustments are based upon estimates and current preliminary information and may differ materially from actual amounts. For purposes of this selected unaudited pro forma condensed combined financial information, the merger consideration has been preliminarily allocated to the tangible and intangible assets being acquired and liabilities being assumed based upon various estimates of fair value. The merger consideration will be allocated among the fair values of the assets acquired and liabilities assumed based upon their estimated fair values as of the date of the merger. Any excess of the merger consideration over the fair value of Gentiva's identifiable net assets will be recorded as goodwill. The final allocation is dependent upon the completion of the aforementioned valuations and other analyses that cannot be completed prior to the merger. The actual amounts recorded at the completion of the merger may differ materially from the information presented in the selected unaudited pro forma condensed combined financial information and those differences could have a material impact on the unaudited pro forma condensed combined financial information and the combined company's future results of operations and financial performance. Additionally, the selected unaudited pro forma condensed combined financial information does not reflect the cost of any integration activities or benefits from synergies that may be derived from any integration activities, nor does the selected unaudited pro forma condensed combined statement of operations include the effects of any other items directly attributable to the merger that are not expected to have a continuing impact on the combined results of operations.

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(Dollars in thousands)	Pro forma as of September 30, 2014	
Balance sheet data:		
Cash and cash equivalents	\$	73,495
Working capital		659,280
Total assets		6,243,440
Long-term debt (exclusive of current portion)		3,021,508
Stockholders' equity of Kindred		1,572,737

(Dollars in thousands, except per share amounts)	Pro forma For the nine months ended September 30, 2014		For the year ended December 31, 2013
Statement of operations data:			
Revenues	\$	5,289,570	\$ 6,917,709
Total expenses		5,193,694	7,597,213
Income (loss) from continuing operations		58,149	(634,910)
Income (loss) attributable to Kindred from continuing operations		44,250	(639,287)
Diluted earnings (loss) per common share from continuing operations	\$	0.50	\$ (7.57)

Table of Contents**UNAUDITED COMPARATIVE PER SHARE INFORMATION**

The following table sets forth income (loss) from continuing operations per common share, cash dividends declared per common share and book value of stockholders' equity (deficit) per common share as of or for the nine months ended September 30, 2014 and for the year ended December 31, 2013 separately for Kindred and Gentiva on a historical basis, on an unaudited pro forma combined basis per Kindred common share and on an unaudited pro forma combined basis per Gentiva equivalent common share. It has been assumed for purposes of the unaudited pro forma combined financial information provided below that the merger was completed on January 1, 2013 for income (loss) from continuing operations per common share purposes, and on September 30, 2014 for book value of stockholders' equity (deficit) per common share purposes. The following selected unaudited pro forma financial information should be read in conjunction with the historical consolidated financial statements and accompanying notes thereto of Kindred and Gentiva, which are incorporated by reference in this proxy statement/prospectus. See [Where You Can Find More Information](#) beginning on page 147.

The unaudited pro forma combined income (loss) from continuing operations per Kindred common share is based upon the historical weighted average number of Kindred common shares outstanding, adjusted to include the estimated number of additional shares of Kindred common stock to be issued in the merger and the 5.4 million shares issued as part of the common stock offering. The unaudited pro forma combined book value of stockholders' equity (deficit) per Kindred common share is based upon the number of shares of Kindred common stock outstanding as of September 30, 2014, adjusted to include the estimated number of additional shares of Kindred common stock to be issued in the merger and the 5.4 million shares issued as part of the common stock offering. See [Unaudited Pro Forma Condensed Combined Financial Information](#) beginning on page 128. The unaudited pro forma combined data per Gentiva equivalent common share is based upon the unaudited pro forma combined per Kindred common share amounts, multiplied by the exchange ratio. This data shows how each share of Gentiva common stock would have participated in the income (loss) from continuing operations per common share and book value of stockholders' equity (deficit) per common share of Kindred if the companies had been consolidated for accounting and financial reporting purposes for all periods presented.

	Kindred historical per share data	Gentiva historical per share data	Kindred pro forma	Gentiva equivalent pro forma
As of or for the nine months ended September 30, 2014:				
Income (loss) from continuing operations per common share:				
Basic	\$ (0.12)	\$ 0.49	\$ 0.51	\$ 0.13
Diluted	\$ (0.12)	\$ 0.48	\$ 0.50	\$ 0.13
Cash dividends declared per common share	\$ 0.36	\$	\$ 0.36	\$ 0.09
Book value of stockholders' equity (deficit) per common share(1)	\$ 19.51	\$ (7.83)	\$ 19.76	\$ 5.08
For the year ended December 31, 2013(2):				
Loss from continuing operations per common share:				
Basic	\$ (0.88)	\$ (18.94)	\$ (7.57)	\$ (1.95)
Diluted	\$ (0.88)	\$ (18.94)	\$ (7.57)	\$ (1.95)

Cash dividends declared per common share	\$	0.24	\$		\$	0.24	\$	0.06
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- (1) Book value of stockholders' equity (deficit) per common share is based upon the companies' stockholders' equity exclusive of noncontrolling interest.
- (2) Gentiva's financial information for 2013 has been restated.

Table of Contents**COMPARATIVE MARKET VALUE INFORMATION**

The following table presents:

the closing prices per share of Kindred common stock and Gentiva common stock, in each case based on the last reported sales prices as reported by the NYSE and NASDAQ, respectively, on October 8, 2014, the last trading day prior to the public announcement of the proposed merger, and December 15, 2014, the last trading day for which this information could be calculated prior to the date of this proxy statement/prospectus; and

the implied value of the merger consideration for each share of Gentiva common stock, which was calculated by adding the cash portion of the merger consideration of \$14.50 to the product obtained by multiplying the closing price of a share of Kindred common stock on those dates by 0.257, the exchange ratio under the merger agreement.

	Kindred Common Stock	Gentiva Common Stock	Implied Value of Gentiva Common Stock
October 8, 2014	\$ 19.74	\$ 16.71	\$ 19.57
December 15, 2014	\$ 18.23	\$ 19.07	\$ 19.19

Table of Contents**RISK FACTORS**

In deciding whether to vote for the adoption of the merger agreement, we urge you to consider carefully all of the information included or incorporated by reference in this proxy statement/prospectus. See **Where You Can Find More Information** beginning on page 147. You should also read and consider the risks associated with each of the businesses of Kindred and Gentiva because these risks may also affect the combined company after the closing of the merger. The risks associated with the business of Kindred can be found in the Kindred Annual Report on Form 10-K for the year ended December 31, 2013, including a recast presentation of certain sections of such Annual Report included in Kindred's Current Report on Form 8-K filed on November 14, 2014, and Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014, which risks are incorporated by reference in this proxy statement/prospectus. The risks associated with the business of Gentiva can be found in the Gentiva Annual Report on Form 10-K/A for the year ended December 31, 2013, Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014 and Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014, which risks are incorporated by reference in this proxy statement/prospectus.

There can be no assurance that we will successfully complete the merger on the terms or timetable currently proposed or at all.

The merger is subject to customary closing conditions, including approval by the Gentiva stockholders, approval of the listing by the NYSE of the Kindred common stock to be issued in the merger, the absence of legal prohibitions on the consummation of the merger, the accuracy of the representations and warranties in the merger agreement and the performance by Kindred and Gentiva of their respective obligations under the agreement. Kindred's obligation to close under the merger agreement is also conditioned upon the receipt of certain state healthcare and insurance regulatory clearances or approvals (which condition, if not already fulfilled, will be deemed satisfied on February 28, 2015). There can be no assurance that the conditions to closing will be satisfied or waived or that other events will not intervene to delay or prevent the closing of the merger. A delay in closing or a failure to complete the merger could have a negative impact on Kindred's and Gentiva's respective business and on the trading price of Kindred's and Gentiva's respective common stock. Whether or not the merger is completed, Kindred and Gentiva have incurred and will continue to incur substantial nonrecurring transaction costs in connection with the merger. See **Kindred and Gentiva have incurred and will continue to incur significant transaction and merger-related integration costs in connection with the merger** on page 33.

The merger is subject to certain governmental and regulatory approvals, which, if delayed, denied or granted with unacceptable conditions, may delay the consummation of the merger, result in additional expenditure of time and resources and reduce the anticipated benefits of the merger.

Kindred and Gentiva require certain governmental authorizations, consents, orders and approvals, including certain state licensure and regulatory approvals, in connection with the merger. The failure to obtain such approvals may delay closing until after February 28, 2015 and may reduce the anticipated benefits of the merger to Kindred and Gentiva stockholders. See **The Merger Regulatory Approvals** beginning on page 80.

Failure to complete the merger could negatively impact the stock price and future business and financial results of Gentiva, and could result in substantial termination costs for Gentiva.

The merger agreement contains certain termination rights for Kindred and Gentiva (including if the merger is not consummated by March 31, 2015) and provides that upon termination of the merger agreement under specified circumstances, including, among others, following a change in recommendation of the Gentiva board of directors or Gentiva's termination of the merger agreement to enter into a written definitive agreement for a superior proposal (as

defined on page 103), Gentiva will be required to pay Kindred a termination fee of

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\$32.5 million. If the merger is not completed for any reason, including as a result of Gentiva stockholders failing to approve the merger agreement, the ongoing business of Gentiva may be adversely affected and, without realizing any of the benefits of having completed the merger, Gentiva would also be subject to a number of risks, including the following:

Gentiva may experience negative reactions from the financial markets, including negative impacts on its stock price;

Gentiva may experience negative reactions from customers, partners and employees;

Gentiva will be required to pay certain costs relating to the merger, whether or not the merger is completed; and

matters relating to the merger (including integration planning) will require substantial commitments of time and resources by the management of Gentiva, which would otherwise have been devoted to day-to-day operations and other opportunities.

In addition to the above risks, Gentiva could be subject to litigation related to any failure to complete the merger or related to any enforcement proceeding commenced against Gentiva to perform its obligations under the merger agreement. If the merger is not completed, these risks may materialize and may adversely affect the business, financial position, results of operations and liquidity of Gentiva.

The fairness opinion obtained by Gentiva from its financial advisor Barclays will not reflect changes in circumstances after the date of the fairness opinion.

On October 8, 2014, Barclays delivered its opinion to Gentiva's board of directors that as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the consideration to be offered to Gentiva's stockholders (other than Kindred and its affiliates) in the merger was fair, from a financial point of view, to such stockholders. The full text of Barclays' written opinion is attached to this proxy statement/prospectus as Annex C. The opinion does not reflect changes that may occur or may have occurred after the date of such opinion, including changes to the operations and prospects of Gentiva or Kindred, changes in general market and economic conditions or other factors. Any such changes, or changes in other factors on which the opinion is based, may materially alter or affect the conclusion reached in such opinion.

Kindred may not be able to successfully integrate Gentiva's operations with its own or realize the anticipated benefits of the merger, which could adversely affect Kindred's financial condition, results of operations and business prospects.

Kindred may not be able to successfully integrate Gentiva's operations with its own, and Kindred may not realize all or any of the expected benefits of the merger as and when planned. The integration of Gentiva's operations with Kindred's will be complex, costly and time-consuming. Kindred expects that it will require significant attention from senior management and will impose substantial demands on Kindred's operations and personnel, potentially diverting attention from other important pending projects. The difficulties and risks associated with the integration of Gentiva include:

the possibility that Kindred will fail to implement its business plans for the combined company, including as a result of new legislation or regulation in the healthcare industry that affects the timing or costs associated with the operations of the combined company or its integration plan;

possible inconsistencies in the standards, controls, procedures, policies and compensation structures of Kindred and Gentiva;

the possibility that Kindred may have failed to discover liabilities of Gentiva during Kindred's due diligence investigation as part of the merger for which Kindred, as a successor owner, may be responsible;

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limitations prior to the consummation of the merger on the ability of management of each of Kindred and Gentiva to work together to develop an integration plan;

the increased scope and complexity of Kindred's operations;

the potential loss of key employees and the costs associated with Kindred's efforts to retain key employees;

provisions in Kindred's and Gentiva's contracts with third parties that may limit Kindred's flexibility to take certain actions;

risks and limitations on Kindred's ability to consolidate corporate and administrative infrastructures of the two companies;

obligations that Kindred will have to counterparties of Gentiva that arise as result of the change in control of Gentiva; and

the possibility of unanticipated delays, costs or inefficiencies associated with the integration of Gentiva's operations with Kindred's.

As a result of these difficulties and risks, Kindred may not accomplish the integration of Gentiva's business smoothly, successfully or within Kindred's budgetary expectations and anticipated timetable. Accordingly, Kindred may fail to realize some or all of the anticipated benefits of the merger, such as increase in Kindred's scale, diversification, cash flows and operational efficiency and accretion to Kindred's earnings per share.

The merger may not achieve its intended results, including anticipated synergies.

While Kindred expects the merger to result in a significant amount of synergies and other financial and operational benefits, it may be unable to realize these synergies or other benefits in the timeframe that it expects or at all. Achieving the anticipated benefits, including synergies, is subject to a number of uncertainties, including whether the businesses acquired can be operated in the manner Kindred intends and whether Kindred's costs to finance the merger and integrate the business will be consistent with its expectations. Events outside of Kindred's control, including, but not limited to, any conditions imposed by governmental authorities, operating changes or regulatory changes, could also adversely affect Kindred's ability to realize the anticipated benefits from the merger. Thus, the integration may be unpredictable or subject to delays or changed circumstances, and the acquired businesses may not perform in accordance with Kindred's expectations. Further, Kindred will incur implementation costs relative to these anticipated synergies, and Kindred's expectations with respect to integration or synergies as a result of the merger may not materialize. Accordingly, you should not place undue reliance on the anticipated synergies. See Kindred may not be able to successfully integrate Gentiva's operations with its own or realize the anticipated benefits of the merger, which could adversely affect Kindred's financial condition, results of operations and business prospects.

Kindred and Gentiva have incurred and will continue to incur significant transaction and merger-related integration costs in connection with the merger.

Kindred and Gentiva have incurred and expect to continue to incur a number of costs associated with completing the merger and integrating the operations of the two companies. Such costs include costs associated with borrowings under or amendments to Kindred's existing credit facilities, any premiums in connection with refinancing Gentiva's debt and the payment of certain fees and expenses incurred in connection with the merger and the related financing transactions, including legal and other professional advisor fees. The substantial majority of these costs will be non-recurring expenses and will primarily consist of transaction costs related to the merger, facilities and systems consolidation costs and employment-related costs. Additional unanticipated costs may be incurred in the integration of the businesses of Kindred and Gentiva. Although Kindred and Gentiva expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, may offset incremental transaction and merger-related costs over time, this net benefit may not be achieved in the near term, or at all.

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The price of Kindred common stock might decline prior to the completion of the merger, which would decrease the value of the merger consideration to be received by Gentiva stockholders in the merger because the exchange ratio is fixed.

Upon completion of the merger, Gentiva stockholders will be entitled to receive for each share of Gentiva common stock that they own, \$14.50 in cash, without interest, and 0.257 shares of Kindred common stock. Because the exchange ratio will not be adjusted to reflect stock price changes prior to the completion of the merger, the value of the stock consideration will depend on the market price of Kindred common shares at the time the merger is completed. The value of the stock consideration has fluctuated since the date of the announcement of the merger agreement and will continue to fluctuate from the date of this proxy statement/prospectus to the date the merger is completed (and thereafter).

The market price of Kindred common stock at the time the merger is completed may vary significantly from, and could be substantially lower than, the price on the date of the merger agreement or from the price on the date of the special meeting. On October 8, 2014, the last full trading day prior to the public announcement of the proposed merger, Kindred common stock closed at \$19.74 per share as reported on the NYSE. On December 15, 2014, the most recent practicable date before the mailing of this proxy statement/prospectus, the closing price of Kindred common stock was \$18.23 per share as reported on the NYSE.

Kindred and Gentiva are working to complete the transaction as promptly as practicable and expect that the transaction will be completed during the first quarter of 2015. Because the date when the transaction is completed will be later than the date of the special meeting, Gentiva stockholders will not know the exact value of the Kindred common stock that will be issued in the merger at the time they vote on the proposal to adopt the merger agreement. As a result, if the market price of Kindred common stock upon the completion of the merger is lower than the market price on the date of the special meeting, the market value of the merger consideration received by Gentiva stockholders in the merger will be lower than the market value of the merger consideration at the time of the vote by the Gentiva stockholders, and such decrease in the market value could be significant. Moreover, during this interim period, events, conditions or circumstances could arise that could have a material impact or effect on Kindred, Gentiva or the industries in which they operate.

Kindred's actual financial position and results of operations may differ materially from the unaudited pro forma financial information included in this proxy statement/prospectus.

The unaudited pro forma financial information included in this proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what Kindred's actual financial position or results of operations would have been had the merger been completed on the dates indicated. This information reflects adjustments, which are based upon preliminary estimates, to allocate the merger consideration to Gentiva's identifiable net assets. The merger consideration allocation reflected in this proxy statement/prospectus is preliminary, and final allocation of the merger consideration will be based upon the actual merger consideration and the fair value of the assets and liabilities of Gentiva as of the date of the completion of the merger. In addition, subsequent to the closing date of the merger, there may be further refinements of the merger consideration allocation as additional information becomes available. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected herein. See Unaudited Pro Forma Condensed Combined Financial Information beginning on page 128 for more information.

The financial forecasts included in this proxy statement/prospectus involve risks, uncertainties and assumptions, many of which are beyond the control of Kindred and Gentiva. As a result, they may not prove to be accurate and are not necessarily indicative of current values or future performance.

The financial forecasts of Gentiva contained in this proxy statement/prospectus involve risks, uncertainties and assumptions and are not a guarantee of future performance. The future financial results of Gentiva and, if the merger is completed, Kindred, may materially differ from those expressed in the financial forecasts due to factors

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that are beyond Gentiva's and Kindred's ability to control or predict. Neither Kindred nor Gentiva can provide any assurance that Gentiva's financial forecasts will be realized or that Gentiva's future financial results will not materially vary from the financial forecasts. The financial forecasts cover multiple years, and the information by its nature becomes subject to greater uncertainty with each successive year. The financial forecasts do not take into account any circumstances or events occurring after the date on which they were prepared. More specifically, the financial forecasts:

necessarily make numerous assumptions, many of which are beyond the control of Kindred or Gentiva and may not prove to be accurate;

do not necessarily reflect revised prospects for Gentiva's businesses, changes in general business or economic conditions or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the forecasts were prepared;

are not necessarily indicative of current values or future performance, which may be significantly less favorable than is reflected in the forecasts; and

should not be regarded as a representation that the financial forecasts will be achieved.

The announcement and pendency of the merger could adversely affect the business, financial results and operations of Kindred and Gentiva, and the market price of Kindred and/or Gentiva common stock.

The announcement and pendency of the merger could cause disruptions in and create uncertainty surrounding Kindred's and Gentiva's respective business and affect their relationships with customers and employees. In addition, Kindred and Gentiva have diverted, and will continue to divert, significant management resources to complete the merger, which could have a negative impact on both companies' abilities to manage existing operations or pursue alternative strategic transactions, which could adversely affect Kindred's and Gentiva's respective business, operating results and financial condition. As a result of investor perceptions about the terms or benefits of the transaction, the market price of Kindred and/or Gentiva common stock may decline.

Uncertainty about the effect of the merger on Gentiva's employees and customers may have an adverse effect on Gentiva and, consequently, the combined company.

The uncertainty created by the pending merger may impair Gentiva's ability to attract, retain and motivate key personnel until the merger is completed as current and prospective employees may experience uncertainty about their future roles with the combined company. If key employees of Gentiva depart because of issues relating to the uncertainty and difficulty of integration or a desire not to become Kindred's employees, Kindred's ability to realize the anticipated benefits of the merger could be reduced or delayed. In addition, disruptions resulting from the merger may also affect Kindred's and Gentiva's relationships with their respective customers and employees.

Gentiva executive officers and directors may have financial interests in the merger that are different from, or in addition to, the interests of Gentiva stockholders.

When considering the recommendation of the Gentiva board of directors with respect to the proposal to adopt the merger, Gentiva stockholders should be aware that some directors and executive officers of Gentiva have interests in the merger that are different from, or in addition to, their interests as stockholders and the interests of stockholders of Gentiva generally. These interests include, but are not limited to, the following: the treatment of equity awards held by Gentiva's executive officers and directors (including the acceleration of deferred stock units and certain unvested stock options, restricted stock awards and performance cash awards); the potential payment of severance and other benefits to Gentiva's executive officers; the continuation of certain rights to indemnification and of coverage under directors and officers' liability insurance policies following completion of the merger; the potential to serve as directors and/or officers of Kindred; that the Gentiva compensation committee has discretion to award Mr. Rodney D. Windley, Gentiva's Executive Chairman, and

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certain other core management team members certain incentive bonus compensation in an aggregate amount of ten million dollars to be allocated at the sole discretion of the Gentiva compensation committee (provided that at least a significant minority of such pool will be allocated to core management team members other than Mr. Windley); that the Gentiva compensation committee has discretion to pay Mr. Windley, for 2014 and 2015, bonus payments in the ordinary course (apart from the timing of payment), both of which will be payable on or before the consummation of the merger; and the entry into an employment agreement between David A. Causby and Kindred. Other than Kindred's entry into an employment agreement with David A. Causby, which took place after the signing of the merger agreement, the Gentiva board of directors was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger and in recommending that the merger agreement be adopted by Gentiva stockholders. See *The Merger Interests of Gentiva Directors and Executive Officers in the Merger* beginning on page 66.

As of the close of business on December 15, 2014, Gentiva directors and executive officers were entitled to vote approximately 15.3% of the then outstanding shares of Gentiva common stock. See *The Merger Stock Ownership of Directors and Executive Officers of Gentiva* beginning on page 65 and *Security Ownership of Certain Beneficial Owners and Management* beginning on page 145.

Kindred expects to incur substantial additional indebtedness to finance the merger and the acquisition of Centerre Healthcare Corporation and may not be able to meet its substantial debt service requirements.

A substantial portion of Kindred's cash flows from operations is dedicated to the payment of principal and interest obligations on its outstanding indebtedness. Subject to certain restrictions, Kindred also has the ability to incur substantial additional borrowings. In addition, Kindred intends to incur substantial additional indebtedness in connection with the merger and Kindred's pending acquisition of Centerre Healthcare Corporation, for a purchase price of approximately \$195 million in cash, announced on November 12, 2014. If Kindred is unable to generate sufficient funds to meet its obligations under its outstanding notes or its credit facilities (including after giving effect to the merger), Kindred may be required to refinance, restructure or otherwise amend some or all of such obligations, sell assets or raise additional cash through the sale of its equity. Kindred cannot make any assurances that it would be able to obtain such refinancing on terms as favorable as its current financing or that such restructuring activities, sales of assets or issuances of equity can be accomplished or, if accomplished, would raise sufficient funds to meet these obligations.

The rights of Gentiva stockholders will change when they become stockholders of Kindred upon completion of the merger.

Upon completion of the merger, Gentiva stockholders will become Kindred stockholders. There are numerous differences between the rights of a stockholder of Gentiva and the rights of a stockholder of Kindred. For a detailed discussion of these differences, see *Comparison of Rights of Stockholders* beginning on page 121.

Gentiva stockholders will have a reduced ownership and voting interest after the merger and will exercise less influence over the management and policies of Kindred than they do over Gentiva.

Gentiva stockholders currently have the right to vote in the election of the board of directors of Gentiva and on other matters affecting Gentiva. When the merger occurs, each Gentiva stockholder that receives shares of Kindred common stock will become a stockholder of Kindred with a percentage ownership of the combined company that is much smaller than the stockholder's percentage ownership of Gentiva. It is expected that the former stockholders of Gentiva as a group will own approximately 12% of the outstanding shares of Kindred immediately after the merger, based on the number of shares of Kindred and Gentiva common stock issued and outstanding as of December 15, 2014, the

most recent practicable date prior to the mailing of this proxy statement/prospectus. Because of this, Gentiva stockholders will have less influence over the management and policies of Kindred than they now have over the management and policies of Gentiva.

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Legal proceedings in connection with the merger could delay or prevent the completion of the merger.

Purported class action lawsuits have been filed by third parties challenging the proposed merger and seeking, among other things, to enjoin the consummation of the merger. One of the conditions to the closing of the merger is that no governmental entity (including any national, state or local governmental authority) having jurisdiction over a party to the merger agreement has enacted, issued, enforced or entered any laws or orders that prohibit the completion of the merger. Because the merger agreement contains this condition, if a plaintiff is successful in obtaining an injunction prohibiting completion of the merger, then the injunction may delay the merger or prevent the merger from being completed. In addition, Gentiva and Kindred could incur significant costs or damages in connection with the lawsuits.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements include, but are not limited to, statements regarding the merger (including financing of the merger and the benefits, results, effects and timing of the transaction), all statements regarding Kindred's and Gentiva's (and Kindred's and Gentiva's combined) 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 and statements containing words such as anticipate, approximate, believe, plan, estimate, expect, project, could, would, intend, may, potential, upside, and other similar expressions.

Such forward-looking statements are inherently uncertain, and stockholders and other potential investors must recognize that actual results may differ materially from Kindred or Gentiva's expectations as a result of a variety of factors, including without limitation, those discussed below and detailed from time to time in Kindred's and Gentiva's filings with the SEC. Such forward-looking statements are based upon management's current expectations and include known and unknown risks, uncertainties and other factors, many of which Kindred and Gentiva are unable to predict or control, that may cause Kindred's or Gentiva's actual results, performance or plans to differ materially from any future results, performance or plans expressed or implied by such forward-looking statements.

We caution you that any forward-looking statements made by us are not guarantees of future performance. You should keep in mind that any forward-looking statement we make in this prospectus/proxy statement, the documents incorporated by reference or elsewhere speaks only as of the date on which we make it. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. In any event, these and other important factors, including those set forth under the above caption "Risk Factors" and the documents incorporated by reference, may cause actual results to differ materially from those indicated by our forward-looking statements. We have no duty, and do not intend, to update or revise the forward-looking statements we make in this proxy statement/prospectus, the documents incorporated by reference or elsewhere, except as may be required by law. In light of these risks and uncertainties, you should keep in mind that the future events or circumstances described in any forward-looking statement we make in this proxy statement/prospectus, the documents incorporated by reference or elsewhere might not occur.

In particular, the unaudited pro forma condensed combined financial information included in this proxy statement/prospectus reflect assumptions and estimates by the management of Kindred and Gentiva as of the date specified in the unaudited pro forma condensed combined financial information or the date of any document incorporated by reference in this proxy statement/prospectus. In addition, the projections by Gentiva management included in this proxy statement/prospectus reflect assumptions and estimates by the management of Gentiva as of the date specified in the projections or the date of any document incorporated by reference in this proxy statement/prospectus. While Kindred and Gentiva, as applicable, believe these assumptions and estimates to be reasonable in light of the facts and circumstances known as of the date hereof, the projections are necessarily speculative in nature. Many of these assumptions and estimates are driven by factors beyond the control of Kindred or Gentiva, and it can be expected that one or more of them will not materialize as expected or will vary significantly from actual results. No independent accountants have provided any assurance with respect to these projections. Moreover, neither Kindred nor Gentiva undertakes any obligation to update the projections and neither intends to do so. Accordingly, you should not place undue reliance on these projections or any of the other forward-looking statements in this proxy statement/prospectus, which are likewise subject to numerous uncertainties, and you should consider all of such information in light of the various risks identified in this proxy statement/prospectus and in the reports filed by Kindred and Gentiva with the SEC, as well as the other information that Kindred and Gentiva provide with respect to the merger.

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The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements:

the satisfaction of the closing conditions of the merger, including approval of the merger by the stockholders of Gentiva;

the risk that healthcare regulatory, licensure or other approvals required as a result of the merger are not obtained or are obtained subject to terms and conditions that are not anticipated;

Kindred's ability to complete offerings of common stock and tangible equity units, and the debt financing as contemplated by the debt commitment letter;

Kindred's ability to integrate the operations of the acquired business and realize the anticipated revenues, economies of scale, cost synergies and productivity gains in connection with the merger and any other acquisitions that may be undertaken during 2014, as and when planned, including the potential for unanticipated issues, expenses and liabilities associated with those acquisitions and the risk that Gentiva fails to meet its expected financial and operating targets;

the potential for diversion of management time and resources in seeking to complete the merger and integrate Gentiva's operations;

the potential failure of Kindred to retain key employees of Gentiva;

the impact of Kindred's significantly increased levels of indebtedness as a result of the merger on Kindred's funding costs, operating flexibility and ability to fund ongoing operations with additional borrowings, particularly in light of potential volatility in the credit and capital markets;

the potential for dilution to Kindred stockholders as a result of the merger and the financing of the merger;

adverse effects on Kindred's stock price resulting from the announcement or completion of the merger or the financing;

potential adverse reactions or changes to business relationships resulting from the announcement or completion of the merger and competitive responses to the announcement or completion of the merger;

the ability of Kindred to operate pursuant to the terms of its debt obligations, including Kindred's obligations under financing undertaken to complete the merger, and the ability of Kindred to operate pursuant to its master lease agreements with Ventas, Inc.;

the calculations of, and factors that would impact the calculations of, the acquisition price in accordance with the methodologies of the provisions of the authoritative guidance for business combinations, the allocation of this acquisition price to the net assets acquired, and the effect of this allocation on future results, including Kindred's earnings per share, when calculated on a GAAP basis;

general economic conditions are less favorable than expected;

potential adverse changes in either company's business during the period between now and the completion of the merger;

liability for litigation, administrative actions, and similar disputes;

the inability to obtain, renew or modify permits in a timely manner, comply with government regulations or make capital expenditures required to maintain compliance;

changes in laws and regulations or interpretations or applications thereof;

the ongoing impact of healthcare reform, including potential material changes to the delivery of healthcare services and the reimbursement paid for such services by the government or other third party payors;

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changes in the reimbursement rates or the methods or timing of payment from third party payors, including commercial payors and the Medicare and Medicaid programs, changes arising from and related to the Medicare prospective payment system for long-term acute care hospitals, including potential changes in the Medicare payment rules, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, and changes in Medicare and Medicaid reimbursements for nursing centers, and the expiration of the Medicare Part B therapy cap exception process; and

the effects of additional legislative changes and government regulations, interpretation of regulations and changes in the nature and enforcement of regulations governing the healthcare industry.

Additional factors that may affect future results are contained in Kindred's and Gentiva's filings with the SEC, which are available at the SEC's website at www.sec.gov. Many of these factors are beyond the control of Kindred or Gentiva.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof and are not guarantees of performance or results. There can be no assurance that forward-looking statements will prove to be accurate. Stockholders should also understand that it is not possible to predict or identify all risk factors and that neither this list nor the factors identified in Kindred's and Gentiva's SEC filings should be considered a complete statement of all potential risks and uncertainties. Kindred and Gentiva undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof except as required by law.

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THE MERGER

The following is a description of the material aspects of the merger, which may not contain all of the information that is important to you and is qualified in its entirety by reference to the merger agreement attached to this proxy statement/prospectus as Annex A. We encourage you to read carefully this entire proxy statement/prospectus, including the merger agreement attached to this proxy statement/prospectus as Annex A, for a more complete understanding of the merger.

Overview

The Kindred board of directors and the Gentiva board of directors have each unanimously approved the merger agreement and the transactions contemplated by the merger agreement, including the merger. Pursuant to the merger agreement, merger sub will be merged with and into Gentiva, with Gentiva surviving the merger as a wholly owned subsidiary of Kindred.

As a result of the merger, Gentiva will cease to be a publicly traded company.

Background of the Merger

On August 28, 2013, Paul J. Diaz, Chief Executive Officer of Kindred, met with Gentiva's Executive Chairman, Rodney D. Windley, and Gentiva's Chief Executive Officer, Tony Strange, to discuss the home health and hospice industry and healthcare marketplace generally.

On April 9, 2014, Mr. Diaz met Messrs. Windley and Strange over lunch at Gentiva's offices. At that meeting, Mr. Diaz made an unsolicited verbal proposal for Kindred to acquire all of the stock of Gentiva for a price that Messrs. Windley and Strange recalled was \$13.25 per share, consisting of \$6.625 in cash and \$6.625 in Kindred stock. Mr. Diaz said that Kindred wanted to pursue a friendly transaction. Mr. Windley and Mr. Strange told Mr. Diaz that, in their view, the Gentiva board of directors was committed to the One Gentiva strategy, which had just launched during fourth quarter of 2013, but that they would take Kindred's proposal to the Gentiva board of directors for its consideration and reply to Mr. Diaz in a few days.

Following the meeting with Mr. Diaz, Mr. Windley contacted Victor F. Ganzi, Gentiva's lead independent director, and informed him of Mr. Diaz's unsolicited verbal proposal. Mr. Windley and Mr. Ganzi decided to convene a telephonic meeting with the Gentiva board of directors for the next day to discuss the unsolicited proposal. On the April 10 Gentiva board of directors conference call, after careful consideration of the unsolicited proposal, including discussions with financial advisor Edge and legal counsel Greenberg Traurig, LLP, which we refer to as Greenberg Traurig, the Gentiva board of directors determined that Kindred's unsolicited proposal undervalued Gentiva, was opportunistic and offered an unattractive currency. Accordingly, the Gentiva board of directors instructed Mr. Windley to inform Mr. Diaz of the Gentiva board of directors' determination.

On April 14, 2014, Mr. Diaz contacted Mr. Strange by phone to reiterate Kindred's proposal of April 9 and inform Mr. Strange that he would transmit a letter summarizing the key terms of the proposal. Mr. Strange informed Mr. Diaz that the Gentiva board of directors had determined that Kindred's proposal of April 9 undervalued Gentiva, was opportunistic and offered an unattractive currency. Later that day, Mr. Diaz sent a letter to Messrs. Windley and Strange, which contained a proposal that Kindred acquire all of the stock of Gentiva for \$13.00 per share, comprised of 50% cash and 50% Kindred stock, and requested a period of exclusivity through May 31, 2014 to negotiate the terms of a transaction.

On April 15, 2014, Mr. Diaz called Mr. Windley to inform him that the letter of April 14th had been sent to him. When Mr. Windley received the letter later that day, he circulated it to the Gentiva board of directors, Greenberg Traurig and Edge, and a meeting of the Gentiva board of directors was called for April 17 to discuss the unsolicited proposal.

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On April 17, 2014, prior to the Gentiva board of directors meeting, Mr. Diaz called Mr. Windley to reiterate Kindred's interest in acquiring Gentiva and to request a conversation with regard to price and terms, including, if the Gentiva board of directors desired, an all-cash proposal.

The Gentiva board of directors, at its April 17 meeting, again carefully considered the unsolicited proposal, with the assistance of Edge and Greenberg Traurig. The Gentiva board of directors determined that Kindred's unsolicited proposal undervalued Gentiva, was opportunistic and offered an unattractive currency. The Gentiva board of directors also determined that its long-term strategy as a standalone company would generate greater value to stockholders than the Kindred unsolicited proposal. Accordingly, the Gentiva board of directors directed Greenberg Traurig to draft a response letter to Kindred, rejecting the unsolicited proposal.

On April 28, 2014, Mr. Windley, on behalf of the Gentiva board of directors, sent a letter to Mr. Diaz informing him of the determination of the Gentiva board of directors.

On April 29, 2014, Mr. Diaz called Mr. Strange and said he had not yet received Mr. Windley's letter dated April 28, so Mr. Strange read him the contents. Mr. Diaz said that Kindred's board of directors would be disappointed.

On May 5, 2014, Mr. Diaz sent Mr. Windley and Mr. Strange a letter proposing that Kindred acquire all of the stock of Gentiva for \$14.00 per share, comprised of 50% cash and 50% Kindred stock, and requesting a response by the close of business on May 13, 2014. The letter from Mr. Diaz attached a letter from Kindred's financial advisor, Citi, stating that it was highly confident in its ability to arrange debt financing for Kindred for the proposed transaction.

A meeting of the Gentiva board of directors was held on May 6, 2014 to discuss the revised unsolicited proposal. The Gentiva board of directors considered the proposal, with the assistance of Edge and Greenberg Traurig, and determined to consider further the Kindred proposal at the May 9 meeting of the Gentiva board of directors. At its May 9, 2014 meeting, after careful consideration of advice from its legal counsel, Greenberg Traurig, and financial information and analyses provided to Gentiva by Edge, the Gentiva board of directors unanimously concluded that Kindred's unsolicited proposal undervalued Gentiva, was opportunistic and offered an unattractive currency. Accordingly, the Gentiva board of directors unanimously rejected the proposal and directed that a letter be sent to Kindred rejecting its proposal.

On May 13, 2014, Mr. Windley and Mr. Ganzi, on behalf of the Gentiva board of directors, sent a letter to Mr. Diaz rejecting the unsolicited proposal.

On May 15, 2014, Kindred publicly announced its unsolicited proposal to acquire all of the outstanding shares of Gentiva common stock for \$14.00 per share, comprised of 50% cash and 50% Kindred stock, and also offered to modify its offer to comprise 100% cash, if the Gentiva board of directors so requested.

At a meeting of the Gentiva board of directors held later in the day on May 15, which included participation by Barclays, which had been retained as an additional financial advisor to Gentiva, the Kindred proposal was discussed and considered. After careful consideration of advice from Greenberg Traurig and financial information, analyses and advice provided to the Gentiva board of directors by Barclays and Edge, the Gentiva board of directors unanimously concluded that Kindred's unsolicited proposal undervalued Gentiva, was opportunistic and offered an unattractive currency and, therefore, was not in the best interests of Gentiva stockholders. Accordingly, the Gentiva board of directors unanimously rejected the proposal and directed that a press release rejecting the unsolicited proposal be issued.

On May 16, 2014, representatives from a recognized owner, operator and investor in the healthcare sector, which we refer to as the Alternative Bidder, met with Mr. Windley and Mr. Strange to express their interest in potentially acquiring Gentiva and explore whether such an acquisition would be attractive to Gentiva. Between May 16, 2014 and July 17, 2014, Gentiva's financial advisors had numerous conversations with representatives of the Alternative Bidder to discuss a potential proposal by the Alternative Bidder to acquire Gentiva.

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A meeting of the Gentiva board of directors was held on May 21, 2014, which included participation by the outside advisors as well as John N. Camperlengo, General Counsel of Gentiva, and Eric R. Slusser, Chief Financial Officer and Treasurer of Gentiva. At that meeting Barclays, Edge and Greenberg Traurig representatives discussed with the Gentiva board of directors some of the key variables of stockholder rights plans. Greenberg Traurig advised the Gentiva board of directors on its fiduciary duties and other legal considerations relating to its responsibilities in considering whether to adopt a stockholder rights plan. After considering various factors and determining that the possible accumulation of Gentiva common stock and derivative positions in Gentiva was a serious concern to Gentiva and its stockholders, the Gentiva board of directors unanimously determined that it was in the best interests of Gentiva and its stockholders to adopt a one year stockholder rights plan.

On May 22, 2014, in order to implement the one year stockholder rights plan, Gentiva entered into a Rights Agreement between Gentiva and Computershare Trust Company, N.A., which we refer to as the rights agreement.

On May 23, 2014, Gentiva issued a press release announcing that the Gentiva board of directors had adopted the rights agreement. The press release stated that the rights agreement was intended to ensure that the Gentiva board of directors remained in the best position to perform its fiduciary duties and to ensure that the value it is creating accrues to Gentiva.

On May 27, 2014, Mr. Diaz sent a letter to Messrs. Windley and Strange, which Kindred publicly disclosed, reiterating that Kindred wished to pursue a transaction and expressing disappointment at the adoption by Gentiva of the rights agreement.

On June 16, 2014, Kindred issued a press release announcing its intention to commence a tender offer on June 17, 2014, through merger sub, to acquire all of the outstanding shares of Gentiva common stock for \$14.50 per share in cash.

On the same day, Gentiva issued a press release requesting that its stockholders take no action in response to the tender offer and informing its stockholders that the Gentiva board of directors, in consultation with its independent financial and legal advisors, intended to provide stockholders with its formal position regarding the tender offer within ten business days by making available to stockholders and filing with the SEC a solicitation/recommendation statement on Schedule 14D-9.

On June 17, 2014, Kindred and merger sub commenced the tender offer and filed a Tender Offer Statement on Schedule TO with the SEC. The tender offer was conditioned upon, among other things, the Gentiva board of directors having redeemed the rights associated with the Gentiva common stock pursuant to the rights agreement or merger sub being satisfied, in its reasonable judgment, that the rights had been invalidated or were otherwise inapplicable to the tender offer and the proposed merger with Gentiva.

On June 26, 2014, the Gentiva board of directors met to review the terms of the tender offer with the assistance of its financial advisors, Barclays and Edge (which we refer to, collectively, as Gentiva's financial advisors), and Greenberg Traurig. During this meeting Barclays and Edge each rendered an oral opinion to the Gentiva board of directors that, as of June 26, 2014, and based upon and subject to various assumptions and limitations, the consideration offered to holders of Gentiva common stock (other than merger sub and its affiliates) pursuant to the tender offer was inadequate from a financial point of view to such holders. At the meeting, the Gentiva board of directors unanimously reconfirmed its prior determination that the tender offer undervalued Gentiva and was not in the best interests of Gentiva and its stockholders. Accordingly, the Gentiva board of directors unanimously determined to recommend that the Gentiva stockholders reject the tender offer and not tender their Gentiva common stock into the tender offer.

On June 27, 2014, Mr. Diaz sent a letter to Mr. Windley and Mr. Strange, which Kindred made public, requesting a meeting to discuss the possibility of a negotiated transaction.

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On June 30, 2014, Gentiva issued a press release and filed a Solicitation/Recommendation Statement on Schedule 14D-9 with the SEC, announcing the recommendation of the Gentiva board of directors that Gentiva's stockholders reject the tender offer and not tender any of their shares of Gentiva common stock pursuant to the tender offer.

On July 1, 2014, Kindred issued a press release urging Gentiva shareholders to tender their Gentiva common stock and calling on the Gentiva board of directors and management team to negotiate a transaction.

Meanwhile, on July 11, 2014, representatives from the Alternative Bidder met with representatives from Edge to confirm their interest in Gentiva and the process for submitting a written preliminary proposal for the acquisition of Gentiva.

On July 14, 2014 (two days before the tender offer was initially scheduled to expire), Kindred and merger sub announced, by means of a press release and an amendment to their Schedule TO, that they were revising the tender offer to acquire only 5,489,914 outstanding shares of Gentiva common stock (or 14.9% of the outstanding Gentiva common stock) for \$16.00 per share in cash, which we refer to as the amended tender offer. The amended tender offer was conditioned upon, among other things, a minimum of 5,489,914 shares being tendered and not withdrawn (which number represented, together with shares already owned by Kindred, 14.9% of Gentiva's outstanding common stock, or less than the threshold to trigger the rights agreement). If the amended tender offer was oversubscribed, Kindred would purchase 5,489,914 shares of Gentiva common stock on a pro rata basis. At the time the amended tender offer was announced, the last closing price of Gentiva common stock (as of Friday, July 11) was \$15.82 per share.

Later that day, Gentiva issued a press release noting that, consistent with its fiduciary duties and as required by applicable law, the Gentiva board of directors would review the amended tender offer in consultation with its financial and legal advisors to determine the course of action that it believed to be in the best interests of Gentiva and its stockholders, and requesting that its stockholders take no action in response to the amended tender offer pending the Gentiva board of directors' review in consultation with its independent financial and legal advisors.

On July 15 and July 16, 2014, representatives of Edge and the Alternative Bidder held numerous calls to discuss a potential proposal from the Alternative Bidder. Discussion topics included the Alternative Bidder's sources of equity and debt financing and the strategic rationale for bringing together Gentiva and the Alternative Bidder's existing investments.

On July 17, 2014, the Alternative Bidder submitted a written proposal to acquire Gentiva for \$17.25 in cash per share of common stock, which proposal was based on publicly available information and subject to financing and due diligence, as well as final internal approvals and the execution of a definitive transaction agreement. The Alternative Bidder stated that it was willing to enter into a confidentiality agreement containing customary terms and conditions, including customary standstill provisions. The proposal from the Alternative Bidder was accompanied by support letters from major financial institutions, subject to customary conditions. On that same date the Alternative Bidder delivered a due diligence request list to Gentiva.

Also on July 17, 2014, the Gentiva board of directors met to review the terms of Kindred's amended tender offer with the assistance of Gentiva's financial advisors and Greenberg Traurig. During this meeting Barclays and Edge each rendered an oral opinion to the Gentiva board of directors that, as of July 17, 2014 and based upon and subject to various assumptions and limitations, the consideration offered to holders of Gentiva common stock (other than merger sub and its affiliates) pursuant to the amended tender offer was inadequate from a financial point of view to such holders. The Gentiva board of directors unanimously determined that the amended tender offer significantly undervalued Gentiva's shares, was coercive and not in the best interests of Gentiva stockholders. In particular, the Gentiva board of directors considered that the amended tender offer was a partial offer for only 14.9% of the

outstanding Gentiva common stock and not an offer to acquire the entire company. Accordingly, the Gentiva board of directors unanimously determined to recommend that the Gentiva stockholders reject the amended tender offer and not tender their Gentiva common stock into the amended tender offer.

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At its July 17 meeting, the Gentiva board of directors also discussed the proposal received that day from the Alternative Bidder. Along with its recommendation that the Gentiva shareholders not tender their Gentiva common stock into the amended tender offer, Gentiva announced the receipt of the Alternative Bidder's proposal and said that it would review the Alternative Bidder's proposal carefully, in consultation with its financial and legal advisors, in due course.

Following Gentiva's announcement, at Kindred's direction, representatives of Citi and Guggenheim Securities, LLC (which we refer to as Guggenheim and, together with Citi, as Kindred's financial advisors) contacted representatives of Gentiva's financial advisors to seek to understand the steps, if any, Gentiva was considering with respect to the proposal from the Alternative Bidder and with respect to Kindred's continued interest in pursuing an acquisition of Gentiva.

Between July 17 and July 21, 2014, Gentiva's financial advisors had numerous conversations with Kindred's financial advisors and indicated that Gentiva was likely to engage in discussions with and provide confidential information to the Alternative Bidder, subject to that party entering into an acceptable confidentiality and standstill agreement. They further advised that Gentiva likely would be prepared to engage in discussions with and provide confidential information to Kindred on a basis similar to the engagement with the other Alternative Bidder if Kindred withdrew its amended tender offer, indicated a willingness to enter into a confidentiality and standstill agreement and submitted an updated proposal to the Gentiva board of directors to acquire all outstanding shares of Gentiva common stock for at least \$17.25 per share, with the expectation on Gentiva's part that Kindred would raise its price after due diligence.

On July 21, 2014, Mr. Diaz sent a letter to Messrs. Windley and Strange containing a conditional proposal from Kindred to acquire all of the outstanding shares of Gentiva common stock for \$17.25 per share in cash, and issued a press release regarding the same. Kindred indicated that this proposal was subject to due diligence to confirm such additional value is warranted. Kindred also noted it was willing to enter into appropriate confidentiality and standstill agreements, in order to facilitate discussions. That same day, Gentiva issued a press release stating that the Gentiva board of directors, in consultation with its financial and legal advisors, would review the proposal carefully in due course and reminding stockholders not to tender their shares into the amended tender offer.

On July 24, 2014, Gentiva and the Alternative Bidder entered into a confidentiality agreement containing customary terms. On the same day, the Gentiva board of directors held a meeting, which was attended by Gentiva's management, Gentiva's financial advisors, Greenberg Traurig and representatives of Kekst and Company, which we refer to as Kekst, Gentiva's communications advisor. Management and the Gentiva board of directors engaged in a discussion of the conditional proposal received on July 21 from Kindred to acquire all outstanding shares of Gentiva common stock for \$17.25 per share in cash and determined that it was in the Gentiva stockholders' best interest to allow both the Alternative Bidder and Kindred access to due diligence to encourage each of the Alternative Bidder and Kindred to increase the value of their offers to levels that would deliver full value to Gentiva's stockholders. The Gentiva board of directors resolved to provide Kindred with due diligence information, subject to Kindred's execution of a confidentiality and standstill agreement substantially similar in all material respects to the confidentiality agreement entered into with the Alternative Bidder and the termination of Kindred's amended tender offer. Following the meeting of the Gentiva board of directors, Mr. Windley, on behalf of the Gentiva board of directors, sent Mr. Diaz a letter informing him of the determination of the Gentiva board of directors.

On the evening of July 24, 2014 and again on July 25, 2014, Gentiva management and its financial advisors met with the Alternative Bidder and its debt and equity financing sources to discuss the structure of the proposed transaction and to address preliminary due diligence questions raised by the Alternative Bidder and its advisors.

On July 26, 2014, Gentiva granted the Alternative Bidder access to an electronic dataroom and, during the period from July 27, 2014 through August 28, 2014, the Alternative Bidder, its debt and equity financing sources,

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legal advisors and accountants conducted extensive due diligence, including participating in numerous due diligence calls and meetings with Gentiva management and its financial advisors and accountants.

On July 28, 2014, Kindred announced the expiration of the amended tender offer and disclosed that, because certain conditions to the amended tender offer had not been satisfied, no shares were purchased pursuant to the amended tender offer and Kindred would promptly return all tendered shares. Kindred further announced that it was prepared to enter into appropriate confidentiality and standstill agreements with Gentiva in order to facilitate discussions regarding a business combination.

In late July and early August 2014, Gentiva's financial advisors contacted six strategic investors, who had been identified by Gentiva's management and financial advisors as the potential buyers who were most likely to be interested in a potential acquisition of Gentiva. None of the six strategic investors expressed an interest in exploring an acquisition of, or other strategic transaction with, Gentiva. Gentiva's financial advisors did not contact any financial investors because Gentiva's financial advisors determined that financial investors could not compete with Kindred or the Alternative Bidder due to the fact that a combination with a financial investor would not generate the same level synergies as a combination with either Kindred or the Alternative Bidder.

On August 4, 2014, Kindred executed a confidentiality and standstill agreement with Gentiva that was substantially similar in all material respects to the confidentiality agreement entered into with the Alternative Bidder. On August 5, 2014, Gentiva granted Kindred access to the electronic dataroom. During the period from August 5, 2014 through October 3, 2014, Kindred conducted an extensive due diligence review of Gentiva, including participating in numerous meetings and calls with Gentiva's management and its financial and legal advisors and accountants.

On August 13, 2014, Gentiva management and its financial advisors met with Kindred to address preliminary due diligence questions raised by Kindred and its advisors. The following day, Gentiva management and Gentiva's financial advisors met with the Alternative Bidder and its financial advisors and financing sources to address preliminary due diligence questions.

On August 25, 2014, Gentiva's financial advisors requested final proposals from both Kindred and the Alternative Bidder and Greenberg Traurig distributed to both parties a draft merger agreement. On the same day, Messrs. Windley and Strange and Mr. David A. Causby, Gentiva's President and Chief Operating Officer, Mr. Eric Slusser, Mr. Jeff Shaner, Senior Vice President and President of Operations, and Gentiva's financial advisors met with management of the Alternative Bidder and its advisors to discuss potential operational synergies. The following day, Messrs. Windley and Strange and a representative from Edge met with one of the Alternative Bidder's financing sources to address additional diligence items.

On August 28, 2014, the Alternative Bidder informed representatives from Edge that, for internal reasons, at this time, it was unable to submit a bid to acquire Gentiva.

On September 5, 2014, because of the potential for attractive synergies in a combination between Gentiva and the Alternative Bidder, Gentiva's financial advisors arranged a telephonic meeting among certain members of the management team of the Alternative Bidder and its advisors and Gentiva and its financial advisors to explore potential alternative transactions. The Alternative Bidder reiterated that, for internal reasons, it was unable to submit a bid to acquire Gentiva at the current time, but agreed to explore whether any alternative transactions would be mutually beneficial.

During the period from September 5, 2014 through September 23, 2014, Gentiva's financial advisors and representatives of the Alternative Bidder engaged in multiple discussions regarding whether any alternative

transactions between the parties would be mutually beneficial.

On September 11, 2014, at Kindred's direction, Kindred's financial advisors indicated to Gentiva's financial advisors that Kindred needed additional time to finalize its due diligence and submit a final proposal and that Kindred was contemplating offering a portion of the transaction consideration in shares of Kindred common

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stock. Gentiva's financial advisors informed Messrs. Ganzi, Windley and Strange of this message. Messrs. Windley, Strange and Ganzi informed Gentiva's financial advisors that the Gentiva board of directors was unlikely to agree to a transaction at \$17.25 per share and had a preference for cash consideration. Messrs. Windley, Strange and Ganzi instructed Gentiva's financial advisors to deliver this message to Kindred and to inform Kindred that it should submit a markup of the merger agreement to demonstrate the seriousness of its intention to acquire Gentiva. On September 12, 2014, Gentiva's financial advisors so informed Kindred's financial advisors.

On September 15, 2014, Kindred submitted a revised merger agreement to Gentiva's financial advisors along with a proposed voting agreement to be executed by Gentiva's directors and executive officers and a letter highlighting certain open diligence items that needed to be resolved before Kindred would propose a final price.

On September 19, 2014, Gentiva's board of directors held a meeting, which was attended by Gentiva management and Gentiva's financial and legal advisors. At the meeting, Mr. Windley reported that the Alternative Bidder and Gentiva management and its financial advisors had been exploring whether any alternative transactions would be mutually beneficial but no agreement was reached on a way forward in the near term. Mr. Windley and Gentiva's financial advisors reviewed with the Gentiva board of directors the status of Kindred's due diligence. Greenberg Traurig reviewed in detail the issues raised by Kindred's markup of the draft merger agreement, including the inability to seek specific performance of Kindred's obligation to consummate the merger in the event Kindred failed to secure its financing for the merger, the limitation of Kindred's liability to the payment of only a reverse termination fee in the event the transaction failed to be completed because of Kindred's inability to secure the required financing, that Gentiva would be required to provide cooperation to assist Kindred in obtaining its financing for the merger, the extension of the proposed end date for the merger, the proposal that all directors and officers enter into voting agreements, the expansion of events that would give rise to a termination fee payable by Gentiva to Kindred and the requirement that closing of the merger be conditioned upon receipt of certain state healthcare regulatory approvals. The Gentiva board of directors discussed the serious risks to Gentiva in entering into an agreement with respect to a transaction that is ultimately not consummated, and that, in addition to price, the Gentiva board of directors must concern itself with the certainty of closing any transaction. After further discussion among the directors, the Gentiva board of directors determined not to engage with Kindred on the terms of the merger agreement until Kindred submitted a proposal with consideration at a level that would deliver full value to Gentiva's stockholders.

Later in the afternoon of September 19, 2014 and over the weekend of September 20-21, 2014, Gentiva's financial advisors had multiple conversations with Kindred's financial advisors during which Gentiva's financial advisors sought an improvement in the financial terms of the transaction and informed Kindred that the Gentiva board of directors had indicated it would not accept a merger agreement that gave Kindred, in the event the transaction failed to be completed because of Kindred's inability to secure the required financing, the ability to limit its liability to payment of a reverse termination fee.

On September 22, 2014, Kindred submitted a revised proposal to Gentiva's financial advisors to acquire all of the outstanding shares of Gentiva common stock for a per share price of \$15.00 in cash and \$3.00 in Kindred common stock, with the stock component to be valued using the value-weighted average price of a share of Kindred common stock for the ten trading days immediately prior to the signing date of the merger agreement. Kindred also submitted both a revised merger agreement, which reflected that a portion of the proposed transaction consideration would be in the form of Kindred common stock, and a debt commitment letter from Citi, JPMorgan Chase Bank, N.A. and J.P. Morgan Securities LLC, which was subject to customary conditions.

On September 23, 2014, Gentiva's financial advisors discussed with Mr. Ganzi and certain other members of the Gentiva board of directors, the revised Kindred bid and reported to Kindred that, based on their conversations with certain board members, including the lead director, the Gentiva board of directors was unlikely to approve a

transaction for consideration of \$18.00 per share. In conversations on September 23 and 24, 2014, Gentiva's financial advisors indicated to Kindred's financial advisors that Kindred would maximize its

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chances of a successful bid by offering a higher price and delivering a revised contract that removed the optionality inherent in the prior draft agreement and permitted Gentiva to seek specific performance of Kindred's obligations to consummate the merger (including, in the event Kindred failed to secure financing for the merger). On September 24, 2014, at Kindred's direction, Kindred's financial advisors reported that Kindred would not rebid and requested that the Gentiva board of directors consider Kindred's then-current proposal.

On September 23, 2014, the Alternative Bidder's financial advisor contacted Gentiva's financial advisors and discussed the possibility of Gentiva acquiring a portfolio company of the Alternative Bidder, but the terms on which the Alternative Bidder was prepared to consider such a transaction were not attractive to Gentiva. On September 24, 2014, representatives from the Alternative Bidder's financial advisor called Edge to further discuss the possibility of Gentiva acquiring such portfolio company, but the terms on which the Alternative Bidder was prepared to consider such transaction remained unchanged and unattractive.

On September 25, 2014, Mr. Diaz contacted Mr. Windley to discuss Kindred's current proposal and Mr. Windley informed Mr. Diaz that, based on his conversations with certain members of the Gentiva board of directors, the proposed consideration of \$18.00 per share was unlikely to be accepted. Mr. Diaz asked Mr. Windley to obtain the response of the Gentiva board of directors to Kindred's current proposal.

On September 26, 2014, the Gentiva board of directors held a meeting, attended by Gentiva's management and financial and legal advisors, at which Gentiva management, assisted by Gentiva's financial advisors and Greenberg Traurig, reviewed with the Gentiva board of directors the terms of Kindred's revised proposal. Greenberg Traurig advised the Gentiva board of directors on its fiduciary duties and other legal considerations relating to its responsibilities in considering the revised proposal. Mr. Windley and Gentiva's financial advisors reviewed with the Gentiva board of directors the discussions and information exchanges between Kindred and Gentiva that had taken place over the prior week. The Gentiva board of directors, aided by Gentiva's management and financial advisors, discussed the merger consideration being offered, including the potential benefits and risks in accepting a portion of the merger consideration in stock at a fixed exchange ratio to be valued using the value-weighted average price of a share of Kindred common stock for the ten trading days immediately prior to the signing date of the merger agreement. Greenberg Traurig reviewed the changes to the draft merger agreement and explained that the revised merger agreement was changed primarily to reflect that a portion of consideration was now proposed to be paid in Kindred common stock and that none of the issues in the merger agreement related to certainty of closing, which had been discussed at the September 19, 2014 meeting of the Gentiva board of directors, had been addressed by Kindred, including that, under the revised draft of the merger agreement, Gentiva still would be unable to seek specific performance of Kindred's obligation to consummate the merger in the event Kindred failed to secure its financing for the merger. The Gentiva board of directors discussed the terms of Kindred's revised proposal and that, in the board's view, the proposal did not represent Kindred's best and final offer, and determined that the price offered was inadequate and did not represent full value for Gentiva's stockholders. The Gentiva board of directors instructed Mr. Windley to seek an improvement in the financial terms of Kindred's offer and to reiterate the need to receive Kindred's best and final offer prior to 12:00 noon on September 29, 2014. On behalf of the Gentiva board of directors, Mr. Windley sent Mr. Diaz a letter indicating that the Gentiva board of directors had determined that Kindred's revised proposal undervalued Gentiva and its future prospects and that the extent and nature of the proposed changes to the merger agreement were unacceptable. The letter indicated that Kindred should provide an enhanced offer no later than 12:00 noon on September 29, 2014, recognizing that the Company had a preference for cash consideration and instructed Kindred to provide a merger agreement that removed the optionality inherent in the prior draft agreement and permitted Gentiva to seek specific performance of Kindred's obligations to consummate the merger (including, in the event Kindred failed to secure financing for the merger).

On the same day, following the meeting of the Gentiva board of directors, Gentiva's financial advisors contacted Kindred's financial advisors to facilitate direct discussions between Mr. Windley and Mr. Diaz. During that discussion and in accordance with Kindred's directives, Kindred's financial advisors indicated that Kindred would have difficulty increasing the cash component of its proposal and that, to deliver increased value, Kindred

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would need to increase the stock component of its proposal. Gentiva's financial advisors and Kindred's financial advisors also discussed the potential value associated with the stock component of Kindred's proposal and synergies expected to be gained from a potential business combination. Gentiva's financial advisors were convinced, after these discussions, that the deal synergies would be higher than Gentiva had anticipated. Gentiva's financial advisors indicated that if Gentiva were to consider accepting a portion of the merger consideration in equity, Gentiva and its advisors would need access to due diligence on Kindred.

On the afternoon of September 26, 2014, Mr. Diaz contacted Mr. Windley and indicated that Kindred was prepared to increase its proposal to acquire all of the outstanding shares of Gentiva common stock to a per share price of (i) \$18.50 with \$15.00 payable in cash and \$3.50 payable in shares of Kindred common stock or, (ii) if Gentiva would agree to take a higher percentage of the merger consideration in Kindred common stock, \$19.00 with \$14.00 payable in cash and \$5.00 payable in shares of Kindred common stock. Mr. Windley said that he would contact Mr. Diaz after he had an opportunity to discuss the revised proposal with his advisors and the lead director of the Gentiva board of directors.

On the morning of September 27, 2014, Mr. Windley discussed Kindred's revised proposal with Mr. Ganzi and Gentiva's financial advisors. Mr. Ganzi and Mr. Windley agreed that Mr. Windley should seek a further improvement in the financial terms of Kindred's proposal. Later that day, Mr. Windley spoke to Mr. Diaz and requested that Kindred increase its proposed per share consideration to \$19.50, which consideration could be divided as either (i) \$14.50 in cash and \$5.00 in Kindred common stock or (ii) \$13.00 in cash and \$6.50 in Kindred common stock. Mr. Diaz asked whether the Gentiva board of directors would accept consideration of \$19.50. Mr. Windley stated that, while he could not be certain, he had spoken to the lead director and believed that it was likely the Gentiva board of directors would accept an offer valued at \$19.50 if Kindred also provided a revised merger agreement that addressed the conditionality inherent in the prior draft of the merger agreement. Mr. Diaz said that he was not authorized to offer a value in excess of \$19.00 per share, but that he would schedule a board meeting for later that evening and present the proposal to the Kindred board of directors.

On the evening of September 27, Mr. Diaz informed Mr. Windley that the Kindred board of directors had agreed to increase Kindred's per share proposed price to acquire all of the outstanding shares of Gentiva common stock to \$14.25 in cash and \$5.00 in Kindred common stock. Mr. Windley told Mr. Diaz that a price of \$19.25 per share was not likely to be considered adequate.

On September 28, 2014, Mr. Diaz informed Mr. Windley that the Kindred board of directors had agreed to increase Kindred's per share proposed price to \$19.50, comprised of \$14.50 in cash and \$5.00 of Kindred common stock to acquire all of the outstanding shares of Gentiva common stock. Mr. Diaz told Mr. Windley he would send a revised proposal letter the following day.

On September 29, 2014, Mr. Diaz sent a letter to Mr. Windley containing an updated proposal from Kindred to acquire all of the outstanding shares of Gentiva common stock for a per share price of \$14.50 in cash and \$5.00 of Kindred common stock, with the stock component valued at a fixed exchange ratio based on the volume-weighted average closing price per share of Kindred common stock over the five trading days immediately prior to the signing of the merger agreement.

Later on September 29, the Gentiva board of directors held a meeting, attended by Gentiva's management and Gentiva's financial advisors and Greenberg Traurig, at which Gentiva's management, assisted by Gentiva's financial advisors and Greenberg Traurig, reviewed with the Gentiva board of directors the terms of Kindred's revised proposal. Greenberg Traurig advised the Gentiva board of directors on its fiduciary duties and other legal considerations relating to its responsibilities in considering the revised proposal. Mr. Windley and Gentiva's financial advisors reviewed with

the Gentiva board of directors the discussions and information exchanges between Kindred and Gentiva that had taken place over the prior weekend. Gentiva's financial advisors also reviewed with the Gentiva board of directors the financial aspects of the revised offer. The Gentiva board of directors, aided by Gentiva's management and financial advisors, discussed the merger consideration being offered and determined that the consideration was acceptable, except that Gentiva and Kindred had agreed that

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the stock exchange ratio would be based on the value-weighted average closing price per share of the Kindred common stock over the ten trading days immediately prior to the signing of the merger agreement (rather than the five trading days prior to signing as indicated in Kindred's most recent offer letter). The Gentiva board of directors further determined that the conditionality inherent in the merger agreement and the timing of the closing of the merger proposed by Kindred was not acceptable. The Gentiva board of directors instructed Mr. Windley and Greenberg Traurig to move forward on the negotiation of the merger agreement. Following the meeting, Mr. Windley, on behalf of the Gentiva board of directors, sent Mr. Diaz a letter informing him of the determination of the Gentiva board of directors.

On the evening of September 29, Greenberg Traurig delivered a revised merger agreement to Cleary, Gottlieb, Steen & Hamilton LLP, which we refer to as Cleary Gottlieb, Kindred's legal advisor. On September 30, 2014, John N. Camperlengo, Gentiva's General Counsel, Greenberg Traurig and Cleary Gottlieb negotiated certain key issues in the draft merger agreement, including (i) the presence of a reverse termination fee and Gentiva's ability to specifically enforce Kindred's obligations to consummate the merger in the event Kindred is unable to secure required financing, (ii) the appropriate end date for the merger agreement, (iii) whether Gentiva would be required to hold a stockholder meeting to consider the approval of the merger regardless of a change of recommendation by the Gentiva board of directors, (iv) the scope of Gentiva's obligations to cooperate with Kindred in the arrangement of its financing and the consequences of Gentiva's failure to comply with such covenants, (v) the circumstances under which a termination fee would be payable from Gentiva to Kindred, and (vi) whether certain state healthcare regulatory approvals should be a condition to Kindred's obligation to close. During these negotiations, it was agreed that Gentiva would be permitted to seek specific performance by Kindred of its obligations to consummate the merger, including in the circumstance in which Kindred is unable to secure its financing for the merger. Gentiva agreed to certain revised covenants to cooperate with Kindred in the arrangement of its financing for the merger. The other key issues remained unresolved, including the end date for the merger agreement, whether Gentiva would be obligated to hold a stockholder meeting to approve the merger regardless of a change of recommendation by the Gentiva board of directors, the circumstances under which a termination fee would be payable and whether certain state healthcare regulatory approvals should be a condition to Kindred's obligation to close.

On October 1, 2014, Gentiva executed a confidentiality agreement with Kindred and was granted access to an electronic dataroom. During the period from October 1, 2014 through October 4, 2014, Gentiva and its financial and legal advisors and accountants conducted a due diligence review of Kindred primarily to assess whether there was any information that might impact the valuation of Kindred's common stock.

On October 1, 2014, Cleary Gottlieb circulated to Greenberg Traurig a revised draft of the merger agreement. The significant open points in the merger agreement included (i) the amount of the termination fee (Kindred proposed \$45 million), (ii) the circumstances under which a termination fee would be payable from Gentiva to Kindred, (iii) the appropriate end date for the merger agreement, (iv) whether Gentiva would be required to hold a stockholder meeting to consider the approval of the merger regardless of a change of recommendation by the Gentiva board of directors, (v) the consequences of Gentiva's failure to comply with covenants requiring Gentiva to assist Kindred in arranging its financing and (vi) whether certain state healthcare regulatory approvals should be a condition to Kindred's obligation to close.

On October 3, 2014, Kindred and Gentiva agreed to fix the exchange ratio for the stock consideration at 0.257, which would provide Gentiva stockholders with \$5.00 of Kindred common stock per share of Gentiva common stock, based on the volume-weighted average price of Kindred common stock for the ten trading days ended on and including October 3. Also on October 3, 2014, Greenberg Traurig circulated to Cleary Gottlieb a revised draft of the merger agreement. The significant open points in the merger agreement included (i) the amount of the termination fee (Gentiva proposed \$25 million), (ii) the circumstances under which a termination fee would be payable from Gentiva

to Kindred, (iii) whether Gentiva would be required to hold a stockholder meeting to consider the approval of the merger regardless of a change of recommendation by the Gentiva board of directors, (iv) the consequences of Gentiva's failure to comply with covenants requiring Gentiva to assist Kindred in arranging its financing and (v) whether certain state healthcare regulatory approvals should be a

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condition to Kindred's obligation to close. Greenberg Traurig's revised draft of the merger agreement proposed that Gentiva would agree to call a stockholder meeting to consider approval of the merger if the Gentiva board of directors changed its recommendation due to an intervening event, but not if the Gentiva board of directors changed its recommendation on the basis of a superior proposal.

On October 4, 2014, Cleary Gottlieb circulated to Greenberg Traurig a revised draft of the merger agreement. On October 5, Greenberg Traurig and Cleary Gottlieb held a teleconference with respect to the merger agreement. During these negotiations, it was proposed that if Kindred agreed to reduce the amount of the termination fee, Gentiva would be more flexible regarding the circumstances under which a termination fee would be payable from Gentiva to Kindred and would agree to hold a stockholder meeting to consider the approval of the merger regardless of a change of recommendation by the Gentiva board of directors, except that Gentiva would be able to terminate the merger agreement prior to the stockholder meeting to accept a superior proposal. Gentiva was willing to incur this restriction in order to secure the benefits of a lower termination fee, but, also, because it was of the view that this provision would not deter another bidder from submitting offers. Kindred also proposed that certain state healthcare regulatory approvals should be a condition to Kindred's obligation to close but that this condition would be deemed satisfied on the third business day prior to the end date if such consents had not yet been obtained. The consequences of Gentiva's failure to comply with covenants requiring Gentiva to assist Kindred in arranging its financing remained an open point.

Also on October 5, after the financial terms of the transaction were agreed, representatives of Edge informed representatives of Guggenheim that the compensation committee of the Gentiva board of directors (which we refer to as the compensation committee) intended to provide certain incentive bonus compensation to Mr. Windley as he had been the architect of Gentiva's turnaround, had assumed a more significant role in the operation of the business and the transaction than had been anticipated by his existing compensation and that, but for the transaction, over the next two to three years he would have received significant additional equity awards that would have provided additional material compensation to him for his efforts. During the period between October 5, 2014 and October 8, 2014, representatives of Edge and Guggenheim had several discussions regarding the incentive bonus compensation intended to be awarded to Mr. Windley and the amount and structure of such compensation. On October 8, 2014, Mr. Ganzi discussed with Mr. Diaz the incentive bonus compensation and other bonuses that the Gentiva compensation committee intended to award Mr. Windley and other core management team members (which are described in the section entitled "The Merger Interests of Gentiva Directors and Executive Officers in the Merger").

During negotiations from October 6, 2014 through the morning of October 9, 2014, Greenberg Traurig and Cleary Gottlieb exchanged additional drafts of the merger agreement and held numerous teleconferences with respect to the open points on the merger agreement. The parties ultimately agreed to a termination fee of \$32.5 million to be payable under certain circumstances where (i) the merger agreement is terminated and, within 12 months of the termination date, Gentiva enters into a definitive agreement relating to a takeover proposal or any such transaction is consummated, (ii) Gentiva enters into a written agreement with respect to a superior proposal or (iii) the merger agreement is terminated, or at the time of termination could have been terminated by Kindred due to (a) a change of recommendation by the Gentiva board of directors, (b) Gentiva's entry into, or public announcement of its intention to enter into, a company acquisition agreement (other than an acceptable confidentiality agreement), or (c) the Gentiva board of directors' failure to reaffirm its recommendation to Gentiva stockholders to approve the merger agreement within ten business days after the date a takeover proposal is first publicly disclosed and, in each case, at the time of the event giving rise to such termination there has not been a material adverse effect on Kindred. The parties further agreed that receipt of certain state healthcare regulatory approvals would be a condition to Kindred's obligation to close the merger but that this condition would be deemed satisfied on February 28, 2015 if such consents had not yet been obtained. The parties also agreed that if Gentiva used commercially reasonable efforts to provide the cooperation, documents and information contemplated by the financing cooperation covenants, Gentiva's failure to

provide the items contemplated by such covenants would not be construed as a waiver of its right to specific performance or any other right or privilege under the merger agreement.

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On the evening of October 8, 2014, the Gentiva board of directors held a meeting, attended by Gentiva's management, Gentiva's financial advisors and Greenberg Traurig. At this meeting, Gentiva's management, together with Gentiva's financial advisors and Greenberg Traurig, reviewed with Gentiva's board of directors the terms of the Kindred proposal and the most recent draft of the merger agreement. Edge and Barclays reviewed with the Gentiva board of directors certain financial aspects of the merger. Greenberg Traurig advised the Gentiva board of directors on its fiduciary duties and other legal considerations relating to its responsibilities in considering the proposed merger and made a presentation regarding the structure and key terms and conditions of the proposed merger. Representatives of Barclays reviewed its financial analysis of the per share consideration of \$14.50 in cash and 0.257 of a share of Kindred common stock and rendered to the Gentiva board of directors its oral opinion, which opinion was subsequently confirmed in writing, that as of October 8, 2014, and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the merger consideration to be received by Gentiva stockholders (apart from Kindred and its affiliates) in the merger was fair, from a financial point of view, to such stockholders. Mr. Ganzi reviewed with the Gentiva board of directors the actions in respect of incentive bonus compensation that the Gentiva compensation committee was considering taking. The Gentiva board of directors agreed to consider overnight the proposed merger and meet again the following morning.

On the morning of October 9, 2014, the Gentiva board of directors held a meeting, attended by Gentiva's management and Gentiva's financial advisors and Greenberg Traurig. Mr. Windley asked the members of the Gentiva board of directors if any additional questions or concerns had arisen since the prior night's meeting and the members of the Gentiva board of directors said none had. Following this confirmation that there were no additional questions or concerns, and considering the proposed terms of the merger agreement and the voting agreement, the views of Gentiva's management and the prior presentations of its legal and financial advisors and the opinion of Barclays, and taking into consideration the factors described in the section entitled "The Merger - Gentiva's Reasons for the Merger and Recommendation of Gentiva's Board of Directors" beginning on page 52, the Gentiva board of directors unanimously determined that the merger agreement, the voting agreement and the transactions contemplated thereby, including the merger, were fair to, and in the best interests of, Gentiva and Gentiva's stockholders and voted unanimously to approve the merger agreement and the voting agreement and to recommend that Gentiva's stockholders adopt the merger agreement. Following that motion, the Gentiva board of directors approved an amendment to the rights agreement providing that, contingent on the closing of the merger, the final expiration date of the rights agreement will occur immediately prior to the closing of the merger. Mr. Ganzi reported the compensation committee's recommendations to provide incentive bonus compensation to the core management team, which recommendations, after some discussion, were adopted by the Gentiva board of directors.

Following the meeting of the Gentiva board of directors on October 9, 2014, the merger agreement and the voting agreement were executed and delivered and the parties announced the transaction.

Gentiva's Reasons for the Merger and Recommendation of Gentiva's Board of Directors

On October 9, 2014, after careful review and consideration, the Gentiva board of directors unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to and in the best interest of Gentiva and Gentiva stockholders. The Gentiva board of directors unanimously resolved to recommend that Gentiva stockholders vote **FOR** the proposal to adopt the merger agreement at the special meeting.

In evaluating the merger, the Gentiva board of directors consulted with Gentiva's management and legal and financial advisors and gave careful consideration not only to the proposed transaction with Kindred but also to other strategic alternatives, including the alternative of remaining as a standalone company. In assessing Gentiva's strategic alternatives, Gentiva's board of directors considered the values that might be realized by Gentiva's stockholders at closing, the certainty and timing for realizing those values and the risks associated with each of the various

alternatives. In making its determination that the merger agreement and the transactions contemplated thereby, including the merger, are fair to and in the best interest of Gentiva and Gentiva stockholders and to recommend adoption of the merger agreement, the Gentiva board of directors considered the following, among other factors.

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In particular, the Gentiva board of directors considered the following factors relating to the economic situation of Gentiva:

the risks and uncertainties associated with maintaining Gentiva's existence as a standalone company and the opportunities presented by the merger;

the relationship of the merger consideration to the historical trading levels of Gentiva common stock, including the fact that, as of the date the Gentiva board of directors approved the merger agreement, the merger consideration represented a 128% premium to Gentiva's stock price on May 14, 2014, the day before Kindred made its first public bid for Gentiva, and a 17% premium to Gentiva's closing price on October 8, 2014, the day prior to the public announcement of the proposed merger;

the risks and costs to Gentiva if the merger does not close, including the diversion of management and employee attention and potential employee attrition;

costs and other issues associated with the risk that the merger may not be completed in a timely manner or at all, including that the financing contemplated by Kindred's financing commitments may not be obtained; and

the efforts of Gentiva to obtain greater value for Gentiva stockholders than the proposed merger with Kindred and the merger consideration over the course of a rigorous, almost five-month process that included consideration of other alternatives as well as the proposed merger and the recognition by Gentiva that the proposed merger and the merger consideration were likely a greater value to stockholders than could be expected from any of the other alternatives available to Gentiva.

In the course of reaching its determination and decisions, and making the recommendations described above, the Gentiva board of directors considered the following factors relating to the fairness of process:

the fact that discussions with third parties were conducted on Gentiva's behalf and that multiple alternatives were considered by Gentiva in the context of transforming Gentiva into a more competitive business while maximizing shareholder value, including remaining a standalone company, and the timing and likelihood of actually achieving additional value from such alternatives;

the fact that Gentiva's legal and financial advisors were involved throughout the negotiations and updated the Gentiva board of directors directly and regularly, which provided the Gentiva board of directors with additional perspectives on the negotiations in addition to those of management;

the benefits that Gentiva was able to obtain as a result of extensive negotiations with Kindred and its advisors, including a meaningful increase in the merger consideration from the time of Kindred's initial unsolicited proposal to the end of the negotiations, and the conclusion of the Gentiva board of directors that

the merger consideration reflected the best value that Kindred would be willing to provide at the present time;

the fact that members of Gentiva's management had no agreement with Kindred regarding future employment and would have been free to work with any competing bidders;

the delivery by Kindred of letters setting forth the debt financing commitments Kindred contemplates using to consummate the acquisition;

the fact that the merger consideration represents a premium to the value the Gentiva board of directors believed, after consultation with management (including management's presentation), would reasonably be likely to result from the execution of the current Gentiva business plan or any identified modification or alternative to that business plan;

the opinion of Barclays, dated October 8, 2014, to the Gentiva board of directors as to the fairness, from a financial point of view and as of the date of the opinion, of the merger consideration to be received in the merger by the Gentiva stockholders, as more fully described in "The Merger" Opinion of Gentiva's Financial Advisor beginning on page 55. In relying on this opinion, Gentiva's board of

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directors took account of the fee arrangements that had been negotiated between Gentiva and Barclays (including the fact that a significant portion of the fees payable were contingent upon the consummation of the merger); and

the results of the due diligence reviews conducted by members of Gentiva's management and advisors relating to Kindred's business and operations, which were consistent with the expectations of Gentiva's management and board of directors with respect to the strategic and financial benefits of the merger.

In the course of reaching its determination and decisions, and making the recommendations described above, the Gentiva board of directors considered the following factors relating to certain aspects of the merger agreement:

the terms of the merger agreement, including the right of the Gentiva board of directors to be able to (i) consider and negotiate a superior proposal, taking into account the limits on such opportunities that would be imposed by the terms of the merger agreement and (ii) change its recommendation to the Gentiva stockholders regarding the merger in the exercise of its fiduciary duties, in each case prior to the stockholders' adoption of the merger agreement and approval of the merger and subject to payment of a reasonable termination fee (as described below);

the fact that the financial and other terms and conditions of the merger agreement minimize, to the extent reasonably practicable, the risk that a condition to closing would not be satisfied and also provided reasonable flexibility to operate the Gentiva business during the pendency of the merger;

the view of the Gentiva board of directors that the requirement to pay Kindred a termination fee of \$32.5 million under certain specified circumstances outlined in the merger agreement, which fee is comparable to termination fees in transactions of a similar size, would not likely deter alternative acquisition proposals and would not likely be required to be paid unless the Gentiva board of directors changes its recommendation or enters into an agreement providing for a transaction that would be more favorable to the Gentiva stockholders than the transactions contemplated by the merger agreement;

the fact that Kindred's obligation to consummate the merger is not subject to any financing condition and that Kindred represents and warrants in the merger agreement that it will have sufficient funds to complete the transactions contemplated by the merger agreement, including the merger; and

the fact that Gentiva has the ability to seek specific performance of Kindred's obligation to consummate the merger.

In the course of reaching its determination and decisions, and making the recommendations described above, the Gentiva board of directors considered the following factors relating to Gentiva stockholders:

that, based on the volume-weighted average price per share of Kindred common stock of \$19.46 for the ten trading days ended on and including October 3, 2014 (which Kindred and Gentiva used as the basis for the

agreed-upon exchange ratio), the 0.257 exchange ratio, taken together with the \$14.50 per share cash consideration, represents total payments of \$19.50 per share of Gentiva common stock. Because the merger agreement does not provide a maximum or minimum for the value of the shares of Kindred common stock to be received, this value will be greater or lesser if, at the closing of the merger, the price per share of Kindred common stock is greater or lesser than \$19.46 per share;

the merger presents a means for the holders of large blocks of Gentiva common stock to receive a premium price in cash for their holdings without adversely affecting the market price for shares of Gentiva common stock;

the right of Gentiva stockholders to exercise appraisal rights in accordance with Delaware law, which gives Gentiva stockholders the ability to seek and be paid a judicially determined appraisal of the fair value of their shares of Gentiva common stock at the completion of the merger;

that the majority of the merger consideration will be paid in cash, giving Gentiva stockholders an opportunity to realize certain value for a significant portion of their investment immediately upon the completion of the merger;

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that a portion of the merger consideration will be paid in shares of Kindred common stock and, as a result, Gentiva stockholders will have the opportunity to participate in any future earnings or growth of the combined company and future appreciation in the value of Kindred common stock following completion of the merger; and

that the merger is expected to be a taxable transaction for U.S. federal income tax purposes, and the receipt of cash and Kindred common stock will, therefore, generally be taxable to Gentiva common stockholders for U.S. federal income tax purposes. See Material United States Federal Income Tax Consequences beginning on page 88.

In the course of reaching its determination and decisions, and making the recommendations described above, the Gentiva board of directors considered the following additional factors:

the fact that the merger will combine complementary areas of expertise and allow the combined company to be able to draw upon the intellectual capital, technical expertise and experience of a larger workforce;

the expectation that the merger can be completed on a timely basis;

the potential additional or different interests of Gentiva's directors and executive officers in respect of the merger, as described in the section The Merger Interests of Gentiva Directors and Executive Officers in the Merger beginning on page 66; and

the risk factors described under Risk Factors beginning on page 31.

The above discussion summarizes the material factors considered by the Gentiva board of directors in its consideration of the merger. After considering these factors and focusing primarily on the interests of Gentiva stockholders, the Gentiva board of directors concluded that the positive factors relating to the merger agreement and the merger substantially outweighed the potential negative factors. In view of the wide variety of factors considered by the Gentiva board of directors in connection with its evaluation of the merger agreement and the merger, and the complexity of these matters, the Gentiva board of directors, both individually and collectively, did not find it practicable to, and did not, quantify or otherwise assign relative weights to the foregoing factors. Instead the Gentiva board of directors made its determination after consideration of all factors taken together. In addition, individual members of the Gentiva board of directors may have given different weight to different factors. Based upon the totality of the information presented to and considered by it, the Gentiva board of directors unanimously approved the merger agreement and the transactions contemplated thereby, including the merger, and determined to recommend that the Gentiva stockholders vote in favor of adoption of the merger agreement.

Accordingly, the Gentiva board of directors unanimously recommends that Gentiva stockholders vote FOR the adoption of the merger agreement, FOR the proposal to approve by advisory (non-binding) vote the merger-related executive compensation and FOR the proposal to approve adjournments of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

Opinion of Gentiva's Financial Advisor

Gentiva engaged Barclays to act as one of its financial advisors with respect to the merger. On October 8, 2014, Barclays rendered its oral opinion (which was subsequently confirmed in writing) to the Gentiva board of directors that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the consideration to be offered to Gentiva stockholders (other than Kindred and its affiliates) in the merger was fair, from a financial point of view, to such stockholders.

The full text of Barclays written opinion, dated as of October 8, 2014, is attached as Annex C to this proxy statement/prospectus. Barclays written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Barclays in

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rendering its opinion. You are encouraged to read the opinion carefully in its entirety. The following is a summary of Barclays' opinion and the methodology that Barclays used to render its opinion. This summary is qualified in its entirety by reference to the full text of the opinion.

Barclays' opinion, the issuance of which was approved by Barclays' Fairness Opinion Committee, is addressed to the board of directors of Gentiva, addresses only the fairness, from a financial point of view, to Gentiva's stockholders (other than Kindred and its affiliates) of the consideration to be offered to such stockholders in the merger and does not constitute a recommendation to any stockholder of Gentiva as to how such stockholder should vote with respect to the merger or any other matter. The terms of the merger were determined through arm's length negotiations between Gentiva and Kindred and were unanimously approved by the Gentiva board of directors. Barclays did not recommend any specific form of consideration to Gentiva or that any specific form of consideration constituted the only appropriate consideration for the merger. Barclays was not requested to opine as to, and its opinion does not in any manner address, Gentiva's underlying business decision to proceed with or effect the merger or the likelihood of consummation of the merger. Barclays' opinion does not address the relative merits of the merger as compared to any other transaction or business strategy in which Gentiva might engage. In addition, Barclays expressed no opinion on, and its opinion does not in any manner address, the fairness of the amount or the nature of any compensation to any officers, directors or employees of any parties to the merger, or any class of such persons, including relative to the consideration to be offered to the stockholders of Gentiva in the merger.

In arriving at its opinion, Barclays, among other things:

reviewed and analyzed the execution version of the merger agreement to be dated as of October 9, 2014, and the specific terms of the merger;

reviewed and analyzed publicly available information concerning Gentiva and Kindred that Barclays believed to be relevant to its analysis, including for each of Gentiva and Kindred the Annual Reports on Form 10-K for the fiscal year ended December 31, 2013, and the Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2014 and June 30, 2014, and other relevant filings made by Gentiva and Kindred with the SEC;

reviewed and analyzed financial and operating information with respect to the business, operations and prospects of Gentiva furnished to Barclays by Gentiva, including financial projections of Gentiva prepared by the management of Gentiva, which we refer to as the business model case;

reviewed and analyzed a trading history of Gentiva common stock from October 7, 2009 to October 7, 2014 and a comparison of such trading history with those of other companies that Barclays deemed relevant;

reviewed and analyzed a trading history of Kindred common stock from October 7, 2011 to October 7, 2014 and a comparison of that trading history with those of other companies that Barclays deemed relevant;

reviewed and analyzed a comparison of the historical financial results and present financial condition of Gentiva and Kindred with each other and with those of other companies that Barclays deemed relevant;

reviewed and analyzed a comparison of the financial terms of the merger with the financial terms of certain other transactions that Barclays deemed relevant;

reviewed and analyzed the results of Barclays' efforts to solicit indications of interest from third parties with respect to a sale of Gentiva;

reviewed and analyzed the pro forma impact of the merger on the future financial performance of the combined company, including cost savings, operating synergies and other strategic benefits expected by the management of Kindred to result from a combination of the businesses, which we refer to as the expected synergies; and

reviewed published estimates of independent research analysts with respect to the future financial performance and stock price targets of each of Gentiva and Kindred.

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In addition, Barclays had discussions with the management of Gentiva and Kindred concerning their respective business, operations, assets, liabilities, financial condition and prospects and undertook such other studies, analyses and investigations as Barclays deemed appropriate.

In arriving at its opinion, Barclays assumed and relied upon the accuracy and completeness of the financial and other information used by Barclays without any independent verification of such information (and has not assumed responsibility or liability for any independent verification of such information). Barclays also relied upon the assurances of the management of Gentiva that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the business model case, upon the advice of Gentiva, Barclays assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Gentiva as to Gentiva's future financial performance, assumed that Gentiva will perform in accordance with such projections and, upon the advice of Gentiva, relied on the business model case in performing its analysis. (For a summary of the business model case, see The Merger Summary of Gentiva Projections beginning on page 63.) Furthermore, upon the advice of Gentiva, Barclays assumed that the amounts and timing of the expected synergies were reasonable and that the expected synergies would be realized in accordance with such estimates. In arriving at its opinion, Barclays assumed no responsibility for and expressed no view as to any such projections or estimates described above or the assumptions on which they were based. In arriving at its opinion, Barclays did not conduct a physical inspection of the properties and facilities of Gentiva or Kindred and did not make or obtain any evaluations or appraisals of the assets or liabilities of either Gentiva or Kindred. Barclays opinion was necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of October 8, 2014. Barclays assumed no responsibility for updating or revising its opinion based on events or circumstances that may have occurred after October 8, 2014. Barclays did not express an opinion as to the prices at which shares of Gentiva common stock or Kindred common stock would trade at any time following the announcement of the merger or the prices at which Kindred common stock would trade at any time following the consummation of the merger. Barclays' opinion should not be viewed as providing any assurance that the market value of the Kindred common stock to be received by the stockholders of Gentiva in the merger plus the cash to be received by the stockholders of Gentiva in the merger would be in excess of the market value of Gentiva common stock owned by such stockholders at any time prior to the announcement or consummation of the merger.

Barclays assumed the accuracy of the representations and warranties made by each party to the merger agreement contained in the merger agreement and all agreements related thereto. Barclays also assumed, upon the advice of Gentiva, that all material governmental, regulatory and third party approvals, consents and releases for the merger would be obtained within the constraints contemplated by the merger agreement and that the merger would be consummated in accordance with the terms of the merger agreement without waiver, modification or amendment of any material term, condition or agreement thereof. Barclays did not express any opinion as to any tax or other consequences that might result from the merger, nor did Barclays' opinion address any legal, tax, regulatory or accounting matters, as to which Barclays understood that Gentiva had obtained such advice as it deemed necessary from qualified professionals.

In connection with rendering its opinion, Barclays performed certain financial, comparative and other analyses as summarized below. In arriving at its opinion, Barclays did not ascribe a specific range of values to the shares of Gentiva common stock but rather made its determination as to fairness, from a financial point of view, to Gentiva stockholders (other than Kindred and its affiliates) of the consideration to be offered to such stockholders in the merger on the basis of various financial and comparative analyses. The preparation of a fairness opinion is a complex process and involves various determinations as to the most appropriate and relevant methods of financial and comparative analyses and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to summary description.

In arriving at its opinion, Barclays did not attribute any particular weight to any single analysis or factor considered by it but rather made qualitative judgments as to the significance and relevance of each analysis and factor relative to all other analyses and factors performed and considered by it and in the context of the circumstances of the particular transaction. Accordingly, Barclays believes that its analyses must be considered

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as a whole, as considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying its opinion.

Summary of Analyses

The following is a summary of the material financial analyses performed by Barclays with respect to Gentiva and Kindred in preparing Barclays' opinion:

historical share price analysis;

comparable companies analysis;

in the case of Gentiva, comparable transactions analysis;

in the case of Gentiva, discounted cash flow analysis; and

analysis of equity research analyst price targets.

Each of these methodologies was used to generate reference enterprise or equity value ranges for each of Gentiva and Kindred, as applicable. For the methodologies that generated reference enterprise value ranges, the implied per share equity value was calculated by subtracting Gentiva's or Kindred's, as applicable, net debt from its implied enterprise value ranges and dividing by the diluted number of shares outstanding.

The implied equity value ranges per share of Gentiva common stock were compared to the implied value of the merger consideration of \$19.50 per Gentiva share to be offered to Gentiva stockholders in the transaction (based on Kindred's volume-weighted average price for the ten trading days ended on and including October 3, 2014). In addition, the implied equity value ranges per share of Kindred common stock were compared to Kindred's closing stock price of \$19.96 on October 7, 2014.

In addition, Barclays also analyzed and reviewed: (i) the daily historical intra-day trading prices of Gentiva common stock for the period from October 7, 2009 to October 7, 2014 and Kindred common stock for the period from October 7, 2011 to October 7, 2014; (ii) the capitalization of the pro forma combined company and (iii) the pro forma impact of the transaction on the current and future financial performance and credit profile of the combined company for projected estimates for 2015 and 2016 for earnings per share for the combined company.

In particular, in applying the various valuation methodologies to the particular businesses, operations and prospects of Gentiva and Kindred, and the particular circumstances of the transaction, Barclays made qualitative judgments as to the significance and relevance of each analysis. In addition, Barclays made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Gentiva and Kindred. Such qualitative judgments and assumptions of Barclays were made following discussions with the management of each of Gentiva and Kindred. Accordingly, the methodologies and the implied common equity value ranges per share derived therefrom must be considered as a whole and in the context of the narrative description of the financial analyses, including the assumptions underlying these analyses. Considering the

implied common equity value ranges per share without considering the full narrative description of the financial analyses, including the assumptions underlying these analyses, could create a misleading or incomplete view of the process underlying, and conclusions represented by, Barclays' opinion.

The implied equity value ranges per share as presented below, derived using certain of the various valuation methodologies listed above, supported the conclusion that the merger consideration to be offered to Gentiva stockholders (other than Kindred and its affiliates) was fair, from a financial point of view, to such stockholders.

Historical Share Price Analysis

To illustrate the trend in the historical trading prices of Gentiva common stock, Barclays considered historical data with regard to the trading prices of Gentiva common stock for the period from October 7, 2009 to October 7, 2014. Barclays noted that during the period from May 14, 2013 to May 14, 2014 (the 52-week period preceding Kindred's public offer for Gentiva common stock), the intra-day trading prices of Gentiva common

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stock ranged from \$7.35 to \$13.85. Barclays also noted that during the period following Kindred's public offer, from May 15, 2014 to October 7, 2014, the intra-day trading prices of Gentiva common stock ranged from \$13.30 to \$18.93.

To illustrate the trend in the historical trading prices of Kindred common stock, Barclays considered historical data with regard to the trading prices of Kindred common stock for the period from October 7, 2011 to October 7, 2014. Barclays noted that during the period from October 7, 2013 to October 7, 2014, the intra-day trading prices of Kindred common stock ranged from \$13.13 to \$26.81. Barclays noted that during the period following Kindred's public offer, from May 15, 2014 to October 7, 2014, the intra-day trading prices of Kindred common stock ranged from \$18.80 to \$26.81. Barclays also noted that, on June 16, 2014, Kindred priced an underwritten public offering for an aggregate of nine million shares of Kindred common stock at a public offering price of \$23.75 per share (including an over-allotment option to the underwriters to purchase up to an additional 1.35 million shares).

Selected Comparable Company Analysis

In order to assess how the public market values shares of similar publicly traded companies, Barclays reviewed and compared specific financial and operating data relating to Gentiva and Kindred with selected companies that Barclays, based on its experience in the healthcare industry, deemed comparable to Gentiva and Kindred, respectively. Barclays calculated and compared various financial multiples and ratios of Gentiva and Kindred, respectively, and the respective selected comparable companies. As part of its selected comparable company analysis, Barclays calculated and analyzed multiples of the enterprise value of Gentiva to its expected 2014 earnings before interest, taxes, depreciation and amortization, which we refer to as EBITDA, as adjusted to exclude charges related to cost savings initiatives and acquisition and integration activities, losses on closed locations, a weather-specific adjustment for the first quarter of 2014 and merger related expenses, which we refer to in this section as *Opinion of Gentiva's Financial Advisor* as Adjusted EBITDA, and expected 2015 EBITDA. Barclays also calculated and analyzed the multiple of the enterprise value of Kindred to its expected 2014 EBITDA, and the multiple of the adjusted enterprise value of Kindred to its expected 2014 earnings before interest, taxes, depreciation, amortization and rent expense, which we refer to as EBITDAR. The enterprise value of each company was obtained by adding its short and long-term debt to the sum of the market value of its common stock and the book value of its preferred stock and the book value of any non-controlling interest, and subtracting its cash and cash equivalents. All of these calculations were performed, and based on publicly available financial data and closing prices, as of October 7, 2014. The results of this selected comparable company analysis for Gentiva are summarized below:

Name of Company	Enterprise Value / Expected 2014 Adjusted EBITDA	Enterprise Value / Expected 2015 EBITDA
Amedisys Inc. (1)	12.9x	11.1x
Chemed Corp.	9.3x	8.8x
Almost Family Inc.	9.1x	8.8x
Addus HomeCare Corp.	8.8x	7.4x
LHC Group, Inc. (2)	8.6x	7.7x
<i>Mean</i>	9.7x	8.8x
<i>Median</i>	9.1x	8.8x
<i>Mean (excl. Amedisys Inc.)</i>	8.9x	8.2x
<i>Median (excl. Amedisys Inc.)</i>	8.9x	8.3x

Gentiva at \$19.50 (3)

9.6x

8.7x

- (1) Amedisys Inc. debt assumes \$35 million of additional debt for payment of a U.S. Department of Justice settlement.
- (2) LHC Group Inc. excluded the book value of its non-controlling interest from the Enterprise Value and adjusted its Expected 2014 EBITDA and Expected 2015 EBITDA accordingly for the non-controlling interest.
- (3) Multiple for expected 2014 results based on Gentiva Adjusted EBITDA.

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The results of this selected comparable company analysis for Kindred are summarized below:

Name of Company	Enterprise Value / Expected 2014 EBITDA	Adjusted Enterprise Value / Expected 2014 EBITDAR (2)
The Ensign Group, Inc.	6.2x	7.4x
Select Medical Holdings Corp.	8.5x	7.9x
Skilled Healthcare Group, Inc.	7.8x	6.6x
HealthSouth Corp. (1)	8.2x	8.0x
Kindred	7.2x	6.6x

(1) Includes a net operating loss value of \$266.5 million.

(2) Rent was capitalized at 6.0x.

Barclays selected the comparable companies listed above because their businesses and operating profiles are reasonably similar to that of Gentiva and Kindred, respectively. However, because of the inherent differences between the business, operations and prospects of Gentiva and Kindred, respectively, and those of the respective selected comparable companies, Barclays believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the selected comparable company analysis. Accordingly, Barclays, based on its professional judgment and experience, also made qualitative judgments concerning differences between the business, financial and operating characteristics and prospects of Gentiva and Kindred, respectively, and the respective selected comparable companies that could affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, profitability levels and degree of operational risk between Gentiva and Kindred, respectively, and the respective companies included in the selected company analysis. Based upon these judgments, Barclays selected a range of 8.5x to 9.5x multiples of Gentiva's 2014 expected Adjusted EBITDA, which equaled \$189 million (based upon actual results and the business model case) and a range of 8.0x to 9.0x multiples of Gentiva's 2015 expected EBITDA, which equaled \$208 million (based upon the business model case). Based upon these judgments, Barclays also selected a range of 7.0x to 8.5x multiples of Kindred's 2014 expected EBITDA, which equaled \$382 million (based upon Wall Street research estimates) and a range of 6.5x to 8.0x multiples of Kindred's 2014 expected EBITDAR, which equaled \$712 million (based upon Wall Street research estimates). Using the range of multiples and expected EBITDA, Adjusted EBITDA and EBITDAR, as the case may be, Barclays calculated a range of implied enterprise values. The implied equity value per share was calculated by subtracting Gentiva's and Kindred's net debt from its implied enterprise values, and in the case of adjusted enterprise value subtracting the value of Kindred's capitalized rent, and dividing by the diluted number of shares outstanding. The following summarizes the results of these calculations:

	Implied Equity Value Per Share	
Gentiva		
EV / 2014E Adjusted EBITDA	\$	14.36 19.25
EV / 2015E EBITDA	\$	15.78 21.15
Kindred		
EV / 2014E EBITDA	\$	18.29 27.18
EV / 2014E EBITDAR	\$	18.24 30.42

Selected Precedent Transaction Analysis

Barclays reviewed and compared the purchase prices and financial multiples paid in selected other transactions that Barclays, based on its experience with merger and acquisition transactions, deemed relevant. Barclays chose such transactions based on, among other things, the similarity of the applicable target companies in the transactions to Gentiva with respect to the size, mix, margins and other characteristics of their businesses.

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Using publicly available information, Barclays analyzed the transaction value to the target company's last 12 months, or LTM, EBITDA. The following table sets forth the transactions analysis based on such characteristics:

Date	Target Company	Acquirer	TV/ LTM EBITDA
January 2006	The Healthfield Group	Gentiva	9.7x
May 2010	Odyssey HealthCare	Gentiva	11.5x
April 2011	Regency Hospice	Curo Health Services	9.5x
August 2011	Professional HealthCare	Kindred Healthcare	9.0x
November 2011	SouthernCare	Kohlberg & Company	9.5x
November 2011	SeniorBridge Family Companies	Humana	10.0x
June 2012	Community Hospice	Curo Health Services	10.8x
August 2012	IntegraCare Holdings	Kindred Healthcare	8.3x
October 2012	Celtic Healthcare	The Washington Post	9.3x
January 2013	Guardian Healthcare Group	Envision Healthcare	9.1x
September 2013	Harden Healthcare	Gentiva Health Services, Inc.	11.1x
November 2013	SunCrest Healthcare	Almost Family	9.9x
April 2014	Great Lakes Caring	Wellspring Capital	8.5x

The reasons for and the circumstances surrounding each of the selected precedent transactions analyzed were diverse and there are inherent differences in the business, operations, financial conditions and prospects of Gentiva and the companies included in the selected precedent transaction analysis. Accordingly, Barclays believed that a purely quantitative selected precedent transaction analysis would not be particularly meaningful in the context of considering the merger. Barclays therefore made qualitative judgments concerning differences between the characteristics of the selected precedent transactions and the merger which would affect the acquisition values of the selected target companies, on the one hand, and Gentiva and Kindred, on the other hand. Based upon these judgments, Barclays selected a range of 9.0x to 10.5x multiples (which compares to mean and median multiples of 9.7x and 9.5x, respectively, for the transactions listed above) and applied such range to Gentiva's LTM Adjusted EBITDA for the year ended June 30, 2014 of \$180 million to calculate a range of implied prices per share of Gentiva common stock.

The following table sets forth the transaction analyzed based on such characteristics and the results of such analysis:

	Implied Equity Value Per Share	
Gentiva	\$	14.65 21.62

Discounted Cash Flow Analysis

In order to estimate the present value of Gentiva, Barclays performed a discounted cash flow analysis of Gentiva. A discounted cash flow analysis is a traditional valuation methodology used to derive a valuation of an asset by calculating the present value of estimated future cash flows of the asset. Present value refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors. To calculate the estimated enterprise value of Gentiva using the discounted cash flow method, Barclays added (i) Gentiva's projected after-tax unlevered free cash flows for the third and fourth quarters of fiscal year 2014 and fiscal years 2015 through 2018 based on the business model case to (ii) the terminal value of Gentiva as of 2018, and discounted such amount to its present value using a range of selected discount rates from

9.5% to 11.5%. The discount rates were based on Barclays' analysis in accordance with the capital asset pricing model of the weighted average cost of capital for Gentiva. The after-tax unlevered free cash flows were calculated by taking the tax-affected estimated EBITDA for the fiscal years ended 2014 through 2018 and subtracting capital expenditures and adjusting for changes in working

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capital. In the discounted cash flow analysis, which we refer to as the DCF analysis (standalone), the residual value of Gentiva at the end of the forecast period, or terminal value, was estimated by selecting a range of terminal value multiples of 8.0x to 9.0x for the period ending 2018 and applying such range to the business model case. Such terminal value multiples were derived based upon Barclays' professional judgment and a review of forward enterprise value to EBITDA multiples over a five-year period for the companies included in the selected comparable companies analysis. Barclays then calculated a range of implied prices per share of Gentiva by subtracting net debt as of June 30, 2014 from the estimated enterprise value using the discounted cash flow method and dividing such amount by the shares of Gentiva common stock calculated using the treasury stock method. The following summarizes the results of these calculations:

	Implied Equity Value Per Share	
DCF analysis (standalone)	\$	16.14 23.80

Analysis of Equity Research Analyst Price Targets

Barclays reviewed the publicly available price targets of Gentiva and Kindred published by independent equity research analysts associated with various Wall Street firms. Barclays reviewed equity research analyst price targets for Gentiva both before and after the tender offer commenced on May 15, 2014. The price targets before the tender offer ranged from \$7.00 to \$11.00 per share and the price targets after the tender offer ranged from \$17.25 to \$20.00 per share, which were each in line with the implied value, as of October 7, 2014, of the merger consideration of \$19.50 per Gentiva share to be offered to Gentiva stockholders in the merger (based on Kindred's volume-weighted average price for the ten trading days ended on and including October 3, 2014). Barclays' analysis of equity research analyst price targets for Kindred implied an equity value range for Kindred after the transaction announcement of \$17.00 to \$27.00 per Kindred share (with an outlier at \$42.00 per share), as compared to Kindred's closing stock price of \$19.96 on October 7, 2014.

General

Barclays is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. The Gentiva board of directors selected Barclays because of its familiarity with Gentiva and its qualifications, reputation and experience in the valuation of businesses and securities in connection with mergers and acquisitions generally, as well as substantial experience in transactions comparable to the merger.

Barclays is acting as financial advisor to Gentiva in connection with the merger. As compensation for its services in connection with the merger, compensation of \$12 million will be payable to Barclays on completion of the merger, and compensation of \$2 million was paid to Barclays upon delivery of the Barclays opinion. In addition, Gentiva has agreed to reimburse Barclays for its expenses incurred in connection with the merger and to indemnify Barclays for certain liabilities that may arise out of its engagement by Gentiva and the rendering of Barclays' opinion. Barclays has performed various investment banking and financial services for Gentiva and Kindred in the past, and expects to perform such services in the future, and has received, and expects to receive, customary fees for such services. Specifically, Barclays is a lender to both companies' credit facilities, the administrative agent for Gentiva and, in the past two years, has performed the following investment banking and financial services: (i) provided committed financing to Gentiva for its acquisition of Harden, (ii) acted as lead left arranger and joint bookrunner on Gentiva's \$925 million Senior Secured Credit Facilities in connection with the Harden acquisition, (iii) acted as joint lead

arranger and joint bookrunner on Kindred's refinancing of its capital structure comprised of \$1,750 million Senior Secured Credit Facilities and \$500 million of Senior Secured Notes and (iv) as part of Kindred's refinancing, Barclays acted as a counterparty to an interest rate swap.

Barclays and its affiliates engage in a wide range of businesses from investment and commercial banking, lending, asset management and other financial and non-financial services. In the ordinary course of its business,

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Barclays and affiliates may actively trade and effect transactions in the equity, debt and/or other securities (and any derivatives thereof) and financial instruments (including loans and other obligations) of Gentiva and Kindred and their respective affiliates for its own account and for the accounts of its customers and, accordingly, may at any time hold long or short positions and investments in such securities and financial instruments.

Summary of Gentiva Projections

Although Gentiva periodically may issue limited guidance to investors concerning its expected financial performance, Gentiva does not as a matter of course publicly disclose detailed financial projections. However, in connection with the negotiation of the merger, Gentiva management prepared non-public forecasts for the years ended December 31, 2014 through December 31, 2018, which we refer to as the business model case and the upside case and which, collectively, we refer to as the Gentiva projections. While the Gentiva projections are being included in this proxy statement/prospectus, the Gentiva projections were not prepared with a view toward public disclosure, compliance with the published guidelines of the SEC regarding projections and the use of non-GAAP measures or compliance with the published guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. In the view of Gentiva's management, the Gentiva projections were prepared on a reasonable basis and reflected the best then-currently available estimates and judgments of Gentiva's management. The inclusion of the Gentiva projections in this proxy statement/prospectus should not be regarded as an indication that Gentiva or any other recipient of this information considered, or now considers, this information to be necessarily predictive of actual future results, and does not constitute an admission or representation by any person that such information is material and readers are cautioned not to place undue reliance on the prospective financial information.

The Gentiva projections are unaudited. This prospective financial information included in this proxy statement/prospectus has been prepared by, and is the responsibility of, Gentiva's management. PricewaterhouseCoopers LLP, which we refer to as PwC, has neither examined, complied with, nor performed any procedures with respect to the Gentiva projections and, accordingly, PwC does not express an opinion or any other form of assurance with respect thereto or their achievability. PwC assumes no responsibility for, and disclaims any association with, the Gentiva projections. PwC's report included in Gentiva's 2013 Annual Report on Form 10-K/A incorporated by reference herein relates to Gentiva historical financial information. It does not extend to the prospective financial information and should not be read to do so. The Gentiva projections:

were based on numerous assumptions, as further described below, many of which are beyond the control of Gentiva and may not prove to be accurate;

do not necessarily reflect current estimates or assumptions that Gentiva's management may have about prospects for Gentiva's businesses, changes in general business or economic conditions or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the forecasts were prepared;

are not necessarily indicative of current values or future performance, which may be significantly more favorable or less favorable than as set forth below;

are not, and should not be regarded as a representation that any of the expectations contained in, or forming a part of, the Gentiva projections will be achieved;

assume that (i) there will be no material change in the ownership and control of Gentiva; (ii) there will be no acquisitions or disposals by Gentiva during the forecast period; (iii) there will be no material adverse change in the economic conditions in the markets in which Gentiva operates; and (iv) any changes in relevant legislation, healthcare reimbursement and reform, governmental policy or other regulatory requirements will not materially affect the forecasted results of Gentiva; and

were developed for Gentiva on a standalone basis without giving effect to the merger, and do not reflect any effects of the merger or any changes to Gentiva's operations or strategy that may be implemented after the consummation of the merger, including any revenue and cost synergies realized.

Table of Contents*Business Model Case*

The business model case was prepared by Gentiva's management in May 2014. The business model case was based on the 2014 budget approved by the Gentiva board of directors and reflects various assumptions and estimates that Gentiva's management made in good faith, including without limitation: (i) census growth, revenue per episode, revenue per visit, revenue per patient day and revenue per hour, cost per visit, cost per patient day and selling, general and administrative expenses; (ii) the effect of the One Gentiva initiative on Gentiva's business; and (iii) the impact of GentivaLink on Gentiva's business. The business model case was provided to the Gentiva board of directors and its advisors. Gentiva provided the business model case to its financial advisors for use in their financial analyses of Gentiva, including the financial analyses performed by Barclays in connection with its fairness opinion. Gentiva believes the business model case is a reasonable forecast of its future results and was a reasonable basis upon which to evaluate the business and prospects of Gentiva. See "The Merger" Opinion of Gentiva's Financial Advisor beginning on page 55.

	2014E	Year Ending December 31,			
		2015E	2016E	2017E	2018E
		(dollars in millions)			
Revenue	\$ 1,987	\$ 2,028	\$ 2,070	\$ 2,119	\$ 2,188
Gross Profit	897	921	939	957	991
EBITDA(2)	189 (1)	208	221	236	258
Net Income	39	52	62	71	88
Unlevered free cash flow(3)	89	100	120	129	140

(1) 2014 estimates based on Adjusted EBITDA(2) .

(2) EBITDA and Adjusted EBITDA are non-GAAP financial measures. EBITDA is defined as earnings before interest expense, income taxes and depreciation and amortization. Adjusted EBITDA also excludes charges relating to cost savings initiatives and acquisition and integration activities, losses on closed locations, a weather-specific adjustment for the first quarter of 2014 and merger related expenses. Management uses Adjusted EBITDA to evaluate overall performance and compare current operating results with other companies in the healthcare industry. Adjusted EBITDA should not be considered in isolation or as a substitute for income from continuing operations, net income, operating income or cash flow statement data determined in accordance with accounting principles generally accepted in the United States.

(3) Unlevered free cash flow is calculated as EBITA minus taxes, changes in net working capital and capital expenditures, plus depreciation. EBITA is calculated as net earnings before interest, taxes and amortization.

Upside Case

The upside case was prepared by Gentiva's management in July 2014 in response to due diligence requests from potential buyers of Gentiva. Compared to the business model case, the upside case assumed (i) a more aggressive outlook for home health and hospice reimbursement, (ii) enhanced profitability primarily due to lower selling, general and administrative costs and (iii) modified assumptions regarding home health and hospice volumes. The upside case was made available to Kindred and other potential buyers of Gentiva.

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	2014E	Year Ending December 31,			
		2015E	2016E	2017E	2018E
(dollars in millions)					
Revenue	\$ 1,977	\$ 2,014	\$ 2,061	\$ 2,118	\$ 2,186
Gross Profit	901	925	945	971	998
EBITDA(2)	191 (1)	219	237	263	278
Net Income	40	58	72	88	101

(1) 2014 estimates based on Adjusted EBITDA(2) .

(2) EBITDA and Adjusted EBITDA are non-GAAP financial measures. EBITDA is defined as earnings before interest expense, income taxes and depreciation and amortization. Adjusted EBITDA also excludes charges relating to cost savings initiatives and acquisition and integration activities, losses on closed locations, a weather-specific adjustment for the first quarter of 2014 and merger related expenses. Management uses Adjusted EBITDA to evaluate overall performance and compare current operating results with other companies in the healthcare industry. Adjusted EBITDA should not be considered in isolation or as a substitute for income from continuing operations, net income, operating income or cash flow statement data determined in accordance with accounting principles generally accepted in the United States.

Gentiva cannot assure you that the Gentiva projections will be realized or that its future financial results will not materially vary from the Gentiva projections. The Gentiva projections cover multiple years and such information by its nature becomes less predictive with each succeeding year.

The Gentiva projections do not necessarily take into account any circumstances or events occurring after the date they were prepared. Gentiva does not intend to update the Gentiva projections. The Gentiva projections are forward-looking statements. For additional information on factors which may cause Gentiva's actual future financial results to materially vary from the Gentiva projections, see Cautionary Statement Regarding Forward-Looking Statements and Risk Factors beginning on pages 38 and 31, respectively.

Stock Ownership of Directors and Executive Officers of Gentiva

As of December 15, 2014, the most recent practicable date prior to the mailing of this proxy statement/prospectus, the directors and executive officers of Gentiva beneficially owned and were entitled to vote approximately 5,718,819 shares of Gentiva common stock, collectively representing approximately 15.3% of the shares of Gentiva common stock outstanding on that date.

Merger Consideration

At the effective time, each share of Gentiva common stock outstanding immediately prior to the effective time, other than shares owned by Kindred or Gentiva or their respective wholly owned subsidiaries, or shares owned by stockholders who have properly exercised and perfected appraisal rights under Delaware law, will be converted into the right to receive \$14.50 in cash, without interest, and 0.257 of a share of Kindred common stock.

Kindred will not issue any fractional shares as a result of the merger. Instead, holders of Gentiva common stock who would otherwise be entitled to receive a fractional share of Kindred common stock will receive an amount in cash (rounded to the nearest whole cent and without interest) determined by multiplying the fractional share interest by the Kindred closing price.

The exchange ratio is a fixed ratio. Therefore, the number of shares of Kindred common stock to be received by holders of Gentiva common stock as a result of the merger will not change between now and the time the merger is completed to reflect changes to the trading price of Kindred common stock.

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Ownership of Kindred After the Merger

Based on the number of shares of Kindred common stock and Gentiva common stock issued and outstanding as of December 15, 2014, the most recent practicable date prior to the mailing of this proxy statement/prospectus, the former Gentiva stockholders will own approximately 12% of Kindred's outstanding common stock after completion of the merger.

Interests of Gentiva Directors and Executive Officers in the Merger

In considering the information in this proxy statement/prospectus and the recommendation of the Gentiva board of directors to adopt the merger agreement, you should be aware that Gentiva's directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of Gentiva stockholders generally. Other than the entry into an employment agreement with David A. Causby, which took place after the signing of the merger agreement, the Gentiva board of directors was aware of these interests and considered them, among other matters, in reaching its decision to approve the merger agreement, the merger and the transactions contemplated by the merger agreement, and in recommending to Gentiva stockholders that the merger agreement be adopted. These interests include those described below.

Completion of the transactions contemplated by the merger agreement will constitute a change in control of Gentiva under all of the Gentiva agreements and arrangements described below.

Gentiva's current executive officers are: Rodney D. Windley, Executive Chairman and Director; Tony Strange, Chief Executive Officer and Director; David A. Causby, President and Chief Operating Officer; Eric R. Slusser, Executive Vice President, Chief Financial Officer and Treasurer; John N. Camperlengo, Senior Vice President, General Counsel and Secretary; Jeff Shaner, Senior Vice President and President of Operations; and Charlotte A. Weaver, Senior Vice President and Chief Clinical Officer.

Equity Interests of Gentiva's Directors and Executive Officers

The merger, if consummated, would constitute a change in control of Gentiva for purposes of the Gentiva 2004 Equity Incentive Plan (amended and restated as of March 16, 2011), as amended by Amendments No. 1 and 2 thereto (which we refer to as the Plan), the change in control agreements described below and the severance agreements described below.

As a result, zero outstanding stock options and 230,300 shares of Gentiva restricted stock granted under the Plan to executive officers and directors prior to September 12, 2013 (but excluding stock options and restricted stock granted to executive officers in 2013 prior to September 12, 2013), will immediately become vested and exercisable, any restrictions on such restricted stock awards or performance cash awards will immediately lapse and all awards would remain exercisable for the remainder of their terms, even if the award recipient were not to terminate employment. However, 763,864 outstanding stock options, 401,200 shares of Gentiva restricted stock and performance cash awards totaling \$6,825,000 under the Plan granted on or after September 12, 2013 or granted to named executive officers in 2013 prior to September 12, 2013 will become vested and exercisable and any restrictions thereupon will lapse upon a change in control only upon a termination of a grantee's service by Gentiva without cause or for good reason within two years after a change in control. If the merger is consummated, all awards under the Plan will be treated as dictated under the merger agreement. See "The Merger Agreement Effect of the Merger on Gentiva's Equity Awards" beginning on page 94.

Stock Options

At the effective time, each Gentiva in-the-money option that is or will become vested as a result of the merger will be canceled and converted into the right to receive an amount in cash, without interest, equal to the cash consideration plus the value of the stock consideration (based on the Kindred closing price), less the exercise price, subject to withholding taxes. Each Gentiva out-of-the-money option or Gentiva option that will not vest as a result of the merger will be converted into an option to purchase a number of shares of Kindred

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common stock determined by multiplying the number of shares of Gentiva common stock subject to such Gentiva option by a fraction, the numerator of which is the sum of (A) the product of the stock consideration multiplied by the Kindred closing price and (B) the cash consideration and the denominator of which is the Kindred closing price.

Restricted Stock; Deferred Stock Units

Each outstanding share of Gentiva restricted stock that will vest as a result of the merger and each outstanding Gentiva deferred stock unit will receive the merger consideration, subject to withholding taxes. Each outstanding share of Gentiva restricted stock that will not vest as a result of the merger will receive merger consideration in the form of a Kindred restricted cash award in the amount of the cash consideration and Kindred restricted shares in the amount of the stock consideration, in each case subject to the vesting conditions of Kindred restricted shares prior to the effective time of the merger.

Performance Cash Awards

Each Gentiva performance cash award that will become vested as a result of the merger may be accelerated and the recipient thereof would receive an amount in cash equal to the target amount of such cash award (unless such performance cash award provides for the accelerated vesting of such award at the maximum level, in which case the recipient thereof would receive an amount in cash equal to the maximum amount of such cash award), subject to withholding taxes. No Gentiva performance cash awards granted to executive officers will become vested solely as a result of the merger. Each Gentiva performance cash award that will not vest as a result of the merger will be converted into the right to receive a Kindred cash award, subject to the vesting conditions of such performance cash award prior to the effective time of the merger. To the extent that any performance cash award is, immediately prior to the effective time, subject to any performance-based vesting or other performance conditions, the Kindred board of directors, or an applicable committee thereof, may, following the effective time, make such equitable adjustments, if any, to the applicable performance goals or conditions relating to the Kindred cash award received by the holder of such performance cash award, as the Kindred board of directors (or such committee thereof) may determine to be necessary or appropriate as a result of the consummation of the transactions contemplated by the merger agreement, including the merger, and, in each case, subject to and in accordance with the terms and conditions of the applicable performance cash award and the applicable Gentiva stock plan.

See also The Merger Agreement Effect of the Merger on Gentiva's Equity Awards beginning on page 94.

Quantification of Equity Interests of Gentiva's Directors and Executive Officers

The following table sets forth, as of December 12, 2014, the most recent practicable date prior to the filing of this proxy statement/prospectus, the number of outstanding (i) in-the-money options that are vested or will vest as a result of the merger, (ii) shares of Gentiva restricted stock that will vest as a result of the merger, (iii) deferred stock units and (iv) performance cash awards that will vest as a result of the merger, in each case held by such executive officer or director of Gentiva, and the consideration that will be received by them pursuant to the merger agreement, assuming continued employment or service as a director through the effective time of the merger and assuming that the effective time of the merger occurs on March 1, 2015. The following table is calculated using assumed merger consideration of \$19.50, which is derived from a Kindred common stock price of \$19.46, the volume-weighted average price of Kindred common stock for the ten trading days ended on and including October 3, 2014, which was the basis for the agreed-upon exchange ratio.

Name	In-the-Money	Restricted Stock	Deferred	Performance	Resulting
	Options		Stock	Units	Cash Awards (1)
	#	#	#	\$	\$
Rodney D. Windley <i>Executive Chairman and Director</i>	125,000		35,415		1,766,843
Tony Strange <i>Chief Executive Officer and Director</i>	86,333	70,900			2,103,286

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Name	In-the-Money	Restricted Stock	Deferred	Performance	Resulting
	Options		Stock Units	Cash Awards (1)	Consideration
	#	#	#	\$	\$
David A. Causby <i>President and Chief Operating Officer</i>	22,367	34,400			858,991
Eric R. Slusser <i>Executive Vice President, Chief Financial Officer and Treasurer</i>	164,834	38,500			2,841,617
John N. Camperlengo <i>Senior Vice President, General Counsel and Secretary</i>	15,767	32,400			763,431
Jeff Shaner <i>Senior Vice President and President of Operations</i>	16,767	34,400			810,775
Dr. Charlotte A. Weaver <i>Senior Vice President and Chief Clinical Officer</i>	9,600	19,700			464,298
Robert S. Forman, Jr. <i>Director</i>			43,938		856,791
Victor F. Ganzi <i>Lead Independent Director</i>			68,245		1,330,778
R. Steven Hicks <i>Director</i>			10,385		202,508
Philip R. Lochner, Jr. <i>Director</i>			43,938		856,791
Stuart Olsten <i>Director</i>			68,245		1,330,778
Sheldon M. Retchin <i>Director</i>			43,938		856,791
Raymond S. Troubh <i>Director</i>			65,215		1,271,693

(1) No performance cash awards will vest as a result of the merger.

The following table sets forth, as of December 12, 2014, the most recent practicable date prior to the filing of this proxy statement/prospectus, the cash value of the awards that will be rolled over into awards based on shares of Kindred common stock, including the number of outstanding (i) unvested in-the-money options that will not vest as a result of the merger, (ii) out-of-the-money options, (iii) unvested restricted shares of Gentiva common stock that will not vest as a result of the merger, and (iv) unvested performance cash awards that will not vest as a result of the merger, in each case held by such executive officer or director. The following table is calculated using assumed merger consideration of \$19.50, which is derived from a Kindred common stock price of \$19.46, the volume-weighted average price of Kindred common stock for the ten trading days ended on and including October 3, 2014.

Name	Unvested In-the-	Out-of-the-	Restricted Stock	Performance Cash	Total Cash Value of Rollover
	Money	Money			

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	Money Options #	Options #	#	Awards \$	Awards \$
Rodney D. Windley <i>Executive Chairman and Director</i>	500,000				4,467,500
Tony Strange <i>Chief Executive Officer and Director</i>	133,033	369,950	123,700	2,625,000	6,159,973
David A. Causby (1) <i>President and Chief Operating Officer</i>	37,033	59,300	73,800	1,112,500	2,866,065
Eric R. Slusser <i>Executive Vice President, Chief Financial Officer and Treasurer</i>	28,866	93,500	62,600	950,000	2,414,334

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Name	In-the-Money Options #	Out-of-the-Money Options #	Restricted Stock #	Performance Cash Awards \$	Total Cash Value of Rollover Awards \$
John N. Camperlengo <i>Senior Vice President, General Counsel and Secretary</i>	24,299	59,900	52,800	800,000	2,034,692
Jeff Shaner <i>Senior Vice President and President of Operations</i>	25,833	61,300	56,100	850,000	2,161,983
Dr. Charlotte A. Weaver <i>Senior Vice President and Chief Clinical Officer</i>	14,800	83,800	32,200	487,500	1,240,320
Robert S. Forman, Jr. <i>Director</i>					
Victor F. Ganzi <i>Lead Independent Director</i>					
R. Steven Hicks <i>Director</i>					
Philip R. Lochner, Jr. <i>Director</i>					
Stuart Olsten <i>Director</i>					
Sheldon M. Retchin <i>Director</i>					
Raymond S. Troubh <i>Director</i>					

- (1) The grant of Kindred replacement RSUs (as defined below under *Employment Agreement with Kindred*) will be in lieu of any treatment of Mr. Causby's unvested in-the-money options and performance cash awards contemplated under the merger agreement.

Beneficial Ownership of Officers and Directors

Gentiva's executive officers and directors hold shares of Gentiva common stock, which will be treated like all other shares of Gentiva common stock in the merger. See *Security Ownership of Certain Beneficial Owners and Management* beginning on page 145 of this proxy statement/prospectus for further details.

Indemnification; Directors and Officers Insurance

Under the merger agreement, each present and former director and officer of Gentiva will have rights to indemnification and expense advancement from Kindred and the surviving corporation in the merger and Kindred has agreed to cause the surviving corporation to maintain directors' and officers' insurance policies or purchase tail coverage, in each case for a six-year period. See *The Merger Agreement Covenants and Agreements Indemnification and Insurance* beginning on page 104 of this proxy statement/prospectus.

Employment Agreement with Kindred

In November 2014, following Kindred's entry into the merger agreement, Kindred entered into an employment agreement with David A. Causby, who is currently a named executive officer of Gentiva. Following the closing of the merger, Mr. Causby will become the President of the combined *Kindred at Home* business and will serve on Kindred's Executive Committee.

The employment agreement has an initial term of one year with automatic one-day extensions. Mr. Causby's annual base salary will be \$550,000. He will be eligible for an annual short-term bonus with a target equal to

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60% and a maximum equal to 101.25% of his base salary, a long-term bonus with a target equal to 50% and a maximum equal to 100% of his base salary and a performance-based cash bonus in an aggregate amount of \$1 million. Upon commencement of employment with Kindred, Mr. Causby will receive a sign-on cash payment of \$1 million. In addition, on or prior to the closing of the merger, Kindred's CEO will recommend that Kindred's Executive Compensation Committee grant Mr. Causby an award of Kindred restricted stock units (which we refer to as RSUs) with a grant date value of \$1,035,000, subject to certain vesting criteria. At the next regularly scheduled meeting of the Kindred board of directors following the closing of the merger, Kindred's CEO will recommend that Kindred's Executive Compensation Committee make a grant of an equity stock award to Mr. Causby with a grant date fair value of 150% of his base salary, which shall be in the form of 50% time-based restricted shares and 50% performance stock units.

According to the employment agreement, at a meeting of the Kindred board of directors that will take place at or around the closing of the merger, Kindred's CEO will also recommend that the Kindred Executive Compensation Committee make a one-time grant of RSUs (which we refer to as replacement RSUs) with a grant date fair value equal to the sum of (i) the cash value of Mr. Causby's outstanding and unvested performance cash awards immediately prior to the consummation of the merger and (ii) the intrinsic value of all outstanding and unvested in-the-money options held by Mr. Causby as of immediately prior to the consummation of the merger, subject to vesting on the dates the performance cash awards or in-the-money options would otherwise have vested, except that the replacement RSUs he will receive in connection therewith will be subject to immediate, automatic and full vesting upon a termination of his employment by Kindred for any reason, by Mr. Causby for good reason, or due to his death or disability. The grant of the replacement RSUs will be in lieu of any treatment of Mr. Causby's in-the-money options and performance cash awards contemplated under the merger agreement and all unvested in-the-money options and performance cash awards held by Mr. Causby as of the closing of the merger will be cancelled.

In addition, any restricted share award held by Mr. Causby prior to the closing of the merger will be treated the same as the restricted shares held by the other Gentiva executive officers, except that the Kindred restricted cash award and Kindred restricted shares he will receive in connection therewith will be subject to immediate, automatic and full vesting upon a termination of his employment by Kindred for any reason, by Mr. Causby for good reason, or due to his death or disability.

Under the employment agreement, Mr. Causby will be eligible to participate in all pension benefit, welfare benefit and fringe benefit plans from time to time in effect for officers of Kindred, and such bonus, stock option, or other incentive compensation plans of Kindred and its affiliates in effect from time to time for officers of Kindred.

In the event Mr. Causby's employment with Kindred is terminated during the term of the employment agreement but on or after the first anniversary of the effective date of the employment agreement by Kindred for a reason other than cause or by Mr. Causby for good reason, Mr. Causby will be entitled to the following payments in addition to base salary through the date of termination, unreimbursed business expenses, accrued but unused vacation time, and any amounts owed to him pursuant to the terms and conditions of Kindred's benefit plans and programs at the time such payments are due:

within fourteen days following the date of termination, Kindred will pay him a cash severance payment in an amount equal to 1.5 times the sum of his base salary and target bonus as of the date of termination;

for a period of eighteen months following the date of termination (which we refer to as the benefit continuation period), Mr. Causby will be treated as if he had continued to be an executive for all purposes under Kindred's health insurance plan and dental insurance plan; or if he is prohibited from participating in such plans, Kindred will otherwise provide such benefits;

for the benefit continuation period, Kindred will maintain in force, at its expense, Mr. Causby's life insurance in effect under Kindred's voluntary life insurance benefit plan as of the date of termination;

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for the benefit continuation period, Kindred will provide short-term and long-term disability insurance benefits equivalent to the coverage that Mr. Causby would have had if he had remained employed under the disability insurance plans applicable to him on the date of termination;

within fifteen days after the date of termination, Kindred will pay Mr. Causby a cash payment in an amount, if any, necessary to compensate him for the unvested interests under Kindred's retirement savings plan which are forfeited by Mr. Causby in connection with the termination of his employment; and

any outstanding unvested stock options, stock performance units or similar equity awards (other than restricted stock awards) held by Mr. Causby on the date of termination will continue to vest in accordance with their original terms (including any related performance measures) for the duration of the benefit continuation period as if he had remained an employee of Kindred through the end of such period and any such stock option, stock performance unit or other equity award (other than restricted stock awards) that has not vested as of the conclusion of such benefit continuation period will be immediately cancelled and forfeited as of such date. In addition, Mr. Causby will have the right to continue to exercise any outstanding vested stock options held by him during the benefit continuation period; provided that in no event will he be entitled to exercise any such option beyond the original expiration date of such option. Any outstanding restricted stock award held by Mr. Causby as of the date of termination that would have vested during the benefit continuation period had he remained an employee of Kindred through the end of such period will be immediately vested as of the date of termination and any restricted stock award that would not have vested as of the conclusion of such period shall be immediately cancelled and forfeited as of such date.

In order to receive any severance benefits set forth in the employment agreement, Mr. Causby must execute a general release of claims against Kindred. In addition, the employment agreement contains confidentiality provisions and, for a period of one year following termination of employment, Mr. Causby will be subject to covenants not to compete and not to solicit Kindred's employees.

Mr. Causby is expected to become an executive officer of Kindred and will be subject to Kindred's stock ownership policies, which will require him to maintain a certain ownership level of shares of Kindred common stock and impose retention requirements on equity awards until the requisite ownership requirements are satisfied.

Gentiva Executive Officers Ordinary Course Bonuses

Gentiva's executive officers will be entitled to receive bonuses under the Gentiva Executive Officers Bonus Plan, to be paid in the ordinary course of business.

In addition, subject to the sole discretion of the compensation committee, Gentiva's Executive Chairman will receive for 2014 and 2015 bonus payments in the ordinary course (apart from the timing of payment), both of which will be payable on or before the consummation of the merger. If these ordinary course bonus payments are paid to Gentiva's Executive Chairman, the amounts paid will be in the discretion of the compensation committee but will not exceed \$2 million for 2014 and \$1 million for 2015.

Transaction Bonuses

The Gentiva compensation committee has discretion to award to Mr. Windley, Gentiva's executive chairman, and certain other core management team members incentive bonus compensation from a \$10 million executive bonus pool to be allocated at the sole discretion of the compensation committee. At least a significant minority of such bonus pool

will be allocated to core management team members other than Mr. Windley, Gentiva's Executive Chairman.

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Potential Severance Payments and Benefits to Executive Officers

Gentiva has entered into change in control agreements with Messrs. Tony Strange, David A. Causby, Eric R. Slusser, John N. Camperlengo, Jeff Shaner and Rodney D. Windley and Dr. Charlotte Weaver. The terms of the change in control agreements provide salary and benefit continuation if (1) there is a change in control of Gentiva and (2) Gentiva or a successor terminates a covered executive's employment without cause (as defined below) or the executive terminates employment for good reason (as defined below), in each case within two years following a change in control, or Gentiva terminates the executive without cause within one year before a change in control, if the termination arises in connection with the change in control (which we refer to as a qualifying termination). Pursuant to the employment agreement with Kindred entered into in November 2014, and, subject to the grant of the RSUs, the Replacement RSUs, the Kindred restricted cash award and the Kindred restricted share award on the terms agreed to by the parties in the employment agreement, Mr. Causby has waived any and all rights to payments or benefits under his severance agreement and his change in control agreement with Gentiva upon consummation of the merger.

Under the change in control agreements, cause generally means the executive's:

felony conviction or a plea of guilty or *nolo contendere* of a felony;

act of willful fraud, dishonesty or moral turpitude;

willful and continued failure to substantially perform the executive's duties for us, which is not corrected after we make a written demand; or

willfully engaging in conduct which is demonstrably and materially injurious to us.

No benefits are payable under a change in control agreement if an executive's employment is terminated for cause.

Termination for good reason generally means, unless remedied by Gentiva within 30 days after receipt of written notice from the executive, the executive is terminated due to:

a material reduction in the executive's annual base salary except as part of a general reduction for all of Gentiva's executive officers unless such reduction exceeds 20% of base salary;

relocation of the executive more than 40 miles farther from the executive's principal residence than was the executive's office location immediately before the protection period under the change in control agreement;

Gentiva's failure to maintain benefits not materially less favorable as those in place before the change in control or taking any action that would reduce the executive's benefits, other than a minor reduction that applies to all participants;

a material reduction in the executive's positions, duties and responsibilities;

Gentiva's failure to have a successor assume the change in control agreement; or

Gentiva's attempt to terminate the executive for cause or without cause without giving the executive advance written notice.

Under the change in control agreements, in the event of a qualifying termination, an executive will be entitled to:

a lump-sum payment equal to two times the sum of (1) the executive's annual base salary at the time of termination, plus (2) the executive's target annual bonus for the year of termination or average annual bonus for the three years before the year of termination, whichever is higher;

payment of base salary through the date of termination of employment, together with payment for unused vacation;

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pro rata share of the target annual bonus for the year of termination without regard to whether the performance goals are attained;

payment of base salary through the date of termination of employment, together with payment for unused vacation; continued health, life, disability and other employee welfare benefits on the same basis as an active employee for the lesser of two years or until the executive is provided substantially similar benefits by another employer;

full vesting of the executive's options, other equity-based awards and performance cash awards and continued exercisability of stock options for one year following termination (but not beyond the original full term of the stock option) or for such longer period of time as may be provided under the plan under which the stock options were granted, whichever is longer;

accelerated vesting of any accrued retirement benefits;

additional cash payments for any equity or incentive awards that are forfeited in connection with certain terminations of employment within the one year period before a change in control occurs; and

outplacement services for up to 12 months.

The cash and non-cash amounts payable under the change in control agreements will be reduced to the maximum amount permitted without the imposition of an excise tax under the Internal Revenue Code of 1986, but only if the resulting net after-tax amount for the individual is greater than the net after-tax amount without any such reduction.

Gentiva has in place severance agreements with Messrs. Strange, Causby, Slusser, Camperlengo, Shaner and Windley and Dr. Weaver. These severance agreements provide severance benefits if Gentiva or any successor terminates the officer other than for cause (as defined below) or if, subject to certain notice and cure provisions, the officer terminates his employment within 60 days after Gentiva or any successor reduces the officer's base salary, other than a general salary reduction that applies to a majority of salaried employees. **However, in connection with the merger, we do not expect benefits to be payable under these severance agreements because no benefits are payable under an officer's severance agreement if benefits are payable under such officer's change in control agreement.** Pursuant to the employment agreement with Kindred entered into in November 2014, and, subject to the grant of the RSUs, the Replacement RSUs, the Kindred restricted cash award and the Kindred restricted share award on the terms agreed to by the parties in the employment agreement, Mr. Causby has waived any and all rights to payments or benefits under his severance agreement and his change in control agreement with Gentiva upon consummation of the merger.

Cause in the severance agreements is generally defined as the officer's:

conviction for any felony;

act of willful fraud, dishonesty or moral turpitude;

controlled substance abuse;

abuse of alcohol or drugs that interferes with or affects responsibilities to us or negatively reflects upon our integrity or reputation;

gross negligence that is materially injurious to us;

violation of any express written directions or any reasonable written policy or procedure we may establish regarding the conduct of our business; or

violation of any material term and condition of the severance agreement.

The severance benefits generally consist of:

continued base salary for 12 months;

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an additional cash payment in an amount equal to one times the executive's target annual bonus for the year of termination;

a pro rata share of the target annual bonus for the year of termination (subject to attainment of the performance goals established for such year);

outplacement services for up to 12 months; and

continued health benefits for up to 12 months on the same basis as active employees for the same period, or until the executive obtains similar health benefits from a new employer, whichever comes first.

Pursuant to the severance agreements, the officers agreed to sign a general release following termination. In addition, separate non-solicitation, non-competition and confidentiality agreements with each of our executives contain valuable covenants to protect Gentiva's confidential information, as well as non-competition and non-solicitation covenants that protect its business.

Excise Tax Cutback

Payments to the executive officers are subject to an excise tax cutback provision, which generally provides for a reduction in their change in control benefits and payments to just below the amount that would trigger the excise tax. However, no reduction in the benefits and payments for the purpose of avoiding the incurrence of the 20% federal excise tax will be applied if the net after-tax benefit (after taking into account federal, state, local and other income, employment, self-employment and excise taxes) to which each executive officer would otherwise be entitled without such reduction would be greater than the net after-tax benefit (after taking into account federal, state, local or other income, employment, self-employment and excise taxes) to the executive officer resulting from the receipt of such benefits and payments with such reduction. The amounts reflected below do not include a reduction to avoid the 20% federal excise tax.

Quantification of Potential Payments to Gentiva's Executive Officers in Connection with the Merger

The information below is intended to comply with Item 402(t) of Regulation S-K, which requires disclosure of information about compensation for each Gentiva named executive officer that is based on or otherwise relates to the merger, and assumes, among other things, that the named executive officers (other than Mr. Causby) will incur a qualifying termination of employment immediately following consummation of the merger. For additional details regarding the terms of the payments described below, see the discussion under the caption "The Merger Interests of Gentiva Directors and Executive Officers in the Merger" beginning on page 66.

The amounts indicated below are estimates based on the material assumptions described in the notes to the tables below, which may or may not actually occur. Some of these assumptions are based on information currently available and, as a result, the actual amounts, if any, that may become payable to a named executive officer may differ in material respects from the amounts set forth below. Furthermore, for purposes of calculating such amounts, Gentiva has assumed:

a closing date for the merger of March 1, 2015;

a price per share of Gentiva common stock equal to \$19.78 (calculated based on the average closing price of Kindred common stock for the first five trading days following the public disclosure of the merger, as required per Item 402(t) of Regulation S-K); and

with respect to each named executive officer, a qualifying termination within two years of a change in control.

Table of Contents**GOLDEN PARACHUTE COMPENSATION****GOLDEN PARACHUTE COMPENSATION UNDER THE EMPLOYMENT AGREEMENT BETWEEN MR. CAUSBY AND KINDRED**

The amounts provided in the following table include the payments that will be made to Mr. Causby in connection with his employment agreement with Kindred. A description of these payments can be found in *The Merger Interests of Gentiva Directors and Executive Officers in the Merger Employment Agreement with Kindred* beginning on page 69. These amounts are based on the assumption that Mr. Causby will waive any and all benefits he is entitled to under his severance agreement and his change in control agreement with Gentiva. Because the waiver of such payments and benefits is subject to the grant of the RSUs, the Replacement RSUs, the Kindred restricted cash award and the Kindred restricted share award on the terms agreed to by the parties in the employment agreement, the table set forth below, entitled *Golden Parachute Compensation Under Gentiva's Arrangements* includes the amounts Mr. Causby would be eligible to receive under his severance agreement and his change in control agreement with Gentiva absent such a waiver.

Name	Cash (\$)	Equity (\$)	Pension/Perquisites/ NQDC (\$)	benefits (\$)	Tax Reimbursement (\$)	Other (\$)	Total (\$)
(a)	(b) (1)	(c) (2)	(d)	(e)	(f)	(g)	(h)
David A. Causby	1,000,000	4,612,530					5,612,530

- (1) The Cash amount reflected above includes a one-time, non-refundable lump sum cash payment of \$1,000,000 to Mr. Causby, pursuant to his employment agreement with Kindred. The amount does not reflect any salary, short-term bonus, long-term bonus or performance bonus that may be earned by Mr. Causby, or any severance he might receive in connection with the termination of his employment, under the employment agreement with Kindred. The cash amount is essentially a single-trigger payment (as defined below), as Mr. Causby is entitled to receive it as a result of the merger and entry into the employment agreement with Kindred. See the description of Mr. Causby's employment agreement in *The Merger Interests of Gentiva Directors and Executive Officers in the Merger Employment Agreement with Kindred* on page 69.
- (2) The Equity amount reflected above includes the cash value of the following awards: (i) outstanding shares of Gentiva restricted stock held by Mr. Causby in the amount of \$680,432, which are payable upon a change in control (which we refer to as single trigger); (ii) an award of RSUs with a grant date fair value of \$1,035,000; (iii) an award of Replacement RSUs to be granted in lieu of (A) Mr. Causby's outstanding and unvested target 2013 Performance Cash Award and unvested target 2014 Performance Cash Award, in the amounts of \$425,000 and \$687,500, respectively, and (B) Mr. Causby's outstanding and unvested in-the-money options, in the amount of \$324,834; and (iv) Mr. Causby's unvested award of Gentiva restricted stock, in the amount of \$1,459,764. The values reflect an assumed merger consideration value of \$19.78 per share, which is calculated based on a price per share of Kindred common stock of \$20.56 (the average closing price of Kindred common stock for the first five trading days following public disclosure of the proposed merger on October 9, 2014, as required per Item 402(t) of Regulation S-K). The awards included in clauses (ii) through (iv) represent payments to Mr. Causby pursuant to his employment agreement with Kindred and are essentially single-trigger payments (as defined below), as he is entitled to receive them as a result of the merger and entry into the employment agreement with

Kindred. The awards included in clauses (ii) through (iv) will vest and be settled during Mr. Causby's employment with Kindred and upon certain terminations of such employment. See the description of his employment agreement in "The Merger Interests of Gentiva Directors and Executive Officers in the Merger Employment Agreement with Kindred" on page 69.

Table of Contents**GOLDEN PARACHUTE COMPENSATION UNDER GENTIVA S ARRANGEMENTS**

Name	Cash (\$)	Equity (\$)	Pension/ NQDC (\$)	Perquisites/ benefits (\$)	Tax Reimbursement (\$)	Other (\$)	Total (\$)
(a)	(b) (1)	(c) (2)	(d)	(e) (3)	(f)	(g)	(h)
Tony Strange	6,268,836	5,009,261		67,600			11,345,697
Eric R. Slusser	2,671,062	2,251,475		67,600			4,990,137
David A. Causby (4)	3,224,349	2,465,030		67,600			5,756,979
Jeff Shaner	2,389,897	2,015,356		67,600			4,472,853
Rodney Windley	3,500,000	4,607,500		67,600			8,175,100

- (1) The Cash amounts reflected above include cash severance (two times the sum of base salary and the greater of target bonus or the average of the executive's bonuses for the prior three years), a portion of the 2015 annual incentive calculated at target performance and pro rated to the date of the merger, and accelerated payment of outstanding long term cash incentive cycles (at target). All of these amounts are double trigger (as defined in note 2 below) and payable upon a qualifying termination within two years of a change in control. The Cash amount does not include each named executive officer's allocable share of a bonus pool that is contingent upon the successful closing of the merger because such bonuses are at the discretion of the Gentiva compensation committee. If the Gentiva compensation committee makes a determination to pay such bonuses, the specific allocation for each named executive officer and the terms and conditions that may be attached to payment of the bonus will be determined by the Gentiva compensation committee prior to the merger completion date. The bonus pool is described in greater detail in Interests of Gentiva Directors and Executive Officers in the Merger Transaction Bonuses on page 71. Severance amounts may be reduced if doing so eliminates the excise tax from excess parachutes, but only if doing so produces a better after-tax result for the executive officer. The following table provides these individual amounts for each named executive officer:

Name	Double Trigger				Total (\$)
	Severance (\$)	Pro Rata 2015 Annual Incentive (\$)	2013 Cash Award Target (\$)	2014 Cash Award Target (\$)	
Tony Strange	3,500,000	143,836	1,312,500	1,312,500	6,268,836
Eric R. Slusser	1,662,500	58,562	475,000	475,000	2,671,062
David A. Causby	2,035,000	76,849	425,000	687,500	3,224,349
Jeff Shaner	1,487,500	52,397	425,000	425,000	2,389,897
Rodney Windley	3,500,000				3,500,000

- (2) The equity amounts above include the value of accelerated vesting of Gentiva restricted stock and accelerated vesting of nonqualified stock options. These values reflect an assumed merger consideration value of \$19.78, which is calculated based on a price per share of Kindred common stock of \$20.56. Equity awards granted before 2013 accelerate upon a change in control and equity awards granted after 2012 accelerate upon a qualifying termination following a change in control (which awards we refer to as double trigger). The following table

provides these individual amounts for each named executive officer:

Name	Single Trigger		Double Trigger		Total (\$)
	Gentiva	Stock	Gentiva	Stock	
	Restricted Stock (\$)	Options (\$)	Restricted Stock (\$)	Options (\$)	
Tony Strange	1,402,402		2,446,786	1,160,073	5,009,261
Eric R. Slusser	761,530		1,238,228	251,717	2,251,475
David A. Causby	680,432		1,459,764	324,834	2,465,030
Jeff Shaner	680,432		1,109,658	225,266	2,015,356
Rodney Windley				4,607,500	4,607,500

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- (3) The amounts reflected above include the employer's portion of the premium cost of continuing the health and welfare benefits (medical, dental, and annual physical) and executive life insurance coverage for two years and the estimated cost of outplacement. All of these amounts are payable upon a qualifying termination within two years of a change in control. The following table provides these individual amounts for each named executive officer:

Name	Health & Welfare (\$)	Executive Life	Outplacement (\$)	Total (\$)
		Insurance (\$)		
Tony Strange	36,500	1,100	30,000	67,600
Eric R. Slusser	36,500	1,100	30,000	67,600
David A. Causby	36,500	1,100	30,000	67,600
Jeff Shaner	36,500	1,100	30,000	67,600
Rodney Windley	36,500	1,100	30,000	67,600

- (4) Upon consummation of the merger, it is anticipated that Mr. Causby will become employed by Kindred Healthcare, Inc., and his Change in Control Agreement with Gentiva Health Services will be terminated. Accordingly, upon a change in control all of the double trigger amounts shown above for Mr. Causby will no longer apply, and will be replaced by the terms of his employment agreement with Kindred.

Narrative Disclosure to Golden Parachute Compensation Table

The merger, if consummated, would constitute a change in control of Gentiva for purposes of the Plan (amended and restated as of March 16, 2011), as amended by Amendments No. 1 and 2 thereto, the change in control agreements described below and the severance agreements described below.

As a result, zero outstanding stock options and 178,200 shares of Gentiva restricted stock granted under the Plan to named executive officers prior to September 12, 2013 (but excluding stock options and restricted stock granted to named executive officers in 2013 prior to September 12, 2013), will immediately become vested and exercisable, any restrictions on such restricted stock awards or performance cash awards will immediately lapse and all awards would remain exercisable for the remainder of their terms, even if the award recipient were not to terminate employment. However, 724,765 outstanding stock options, 316,200 shares of Gentiva restricted stock and performance cash awards totaling \$5,537,500 under the Plan granted on or after September 12, 2013 or granted to named executive officers in 2013 prior to September 12, 2013 will become vested and exercisable and any restrictions thereupon will lapse upon a change in control only upon a termination of a grantee's service by Gentiva without cause or for good reason within two years after a change in control. If the merger is consummated, all awards under the Plan will be treated as dictated under the merger agreement. See *The Merger Agreement Effect of the Merger on Gentiva's Equity Awards* beginning on page 94.

Potential Severance Payments and Benefits to Executive Officers

Gentiva has entered into change in control and severance agreements with Messrs. Tony Strange, David A. Causby, Eric R. Slusser, John N. Camperlengo, Jeff Shaner and Rodney D. Windley and Dr. Charlotte Weaver. A description of these agreements can be found in *The Merger Interests of Gentiva Directors and Executive Officers in the Merger Potential Severance Payments and Benefits to Executive Officers* beginning on page 72.

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The following tables present, with respect to each Gentiva executive officer, an estimate of the amounts of severance benefits payable in the event of a qualifying termination, estimated as of March 1, 2015.

Single Trigger (a)

(\$)

Name	Unvested Restricted Stock (b)
Executive Officers	
Tony Strange	1,402,402
Eric R. Slusser	761,530
David A. Causby	680,432
Jeff Shaner	680,432
Rodney Windley	
John Camperlengo	640,872
Charlotte Weaver	389,666
Total Executives	4,555,334

Notes

- a) This table is based in part on a merger consideration value of \$19.78, which is calculated using a value of \$20.56 per share of Kindred common stock, the average closing price of Kindred common stock for the first five trading days following the public disclosure of the proposed merger on October 9, 2014, as required per Item 402(t) of Regulation S-K.
- b) Rodney Windley did not participate in the 2010 restricted stock grant, which is single trigger.

Double Trigger (a)

(\$)

Severance 2 x Base Salary	Severance 2 x Annual Incentive	Pro- Rata Annual Cash Incentive (b)	Unvested Options	Unvested Restricted Stock	2013	2014	Health and Welfare Benefits	Life Insurance	Executive Physical	Outplacement Service
					Performance Award (c)	Performance Award (c)				
1,750,000	1,750,000	143,836	1,160,073	2,446,786	1,312,500	1,312,500	27,700	1,100	8,800	30,000
950,000	712,500	58,562	251,717	1,238,228	475,000	475,000	27,700	1,100	8,800	30,000
(d) 1,100,000	935,000	76,849	324,834	1,459,764	425,000	687,500	27,700	1,100	8,800	30,000

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850,000	637,500	52,397	225,266	1,109,658	425,000	425,000	27,700	1,100	8,800	30,000
1,500,000	2,000,000		4,607,500				27,700	1,100	8,800	30,000
800,000	560,000	46,027	211,895	1,044,384	400,000	400,000	27,700	1,100	8,800	30,000
650,000	455,000	37,397	129,064	636,916	243,750	243,750	8,800	1,000	8,800	30,000
7,600,000	7,050,000	415,068	6,910,349	7,935,736	3,281,250	3,543,750	175,000	7,600	61,600	210,000

Notes

- a) This table is based in part on a merger consideration value of \$19.78, which is calculated using a value of \$20.56 per share of Kindred common stock, the average closing price of Kindred common stock for the first five trading days following the public disclosure of the proposed merger on October 9, 2014, as required per the Item 402(t) of Regulation S-K.
- b) The pro-rata annual cash incentive is for 2015.
- c) The 2013 and 2014 long-term incentive plans vest at target.
- d) The amounts shown for Mr. Causby assume termination of his employment following the closing of the merger. If Mr. Causby remains employed with Kindred following the closing of the merger, he will not receive double trigger payments shown above and instead will receive amounts that are described in his employment agreement with Kindred that will become effective at the closing of the merger. See The Merger Interests of Gentiva Directors and Officers in the Merger Employment Agreement with Kindred beginning on page 69.
- e) Includes both single trigger and double trigger severance benefits payable in the event of a qualifying termination.

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Transaction Bonuses

Certain executive officers of Gentiva, as determined by the compensation committee of the Gentiva board, will be eligible to receive bonuses from a \$10 million executive bonus pool to be allocated at the sole discretion of the compensation committee. At least a significant minority of such bonus pool will be allocated to core management team members other than Mr. Windley, Gentiva's Executive Chairman.

In addition, subject to the sole discretion of the compensation committee, Mr. Windley will receive, for 2014 and 2015, bonus payments in the ordinary course (apart from the timing of payment), both of which will be payable on or before the consummation of the merger. If these ordinary course bonus payments are paid to Mr. Windley, the amounts paid will be in the discretion of the compensation committee but will not exceed \$2 million for 2014 and \$1 million for 2015.

Directors Compensation

Under Gentiva's director compensation policy, only directors who are not employees of Gentiva receive compensation for their services as directors. Non-employee directors receive an annual retainer of \$50,000 payable in cash, plus a fee of \$2,000 for each Board or committee meeting attended (or \$750 if attendance is at a meeting held by telephone), and \$750 for participating in each business update conducted by management. Any non-employee director who serves as chairperson of a committee of the Gentiva board of directors receives an additional \$10,000 annual retainer for acting as chairperson, except that the chairperson of the audit committee receives a \$20,000 annual retainer. The lead independent director receives an additional \$20,000 annual retainer.

A majority of the non-employee directors' compensation is in the form of deferred stock units awarded pursuant to the Stock & Deferred Compensation Plan for Non-Employee Directors (amended and restated as of December 31, 2007), as amended by Amendments No. 1, 2 and 3 thereto, (which we refer to as the Non-Employee Directors Plan). Pursuant to the Non-Employee Directors Plan, each non-employee director also receives an annual retainer in the form of a deferred stock unit award valued at \$120,000, which is credited quarterly to a bookkeeping account for the non-employee director. The number of deferred stock units credited to each director's account quarterly is calculated by dividing \$30,000 by the average closing price of a share of Gentiva common stock on NASDAQ for the ten trading days preceding the quarterly calculation date. Upon termination of service on the Gentiva board of directors, the director is entitled to receive that number of shares of Gentiva common stock equal to the number of deferred stock units then credited to the director's account. The shares of Gentiva common stock underlying the deferred stock units cannot be sold by the directors until termination of their directorship. After October 9, 2014, no additional deferred stock units will be awarded pursuant to the Non-Employee Directors Plan. In December 2014, each of the seven non-employee directors will receive a cash payment of \$30,000.

Any director who is also an employee does not receive any additional compensation for serving on Gentiva's board of directors. However, Gentiva reimburses all directors, regardless of whether or not they are Gentiva employees, for out-of-pocket expenses incurred in connection with attending board of directors and committee meetings.

Gentiva's Employment Agreements with its Named Executive Officers

We have not entered into employment agreements with any of our named executive officers. We do have a letter agreement with Tony Strange, which is effective as of February 28, 2008 and sets out the terms and conditions of his employment with us, including his title, salary, bonus opportunity, equity compensation, severance benefits and health and welfare benefits. In connection with the promotion of Mr. Strange to Chief Executive Officer, effective January 1, 2009, we amended the letter agreement to increase his annual base salary to \$625,000 (which was subsequently

increased to \$875,000) and his target annual bonus to 100% of base salary.

Board of Directors and Management of Kindred Following the Merger

Following the closing of the merger, the Kindred board of directors is expected to remain the same as the current Kindred board of directors, subject to the planned appointment of Benjamin A. Breier as a member,

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effective March 31, 2015. The Kindred senior management team after the closing of the merger is expected to be the same as the current senior management team of Kindred, with the addition of Mr. Causby and subject to the planned transition of Mr. Breier, who currently serves as Kindred's Chief Operating Officer and President, as successor to Paul J. Diaz as Chief Executive Officer, effective March 31, 2015. Following Gentiva and Kindred's entry into the merger agreement, Mr. Causby, who is currently a named executive officer of Gentiva, entered into an employment agreement with Kindred, pursuant to which he will become President of the combined Kindred at Home business and will serve on Kindred's Executive Committee following the closing of the merger.

Information concerning the historical compensation paid by Kindred to its executive officers, all of whom are expected to continue as the executive officers of Kindred, can be found in Kindred's Annual Report on Form 10-K for the year ended December 31, 2013. Information concerning the historical compensation paid by Gentiva to Mr. Causby can be found in Gentiva's Annual Report on Form 10-K/A for the year ended December 31, 2013.

Listing of Kindred Common Stock Issued for Share Consideration; De-listing and Deregistration of Gentiva Common Stock

It is a condition to the merger that the shares of Kindred common stock in connection with the merger be authorized for issuance on the NYSE, subject to official notice of issuance. Shares of Kindred common stock are currently traded on the NYSE under the symbol KND. If the merger is completed, Gentiva common stock will no longer be listed on NASDAQ, will be deregistered under the Exchange Act and Gentiva will no longer file periodic reports with the SEC.

Regulatory Approvals

General. Kindred and Gentiva have agreed, subject to specified limitations, to use their reasonable best efforts to take, or cause to be taken, all reasonable actions, and to do, or cause to be done, and to assist and cooperate with the other in doing, all reasonable things necessary, proper or advisable under applicable law and regulations to complete the merger in the most expeditious manner practicable.

Under the merger agreement, the use of such reasonable best efforts does not require Kindred or merger sub to be obligated to accept any undertaking, enter into any consent order, make any divestiture or accept any operational restriction, or take or commit to take any action (i) the effectiveness or consummation of which is not conditional on the consummation of the merger or (ii) that individually or in the aggregate would reasonably be expected to have a material adverse effect on Kindred, Gentiva and their respective subsidiaries, taken as a whole, assuming for such purpose the businesses of Kindred, Gentiva and their respective subsidiaries, taken as a whole, had assets, liabilities, revenues, cash flows and operations the size of those of Gentiva and its subsidiaries, taken as a whole.

Antitrust. Under the HSR Act, certain acquisition transactions, including the merger, may not be completed unless certain information has been furnished to the Antitrust Division and the FTC and statutory waiting periods have expired or been terminated. In connection with the tender offer, pursuant to the requirements of the HSR Act, on June 18, 2014, Kindred filed a Notification and Report Form with respect to the potential acquisition of Gentiva and its subsidiaries with the Antitrust Division and the FTC (which it voluntarily withdrew on July 2, 2014, and re-filed on July 8, 2014, in order to ensure that the FTC had adequate time to review Kindred's filings). Gentiva submitted its responsive filings under the HSR Act on June 24, 2014. On July 22, 2014, the FTC granted termination of the waiting period under the HSR Act. The completion of the merger is therefore not conditioned upon the expiration or termination of any statutory waiting period under the HSR Act. Kindred, merger sub and Gentiva have agreed to respond as promptly as practicable to any request for additional information or documentary material from governmental entities under the HSR Act or any other applicable antitrust laws and, subject to the limitations described above under *General*, to use their reasonable best efforts to take, or cause to be taken, all other actions as are

necessary or advisable to obtain prompt approval of the

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transactions contemplated by the merger agreement by any governmental entity or expiration of applicable waiting periods.

Healthcare Regulatory and Other Approvals.

Federal and state laws and regulations require that Gentiva or Kindred obtain approvals, consents or certificates of need from, file new license and/or permit applications with, and/or provide notice to, applicable governmental authorities in connection with the merger.

In, addition, prior to February 28, 2015, the obligation of Kindred to consummate the merger is subject to:

completion of a no control affidavit process for state licensure consents and certificate of need approvals for the Gentiva home health business and Department of Insurance approval for the change of control for Gentiva's captive insurance subsidiary, in the State of New York;

hospice state licensure consents and certificate of need approvals from the State of Rhode Island; and

home health certificate of need approval from the State of West Virginia.

See The Merger Agreement Conditions to Completion of the Merger beginning on page 105.

Litigation Related to the Merger

On October 20, 2014, Siew K. Stevens filed a purported stockholder class action complaint against Gentiva, the members of the Gentiva board of directors, Kindred, and merger sub in the Delaware Court of Chancery, captioned *Stevens v. Gentiva Health Services, Inc., et al.*, C.A. No. 10261-VCG. On October 24, 2014, Milton Pfeiffer filed a purported stockholder class action complaint against Gentiva, the members of the Gentiva board of directors, Kindred and merger sub in the Delaware Court of Chancery, captioned *Pfeiffer v. Gentiva Health Services, Inc., et al.*, C.A. No. 10281-VCG. On November 7, 2014, Denise Kline filed a purported stockholder class action complaint against Gentiva, the members of the Gentiva board of directors, Kindred, and merger sub in the Delaware Court of Chancery, captioned *Kline v. Gentiva Health Services, Inc., et al.*, C.A. No. 10333-VCG. Plaintiff in each action alleges that the members of the Gentiva board of directors breached their fiduciary duties by (a) agreeing to the merger for inadequate consideration and (b) agreeing to lock up the merger with various deal protection provisions. Plaintiff in each action further alleges that Gentiva, Kindred, and merger sub aided and abetted these alleged breaches of fiduciary duties. Plaintiff in each action seeks (among other things) to enjoin Gentiva and the Gentiva board of directors from consummating the merger, and requests attorneys' fees, costs and damages in an unspecified amount. Plaintiff in the *Pfeiffer* action also seeks to rescind the merger to the extent already implemented and seeks rescissory damages as an alternative to rescission. Gentiva, the members of the Gentiva board of directors, Kindred and merger sub each believe that all allegations contained in the complaint filed in each of the *Stevens*, *Pfeiffer* and *Kline* actions are without merit. On November 18, 2014, the *Stevens*, *Pfeiffer* and *Kline* lawsuits were consolidated for all purposes by the Delaware Court of Chancery.

Dividend Policy of Kindred Following the Merger

The payment of dividends by Kindred after the merger is subject to the determination of its board of directors. Decisions regarding whether to pay dividends and the amount of any dividends will be based on compliance with the DGCL, compliance with agreements governing Kindred's indebtedness, earnings, cash requirements, results of operations, cash flows and financial condition and other factors that the Kindred board of directors may consider important.

Financing Relating to the Merger

Kindred entered into the debt commitment letter with the debt commitment parties, pursuant to which the debt commitment parties committed to provide a \$750 million senior secured asset-based revolving credit facility, a \$992.5 million senior secured term loan facility and a \$1,700 million senior unsecured bridge loan facility.

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The commitments for the asset-based revolving credit facility and the term loan facility were available to refinance Kindred's existing credit facilities in the event that Kindred did not obtain the consents required for certain amendments to such credit facilities on or prior to the closing of the merger. The maturity dates of Kindred's existing asset-based revolving credit facility and the term loan facility are April 9, 2019 and April 9, 2021, respectively. Kindred obtained the consents required for the amendments to its existing asset-based revolving credit facility and term loan facility on October 31, 2014 and November 25, 2014, respectively, and, as a result, the commitments for such facilities were terminated on such dates.

The commitments for the bridge loan facility are available to finance, in part, the cash portion of the merger consideration, refinance certain existing debt of Gentiva and/or pay transaction fees and expenses, but only to the extent Kindred has not completed planned offerings of senior unsecured notes, common stock and tangible equity units prior to the closing of the merger. On November 25, 2014, Kindred completed an offering of 150,000 7.50% tangible equity units for \$150 million in gross cash proceeds and 5,000,000 shares of Kindred common stock for approximately \$98.8 million in gross cash proceeds. On December 1, 2014, the underwriters for the tangible equity units and common stock offerings exercised their over-allotment options to purchase 22,500 additional tangible equity units for approximately \$22.5 million in gross cash proceeds and 395,759 additional shares of Kindred common stock for approximately \$7.8 million in gross cash proceeds, each of which closed on December 3, 2014. As a result of Kindred's issuance of tangible equity units and common stock, the commitments for the bridge loan facility were reduced to \$1,421 million.

On December 8, 2014, the escrow issuer launched the senior notes offering. The senior notes priced on December 11, 2014 and closed on December 18, 2014. The senior notes consist of \$750 million aggregate principal amount of 8.00% senior notes due 2020 and \$600 million aggregate principal amount of 8.75% senior notes due 2023. The net proceeds of the offering were deposited into an escrow account and such funds will be released to Kindred subject to the concurrent closing of the acquisition of Gentiva, the merger of the escrow issuer with and into Kindred, and Kindred's assumption of the escrow issuer's obligations under the senior notes. Kindred does not expect to draw on the bridge loan facility to complete the merger.

The bridge loan facility, if drawn, will mature initially on the first anniversary of the closing of the merger, at which time the maturity of any outstanding loans thereunder will be extended automatically to the eighth anniversary of the closing of the merger and may be exchanged by the lenders for notes due on such eighth anniversary.

The availability and funding of the debt financing commitments are subject to:

the non-occurrence of a material adverse effect regarding Gentiva;

the closing of the merger occurring no later than March 31, 2015;

the consummation of the merger in accordance with the terms of the merger agreement;

the repayment of certain indebtedness of Gentiva and the termination of commitments thereunder;

a 15 consecutive business day period for the marketing of senior notes after the delivery by Kindred of an offering memorandum or preliminary prospectus and other marketing materials for such notes; and

other customary conditions more fully set forth in the debt commitment letter.

In the merger agreement, Kindred has agreed to use its reasonable best efforts to obtain the debt financing on the terms and conditions described in the debt commitment letter, unless it has sufficient funds from other sources. Kindred may amend, replace or otherwise modify, or waive its rights under the debt commitment letter, unless such amendment, replacement, modification or waiver would:

reduce the aggregate amount of the debt financing; or

impose new or additional conditions or otherwise modify any of the conditions to the receipt of any portion of the debt financing in a manner that would reasonably be expected to (i) materially delay or

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prevent the closing of the merger, (ii) make the funding of the debt financing less likely to occur or (iii) adversely impact the ability of Kindred to enforce its rights against the debt commitment parties or any parties to the definitive financing agreements.

Kindred's obligation to consummate the merger is not subject to its consummation of, nor its receipt of the proceeds from, the debt financing described in the debt commitment letter.

A copy of the debt commitment letter is filed as exhibit 10.1 hereto and incorporated by reference herein. This summary of terms and conditions of the debt financing commitments is qualified in its entirety by reference to the full text of the debt commitment letter.

On December 12, 2014, Kindred also entered into an incremental joinder agreement to its existing asset-based revolving credit facility. Upon the closing of the merger and the satisfaction of certain other conditions, the incremental joinder agreement provides for additional revolving commitments in an aggregate principal amount of \$150 million. Kindred expects to finance, in part, the merger with borrowings under its existing asset-based revolving credit facility, regardless of whether it obtains such additional revolving commitments.

Gentiva Stockholders' Rights of Appraisal

Under Section 262 of the DGCL, which we refer to as Section 262, stockholders are entitled to appraisal rights if they are required under the terms of a merger agreement to accept cash (other than cash in lieu of fractional shares) for their shares.

Stockholders who do not vote in favor of the merger, and who otherwise comply with the provisions of Delaware law described below, may pursue an appraisal remedy for the fair value of their shares of Gentiva common stock. Determination of fair value is based on all relevant factors, but excludes any appreciation or depreciation arising from the accomplishment or expectation of the merger. Stockholders who elect to exercise appraisal rights must comply with all the procedures to preserve those rights. Strict compliance with the statutory procedures in Section 262 is required. Failure to follow precisely any of the statutory requirements will result in the loss of your appraisal rights.

The following is intended to be a brief summary of the material provisions of Section 262, which sets forth the procedure for demanding statutory appraisal rights. This summary, however, is not a complete statement as to all requirements of Section 262 and is qualified in its entirety by reference to Section 262, a copy of the text of which is attached to this proxy statement/prospectus as Annex D. The following summary does not constitute any legal or other advice nor does it constitute a recommendation that stockholders exercise their appraisal rights under Section 262. Neither Gentiva nor Kindred will give you any notice of your appraisal rights other than as described in this proxy statement/prospectus and as required by the DGCL.

Under Section 262, when a merger agreement is to be submitted for adoption at a meeting of stockholders, the company submitting the matter to a vote of stockholders must notify the stockholders that appraisal rights will be available not less than twenty days before the meeting to vote on the transaction. This proxy statement/prospectus constitutes that notice to you. A copy of Section 262 must be included with this notice. A full copy of the text of Section 262 is attached to this proxy statement/prospectus as Annex D, in compliance with the requirements of Section 262. If you wish to consider exercising your appraisal rights, you are urged to carefully review the text of Section 262. Due to the complexity of the procedures for exercising the right to seek appraisal of shares of Gentiva common stock, Gentiva believes that if a stockholder is considering exercising such rights, such stockholders should seek the advice of legal counsel.

If you wish to demand appraisal of your shares of Gentiva common stock, you must satisfy each of the following conditions: you must deliver to Gentiva a written demand for appraisal of your shares of Gentiva common stock before the vote is taken to approve the proposal to adopt the merger agreement, which must be separate from the proxy; you must reasonably inform Gentiva of your identity; and you must not vote or submit a proxy in favor of the proposal to adopt the merger agreement.

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If you fail to comply with any of these conditions and the merger is completed, you will be entitled to receive payment for your shares of Gentiva common stock as provided for in the merger agreement, but you will have no appraisal rights with respect to your shares of Gentiva common stock. A holder of shares of Gentiva common stock wishing to exercise appraisal rights must hold of record the shares of Gentiva common stock on the date the written demand for appraisal is made and must continue to hold such shares of Gentiva common stock of record through the effective time of the merger, because appraisal rights will be lost if such shares of Gentiva common stock are transferred prior to the effective time of the merger. A proxy that is submitted and does not contain voting instructions will, unless revoked, be voted in favor of the proposal to adopt the merger agreement, and it will constitute a waiver of the stockholder's right of appraisal and will nullify any previously delivered written demand for appraisal. Therefore, a stockholder who submits a proxy and who wishes to exercise appraisal rights must either submit a proxy containing instructions to vote against the proposal to adopt the merger agreement or abstain from voting on the proposal to adopt the merger agreement. Voting against or failing to vote for the proposal to adopt the merger agreement by itself does not constitute a demand for appraisal within the meaning of Section 262. The written demand for appraisal must be in addition to and separate from any proxy or vote on the proposal to adopt the merger agreement.

All demands for appraisal should be addressed to Gentiva's Secretary, 3350 Riverwood Parkway, Suite 1400, Atlanta, Georgia 30339, and must be delivered before the vote is taken to approve the proposal to adopt the merger agreement at the special meeting. The demand must reasonably inform Gentiva of the identity of the stockholder and the intention of the stockholder to demand appraisal of the fair value of his, her or its shares of Gentiva common stock. A stockholder's failure to make the written demand prior to the taking of the vote on the adoption of the merger agreement at the special meeting of Gentiva stockholders will constitute a waiver of appraisal rights.

Only a holder of record of shares of Gentiva common stock is entitled to demand an appraisal of the shares registered in that holder's name. Accordingly, to be effective, a demand for appraisal by a stockholder of Gentiva common stock must be made by, or in the name of, the record stockholder, fully and correctly, as the stockholder's name appears on the stockholder's stock certificate(s) or in the transfer agent's records, in the case of uncertificated shares, should specify the stockholder's mailing address and the number of shares registered in the stockholder's name, and must state that the person intends thereby to demand appraisal of the stockholder's shares in connection with the merger. The demand cannot be made by the beneficial owner if he or she does not also hold the shares of Gentiva common stock of record. The beneficial holder must, in such cases, have the registered owner, such as a broker, bank or other nominee, submit the required demand with respect to those shares of Gentiva common stock. **If you hold your shares of Gentiva common stock through a broker, bank or other nominee and you wish to exercise appraisal rights, you should consult with your broker, bank or other nominee to determine the appropriate procedures for the making of a demand for appraisal by the nominee.**

If shares of Gentiva common stock are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, execution of a demand for appraisal should be made in that capacity. If the shares of Gentiva common stock are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand should be executed by or for all joint owners. An authorized agent, including an authorized agent for two or more joint owners, may execute the demand for appraisal for a stockholder of record; however, the agent must identify the record owner or owners and expressly disclose the fact that, in executing the demand, he or she is acting as agent for the record owner. A record owner, such as a broker, bank or other nominee, who holds shares of Gentiva common stock as a nominee for others, may exercise his or her right of appraisal with respect to the shares of Gentiva common stock held for one or more beneficial owners, while not exercising this right for other beneficial owners. In that case, the written demand should state the number of shares of Gentiva common stock as to which appraisal is sought. Where no number of shares of Gentiva common stock is expressly mentioned, the demand will be presumed to cover all shares of Gentiva common stock held in the name of the record owner.

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Within ten days after the effective time of the merger, the surviving corporation must give written notice of the effective date of the merger to each stockholder who has properly filed a written demand for appraisal and who did not vote in favor of the proposal to adopt the merger agreement. At any time within sixty days after the effective time, any stockholder who has not commenced an appraisal proceeding or joined a proceeding as a named party may withdraw the demand and accept the consideration specified by the merger agreement for that stockholder's shares of Gentiva common stock by delivering to the surviving corporation a written withdrawal of the demand for appraisal. However, any such attempt to withdraw the demand made more than sixty days after the effective time will require written approval of the surviving corporation. Unless the demand is properly withdrawn by the stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party within sixty days after the effective date of the merger, no appraisal proceeding in the Delaware Court of Chancery will be dismissed as to any stockholder without the approval of the Delaware Court of Chancery, with such approval conditioned upon such terms as the court deems just. If the surviving corporation does not approve a request to withdraw a demand for appraisal when that approval is required, or, except with respect to any stockholder who withdraws such stockholder's right to appraisal in accordance with the proviso in the immediately preceding sentence, if the Delaware Court of Chancery does not approve the dismissal of an appraisal proceeding, the stockholder will be entitled to receive only the appraised value determined in any such appraisal proceeding, which value could be less than, equal to or more than the merger consideration.

Within 120 days after the effective time of the merger, but not thereafter, either the surviving corporation or any stockholder who has complied with the requirements of Section 262 and is entitled to appraisal rights under Section 262 may commence an appraisal proceeding by filing a petition in the Delaware Court of Chancery demanding a determination of the fair value of the shares of Gentiva common stock held by all stockholders entitled to appraisal. Upon the filing of the petition by a stockholder, service of a copy of such petition shall be made upon the surviving corporation. The surviving corporation has no obligation to file such petition and has no present intention to file a petition and holders should not assume that the surviving corporation will file a petition. In the event that the surviving corporation does not file such petition, it is the obligation of the stockholders to initiate all necessary action to perfect their appraisal rights with respect to shares of Gentiva common stock within the time prescribed in Section 262. The failure of a stockholder to file such a petition within the period specified in Section 262 could nullify the stockholder's previous written demand for appraisal. In addition, within 120 days after the effective time, any stockholder who has properly filed a written demand for appraisal and who did not vote in favor of the merger agreement, will be entitled to receive from the surviving corporation, upon written request, a statement setting forth the aggregate number of shares of Gentiva common stock not voted in favor of the merger agreement and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. The statement must be mailed within ten days after such written request has been received by the surviving corporation or within ten days after the expiration of the period for delivery of demands for appraisal, whichever is later. A person who is the beneficial owner of shares of Gentiva common stock held either in a voting trust or by a nominee on behalf of such person may, in such person's own name, file a petition for appraisal or request from the surviving corporation such statement.

If a petition for appraisal is duly filed by a stockholder and a copy of the petition is delivered to the surviving corporation, then the surviving corporation will be obligated, within twenty days after receiving service of a copy of the petition, to file with the Delaware Register in Chancery a duly verified list containing the names and addresses of all stockholders who have demanded an appraisal of their shares of Gentiva common stock and with whom agreements as to the value of their shares of Gentiva common stock have not been reached. After notice to stockholders who have demanded appraisal, if such notice is ordered by the Delaware Court of Chancery, the Delaware Court of Chancery is empowered to conduct a hearing upon the petition and to determine those stockholders who have complied with Section 262 and who have become entitled to the appraisal rights provided by Section 262. The Delaware Court of Chancery may require stockholders who have demanded payment for their shares of Gentiva

common stock to submit their stock certificates to the Register in Chancery for notation of the pendency of the appraisal proceedings; and if any stockholder fails to comply with that direction, the Delaware Court of Chancery may dismiss the proceedings as to that stockholder.

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After determination of the stockholders entitled to appraisal of their shares of Gentiva common stock, the Delaware Court of Chancery will appraise the shares of Gentiva common stock, determining their fair value as of the effective time of the merger after taking into account all relevant factors exclusive of any element of value arising from the accomplishment or expectation of the merger, together with interest, if any, to be paid upon the amount determined to be the fair value. When the fair value has been determined, the Delaware Court of Chancery will direct the payment of such value upon surrender by those stockholders of the certificates representing their shares of Gentiva common stock. Unless the Court in its discretion determines otherwise for good cause shown, interest from the effective date of the merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective time of the merger and the date of payment of the judgment.

Neither Gentiva nor Kindred anticipates offering more than the per share merger consideration to any stockholder exercising appraisal rights and each reserves the right to assert, in any appraisal proceeding, that, for purposes of Section 262, the fair value of a share of Gentiva common stock is less than the per share merger consideration. In determining fair value, the court is required to take into account all relevant factors. In *Weinberger v. UOP, Inc.*, 457 A.2d 701 (Del. 1983), the Delaware Supreme Court discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court should be considered and that [f]air price obviously requires consideration of all relevant factors involving the value of a company. The Delaware Supreme Court has stated that in making this determination of fair value, the court must consider market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other facts that could be ascertained as of the date of the merger that throw any light on future prospects of the merged corporation. Section 262 provides that fair value is to be exclusive of any element of value arising from the accomplishment or expectation of the merger. In *Cede & Co. v. Technicolor, Inc.*, 634 A.2d 345 (Del. 1993), the Delaware Supreme Court stated that such exclusion is a narrow exclusion [that] does not encompass known elements of value, but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Delaware Supreme Court also stated that elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered. In addition, the Delaware Courts have decided that the statutory appraisal remedy, depending on factual circumstances, may or may not be a dissenting stockholder's exclusive remedy.

Costs of the appraisal proceeding (which do not include attorneys' fees or the fees and expenses of experts) may be determined by the Delaware Court of Chancery and imposed upon the surviving corporation and the stockholders participating in the appraisal proceeding by the Delaware Court of Chancery, as it deems equitable in the circumstances. Upon the application of a stockholder, the Delaware Court of Chancery may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts used in the appraisal proceeding, to be charged pro rata against the value of all shares of Gentiva common stock entitled to appraisal. Any stockholder who demanded appraisal rights will not, after the effective time, be entitled to vote shares of Gentiva common stock subject to that demand for any purpose or to receive payments of dividends or any other distribution with respect to those shares of Gentiva common stock, other than with respect to payment as of a record date prior to the effective time. If no petition for appraisal is filed within 120 days after the effective time, or if the stockholder otherwise fails to perfect his or her appraisal rights, successfully withdraws or loses such holder's right to appraisal, then the right of that stockholder to appraisal will cease and that stockholder's shares of Gentiva common stock will be deemed to have been converted at the effective time into the right to receive the merger consideration pursuant to the merger agreement. In addition, as indicated above, a stockholder may withdraw his, her or its demand for appraisal in accordance with Section 262 and accept the merger consideration offered pursuant to the merger agreement.

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Failure to comply strictly with all of the procedures set forth in Section 262 of the DGCL will result in the loss of a stockholder's statutory appraisal rights. In view of the complexity of Section 262 of the DGCL, Gentiva stockholders who may wish to pursue appraisal rights should consult their legal and financial advisors.

Accounting Treatment

The merger will be accounted for under the acquisition method of accounting, in conformity with GAAP. Under the acquisition method of accounting, the assets (including identifiable intangible assets) and liabilities (including executory contracts and other commitments) of Gentiva as of the effective time will be recorded at their respective fair values and added to those of Kindred. Any excess of purchase price over the fair value of the assets is recorded as goodwill. Financial statements of Kindred issued after the merger would reflect these fair values.

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MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of the material U. S. federal income tax consequences of the merger and ownership of Kindred common stock to U.S. holders and non-U.S. holders (as defined below) of Gentiva common stock who hold their stock as a capital asset (generally, assets held for investment). This summary is based on the provisions of the Internal Revenue Code of 1986, which we refer to as the Code, Treasury regulations, administrative rulings and judicial authority, all as in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. No assurances can be given that any change in these laws or authorities will not affect the accuracy of the discussion set forth herein.

This summary is not a complete description of all the tax consequences of the merger and, in particular, may not address U.S. federal income tax considerations applicable to holders of Gentiva common stock who are subject to special treatment under U.S. federal income tax law, including, for example certain U.S. expatriates, banks, financial institutions, S corporations, partnerships, limited liability companies taxed as partnerships, or other pass-through entities (or investors in such pass-through entities), dealers in securities, traders in securities that elect mark-to-market treatment, insurance companies, tax-exempt entities, persons whose functional currency is not the U.S. dollar, holders who are subject to the alternative minimum tax, holders who acquired Gentiva common stock pursuant to the exercise of an employee stock option or right or otherwise as compensation, holders exercising dissenters' rights or appraisal rights, and holders who hold Gentiva common stock as part of a hedge, straddle, constructive sale or conversion transaction.

This summary does not address U.S. federal income tax considerations applicable to holders of options to purchase Gentiva common stock, or holders of other Gentiva equity or cash-based awards. In addition, this summary does not address any aspect of state, local or non-U.S. laws or estate, gift, excise or other non-income tax laws, including U.S. Medicare taxes. Neither Kindred nor Gentiva has requested a ruling from the Internal Revenue Service (which we refer to as the IRS) in connection with the merger. Accordingly, the discussion below neither binds the IRS nor precludes it from adopting a contrary position. Furthermore, no opinion of counsel has been, or is expected to be, rendered with respect to the tax consequences of the merger.

WE URGE HOLDERS TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER IN LIGHT OF THEIR PERSONAL CIRCUMSTANCES AND THE CONSEQUENCES OF THE MERGER UNDER U.S. FEDERAL NON-INCOME TAX LAWS AND STATE, LOCAL AND NON-U.S. TAX LAWS.

For purposes of this discussion, the term "U.S. holder" means a beneficial holder of Gentiva common stock that is:

a citizen or resident of the U.S.;

a corporation (including any entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the U.S. or any of its political subdivisions;

a trust that (i) is subject to the supervision of a court within the U.S. and the control of one or more U.S. persons or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person; or

an estate that is subject to U.S. federal income tax on its income regardless of its source.

If a partnership (including any entity or arrangement, domestic or foreign, treated as a partnership for U.S. federal income tax purposes) holds Gentiva common stock, the tax treatment of a partner will generally depend on the status of the partners and the activities of the partnership. Partnerships and partners in such a partnership should consult their tax advisors about the tax consequences of the merger to them.

U.S. Holders

Tax Consequences of the Merger. The exchange of Gentiva common stock for Kindred common stock and cash in the merger will be a taxable transaction for U.S. federal income tax purposes. A U.S. holder whose

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Gentiva common stock is converted into the right to receive Kindred common stock and cash in the merger will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between (1) the sum of (i) the fair market value of Kindred common stock received by such holder in the merger, and (ii) the amount of cash received by such holder in the merger, including any cash received in lieu of fractional shares of Kindred common stock, and (2) the U.S. holder's adjusted tax basis in such Gentiva common stock. A U.S. holder's adjusted tax basis will generally equal the price the U.S. holder paid for such Gentiva common stock. Gain or loss will be determined separately for each block of Gentiva common stock. A block of stock is generally a group of shares acquired at the same cost in a single transaction. Such gain or loss will be long-term capital gain or loss provided that a U.S. holder's holding period for such Gentiva common stock is more than one year at the time of the completion of the merger. Long-term capital gains of certain non-corporate U.S. holders (including individuals) may be taxable at preferential rates. A U.S. holder's aggregate tax basis in its Kindred common stock received in the merger will equal the fair market value of such stock at the effective time, and the holder's holding period for such stock will begin on the day after the merger.

Ownership of Kindred Common Stock. As a result of the merger, current Gentiva stockholders will hold Kindred common stock. In general, distributions with respect to Kindred common stock will constitute dividends to the extent made out of current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds Kindred's current and accumulated earnings and profits, the excess will be treated as a non-taxable return of capital to the extent of a U.S. holder's adjusted tax basis in its shares and thereafter as capital gain from the sale or exchange of such shares. Dividends received by a corporate U.S. holder will be eligible for the dividends-received deduction, provided such a corporate U.S. holder meets certain holding period and other applicable requirements. Dividends received by a non-corporate U.S. holder are taxable at preferential rates provided such a non-corporate U.S. holder meets certain holding period and other applicable requirements.

Upon the sale or other disposition of Kindred common stock, a U.S. holder will generally recognize capital gain or loss equal to the difference between the amount realized and the adjusted tax basis in its Kindred common stock. Such capital gain or loss will generally be long-term if the selling stockholder's holding period in respect of such shares (as discussed under *Tax Consequences of the Merger* above) is more than one year. Certain non-corporate U.S. holders (including individuals) may be eligible for preferential tax rates in respect of long-term capital gain. The deductibility of capital losses is subject to limitations.

Non-U.S. Holders

A non-U.S. holder is a beneficial owner of Gentiva common stock (other than an entity treated as a partnership for U.S. federal income tax purposes) that is not a U.S. holder.

Tax Consequences of the Merger. Any gain a non-U.S. holder recognizes from the exchange of Gentiva common stock for Kindred common stock and cash in the merger generally will not be subject to U.S. federal income tax unless (a) the gain is effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if an income tax treaty applies, is attributable to a U.S. permanent establishment maintained by the non-U.S. holder), or (b) in the case of a non-U.S. holder who is an individual, such holder is present in the United States for 183 days or more in the taxable year of the sale and other conditions are met.

Non-U.S. holders described in (a) above, will generally be subject to tax on gain (net of certain deductions) recognized at applicable U.S. federal income tax rates and, in addition, non-U.S. holders that are corporations (or treated as corporations for U.S. federal income tax purposes) may be subject to a branch profits tax equal to 30% (or lesser rate under an applicable income tax treaty) on your effectively connected earnings and profits for the taxable year, which would include such gain. Non-U.S. holders described in (b) above, will be subject to a flat 30% tax on any

gain recognized, which may be offset by U.S.-source capital losses.

Ownership of Kindred Common Stock. As a result of the merger, current Gentiva stockholders will hold Kindred common stock. Dividends paid to non-U.S. holders (to the extent paid out of Kindred's current or accumulated earnings and profits, as determined for U.S. federal income tax purposes) with respect to such

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shares of Kindred common stock will be subject to withholding at a 30% rate or such lower rate as may be specified by an applicable income tax treaty unless the dividends are effectively connected with the conduct of a trade or business within the United States and, if certain tax treaties apply, are attributable to a U.S. permanent establishment, as discussed below. Even if a non-U.S. holder is eligible for a lower treaty rate, Kindred will generally be required to withhold at a 30% rate (rather than the lower treaty rate) on dividend payments unless (1) Kindred has received a valid IRS Form W-8BEN or other documentary evidence establishing entitlement to a lower treaty rate with respect to such payments, and (2) in the case of actual or constructive dividends paid, if required by the Foreign Account Tax Compliance Act or any intergovernmental agreement enacted pursuant to that law, the non-U.S. holder or any entity through which the non-U.S. holder receives such dividends has provided the withholding agent with certain information with respect to the non-U.S. holder's or the entity's direct and indirect U.S. owners, and if the non-U.S. holder holds the Kindred common stock through a foreign financial institution, such institution has entered into an agreement with the U.S. government to collect and provide to the U.S. tax authorities information about its accountholders (including certain investors in such institution or entity) and the non-U.S. holder has provided any required information to such institution.

If a non-U.S. holder is subject to withholding at a rate in excess of a reduced rate for which it is eligible under a tax treaty or otherwise, it may be able to obtain a refund of or credit for any amounts withheld in excess of the applicable rate. Investors are encouraged to consult with their own tax advisors regarding the possible implications of these withholding requirements.

Dividends that are effectively connected with the conduct of a trade or business within the United States and, if certain tax treaties apply, are attributable to a U.S. permanent establishment, are not subject to withholding tax, but instead are subject to U.S. federal income tax on a net income basis at applicable graduated rates. Special certification and disclosure requirements must be satisfied for effectively connected income to be exempt from withholding. Any such effectively connected dividend received by a non-U.S. holder that is a corporation for U.S. federal income tax purposes may be subject to an additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

Any gain a non-U.S. holder recognizes on the sale or other taxable disposition of Kindred common stock generally will not be subject to U.S. federal income tax unless (a) the gain is effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if an income tax treaty applies, is attributable to a U.S. permanent establishment maintained by the Non-U.S. holder), or (b) in the case of a non-U.S. holder who is an individual, such holder is present in the United States for 183 days or more in the taxable year of the sale and other conditions are met. In the case of dispositions of Kindred common stock on or after January 1, 2017, a non-U.S. holder may be subject to a 30% withholding tax on the gross proceeds of the sale or disposition under the Foreign Account Tax Compliance Act unless the requirements described in (2) under the first paragraph of this section are satisfied. Investors are encouraged to consult with their own tax advisors regarding the possible impacts of these withholding requirements.

Information Reporting and Backup Withholding

In general, information reporting requirements may apply to the amounts paid to U.S. holders and non-U.S. holders in connection with the merger consideration, dividends paid with respect to Kindred common stock and proceeds received from the sale or exchange of Kindred common stock, unless an exemption applies. Backup withholding may be imposed (currently at a 28% rate) on the above payments if a U.S. holder or non-U.S. holder (1) fails to provide a taxpayer identification number or appropriate certifications or (2) fails to report certain types of income in full.

Any amounts withheld under the backup withholding rules are not additional tax and will be allowed as a refund or credit against applicable U.S. federal income tax liability provided the required information is furnished to the IRS.

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THE FOREGOING DISCUSSION OF UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES RELATING TO THE MERGER. TAX MATTERS ARE VERY COMPLICATED, AND THE TAX CONSEQUENCES OF THE MERGER TO HOLDERS WILL DEPEND UPON THE FACTS OF THEIR PARTICULAR SITUATION. BECAUSE INDIVIDUAL CIRCUMSTANCES MAY DIFFER, HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE APPLICABILITY TO THEM OF THE RULES DISCUSSED ABOVE AND THE PARTICULAR TAX EFFECTS TO THEM OF THE MERGER, INCLUDING THE APPLICATION OF STATE, LOCAL AND FOREIGN TAX LAWS.

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THE MERGER AGREEMENT

The following is a summary of certain material provisions of the merger agreement, a copy of which is attached as Annex A to this proxy statement/prospectus and is incorporated into this proxy statement/prospectus by reference. Gentiva and Kindred urge you to read carefully this entire proxy statement/prospectus, including the annexes and the other documents which have been referred to you. You should also review the section titled "Where You Can Find More Information" beginning on page 147.

This summary does not purport to be complete and may not contain all of the information about the merger that is important to you. The merger agreement has been included for your convenience to provide you with information regarding its terms, and we recommend that you read it in its entirety. Except for its status as the contractual document that establishes and governs the legal relations between Gentiva and Kindred with respect to the merger, Gentiva and Kindred do not intend for the merger agreement to be a source of factual, business or operational information about either Gentiva or Kindred. The merger agreement contains representations and warranties that Gentiva and Kindred have made to each other for the principal purpose of establishing the circumstances in which a party to the merger agreement may have the right not to consummate the merger if the representations and warranties of the other party prove to be untrue due to a change in circumstances or otherwise, and allocating risk between the parties to the merger agreement, rather than establishing matters as facts. Those representations and warranties are qualified in several important respects, which you should consider as you read them in the merger agreement.

First, except for the parties themselves, under the terms of the merger agreement, only certain other specifically identified persons are third party beneficiaries of the merger agreement who may enforce it and rely on its terms.

Second, the representations and warranties are qualified in their entirety by certain information of each of Gentiva and Kindred filed with the SEC prior to the date of the merger agreement, as well as by confidential disclosure schedules that each of Gentiva and Kindred prepared and delivered to the other immediately prior to signing the merger agreement.

Third, certain of the representations and warranties made by Gentiva, on the one hand, and Kindred, on the other hand, were made as of a specified date, may be subject to a contractual standard of materiality different from what might be viewed as material to stockholders, and may have been used for the purpose of allocating risk between the parties to the merger agreement rather than as establishing matters as facts.

Fourth, none of the representations or warranties will survive the closing of the merger and they will therefore have no legal effect under the merger agreement after the closing. The parties will not be able to assert the inaccuracy of the representations and warranties as a basis for refusing to close unless all such inaccuracies would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the party that made the representations and warranties, except for certain limited representations and warranties that must be true and correct in all, or all but *de minimis*, respects. Otherwise, for purposes of the merger agreement, the representations and warranties will be deemed to have been sufficiently accurate to require a closing.

For the foregoing reasons, you should not rely on the representations and warranties as statements of factual information. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the merger agreement, and subsequently developed or new information qualifying a representation or warranty may have been included in a filing with the SEC made since the date of the merger agreement (including in this proxy statement/prospectus).

The Merger; Closing

Upon the terms and subject to the conditions of the merger agreement, and in accordance with Delaware law, at the effective time, merger sub will merge with and into Gentiva, with Gentiva continuing as the surviving corporation and a wholly owned subsidiary of Kindred.

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Unless Gentiva and Kindred agree otherwise, the closing of the merger will occur on the third business day following the date on which all of the conditions to the merger, other than conditions that, by their nature are to be satisfied at the closing (but subject to satisfaction, or, to the extent permissible, waiver of those conditions at closing) have been satisfied or, to the extent permissible, waived. However, if such conditions have been satisfied or waived but the marketing period (as described below) has not ended, the closing will occur at the earlier of (i) the third business day following the final day of the marketing period and (ii) a date during the marketing period specified by Kindred with at least two business days' notice to Gentiva, in each case, subject to satisfaction or waiver of such conditions. The term "marketing period" is defined in the merger agreement to mean the first period of twenty consecutive business days subject to certain excluded dates throughout which (i) Kindred has received (and its financing sources have had access to) all financial information of Gentiva that meets specified requirements as more fully described in the merger agreement and (ii) all of the conditions to the closing of the merger are capable of being satisfied (other than the adoption of the merger agreement by Gentiva stockholders, the receipt of certain regulatory approvals specified in the merger agreement and those conditions that by their nature can only be satisfied at the closing) if closing were scheduled for any time during such period. However, the marketing period will not commence prior to the mailing of this proxy statement/prospectus to Gentiva stockholders, and will end on any earlier date on which the full amount of the financing contemplated under the debt commitment letter is funded.

Subject to the satisfaction or waiver of the conditions to the closing of the merger described in the section entitled "The Merger Agreement - Conditions to Completion of the Merger" beginning on page 105 of this proxy statement/prospectus, including the adoption of the merger agreement by Gentiva stockholders at the special meeting, it is anticipated that the merger will be completed in the first quarter of 2015. It is possible that factors outside the control of both companies could result in the merger being completed at a different time, or not at all.

Upon the closing, Kindred, merger sub and Gentiva will file a certificate of merger with the Secretary of State of the State of Delaware. The effective time will be the time the certificate of merger is filed or at a later time upon which the parties may mutually agree and specify in the certificate of merger.

Certificate of Incorporation and Bylaws of the Surviving Corporation; Directors and Officers

At the effective time, the certificate of incorporation of merger sub, as amended as set forth in Exhibit A of the merger agreement, and the bylaws of merger sub as in effect immediately prior to the effective time, will become the certificate of incorporation and bylaws of the surviving corporation.

The individuals holding positions as directors and officers of merger sub immediately prior to the effective time will become the initial directors and officers of the surviving corporation.

Merger Consideration

At the effective time, each share of Gentiva common stock outstanding immediately prior to the effective time (other than shares owned by (i) Kindred or Gentiva or their respective wholly owned subsidiaries (which will be canceled) or (ii) stockholders who have properly exercised and perfected appraisal rights under the DGCL) will be converted into the right to receive the merger consideration, without interest.

Fractional Shares

No fraction of a share of Kindred common stock will be issued in the merger. Instead, holders of Gentiva common stock who would otherwise be entitled to receive a fraction of a share of Kindred common stock will receive, upon surrender for exchange of Gentiva common stock, an amount in cash (rounded to the nearest whole cent), without

interest, equal to the product of (i) such fraction multiplied by (ii) the average closing price per share of Kindred common stock on the NYSE for the 10 consecutive trading days ending immediately prior to the closing date of the merger, which we refer to as the Kindred closing price.

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Exchange Procedures

Prior to the effective time, Kindred will appoint an exchange agent reasonably acceptable to Gentiva to pay the merger consideration to the holders of Gentiva common stock in connection with the merger, including the payment of cash for fractional shares. Immediately prior to the effective time, Kindred will deposit with the exchange agent, for the benefit of the holders of Gentiva common stock, book-entry shares representing the total number of shares of Kindred common stock issuable in the merger and cash sufficient to pay the cash consideration. From time to time thereafter, Kindred will deposit with the exchange agent funds sufficient to pay cash in lieu of fractional shares and in respect of any dividends or distributions on Kindred common stock with a record date after the effective time.

At the effective time, each certificate representing shares or uncertificated shares in book-entry form of Gentiva common stock that has not been surrendered, other than any shares owned by Kindred or Gentiva, will represent only the right to receive, upon such surrender and without any interest, the merger consideration into which such shares of Gentiva common stock were converted. Following the effective time, no further registrations of transfers on the stock transfer books of Gentiva of the shares of Gentiva common stock will be made. If, after the effective time, Gentiva stock certificates or shares of Gentiva common stock represented by book-entry are presented to Kindred, the surviving corporation or the exchange agent, for any reason, they will be canceled and exchanged as described above.

Exchange of Shares

Promptly after the effective time, Kindred will send, or will cause the exchange agent to send, to each holder of record of shares of Gentiva common stock at the effective time, a letter of transmittal and instructions explaining how to surrender Gentiva stock certificates or transfer book-entry shares in exchange for the merger consideration.

After the effective time, and upon surrender of a Gentiva stock certificate or transfer of a book-entry share to the exchange agent, together with a letter of transmittal or agent's message, the holder of the Gentiva stock certificate or book-entry share will be entitled to receive the merger consideration, and the Gentiva stock certificates or book entries evidencing book-entry shares so surrendered will be canceled. No interest will be paid or will accrue on any merger consideration payable under the merger agreement. If payment is to be made to a person other than the person in whose name the certificate or book-entry share surrendered or transferred is registered, the certificate or book-entry share so surrendered must be properly endorsed or otherwise in proper form for transfer and the person requesting such payment must pay any transfer or other taxes required by the reason of the payment to a person other than the registered holder of the certificate or book-entry share so surrendered, unless the person requesting such payment can establish to the satisfaction of the exchange agent that such tax has been paid or is not payable.

Lost Stock Certificates

If any stock certificate has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the stock certificate to be lost, stolen or destroyed and, if required by Kindred, the posting by such person of a bond in a reasonable amount as Kindred may direct as indemnity against any claim that may be made against it with respect to the stock certificate, the exchange agent will issue, in exchange for such lost, stolen or destroyed stock certificate, the merger consideration in respect of such shares. These procedures will be described in the letter of transmittal that Gentiva stockholders will receive, which such stockholders should read carefully in its entirety.

Effect of the Merger on Gentiva's Equity Awards

Stock Options

At the effective time, each Gentiva option, that is outstanding immediately prior to the effective time of the merger with a per share exercise price below the sum of (i) the value of the stock consideration (based on the

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Kindred closing price) and (ii) the cash consideration, that is or will become vested as a result of the merger, will be canceled and converted into the right to receive an amount in cash equal to the cash consideration plus the value of the stock consideration (based on the Kindred closing price), less the exercise price, subject to withholding taxes. Each Gentiva option that is outstanding immediately prior to the effective time of the merger with a per share exercise price at or above the sum of the (i) value of the stock consideration (based on the Kindred closing price) and (ii) the cash consideration or that will not vest as a result of the merger will be converted into an option to purchase a number of shares of Kindred common stock determined by multiplying the number of shares of Gentiva common stock subject to such Gentiva option by a fraction, the numerator of which is the sum of (A) the product of the stock consideration multiplied by the Kindred closing price and (B) the cash consideration and the denominator of which is the Kindred closing price.

Gentiva Restricted Stock; Deferred Stock Units

Each outstanding share of Gentiva restricted stock that will vest as a result of the merger and each outstanding Gentiva deferred stock unit will receive the merger consideration, subject to withholding taxes. Each outstanding share of Gentiva restricted stock that will not vest as a result of the merger will receive merger consideration in the form of a restricted Kindred cash award in the amount of cash consideration and restricted Kindred common stock in the amount of stock consideration, in each case subject to the vesting conditions of such restricted shares prior to the effective time of the merger.

Performance Cash Awards

Each Gentiva performance cash award that will become vested as a result of the merger will be accelerated and the recipient thereof will receive an amount in cash, without interest, equal to the target amount of such cash award (unless such performance cash award provides for the accelerated vesting of such award at the maximum level, in which case the recipient thereof will receive an amount in cash, without interest, equal to the maximum amount of such cash award), subject to withholding taxes. Each Gentiva performance cash award that will not vest as a result of the merger will be converted into the right to receive a Kindred cash award, subject to the vesting conditions of such performance cash award prior to the effective time of the merger. To the extent that any performance cash award is, immediately prior to the effective time, subject to any performance-based vesting or other performance conditions, the Kindred board, or an applicable committee thereof, may, following the effective time make such equitable adjustments, if any, to the applicable performance goals or conditions relating to the Kindred cash award received by the holder of such performance cash award, as the Kindred board (or such committee thereof) may determine to be necessary or appropriate as a result of the consummation of the transactions contemplated by the merger agreement, including the merger, and, in each case, subject to and in accordance with the terms and conditions of the applicable performance cash award and the applicable Gentiva stock plan.

Employee Stock Purchase Plan

The merger agreement provides that as soon as practicable following the date of the merger agreement, Gentiva will take all reasonable actions, including adopting any necessary resolution, to (i) terminate the Gentiva Employee Stock Purchase Plan, which we refer to as the ESPP, as of immediately prior to the closing date, (ii) ensure that no new offering period will be commenced after the date of the merger agreement, (iii) if the closing will occur prior to the end of the offering period in existence under the ESPP on the date of the merger agreement, cause a new exercise date to be set for the business day immediately prior to the closing, (iv) prohibit participants in the ESPP from altering their payroll deductions from those in effect on the date of the merger agreement (other than to discontinue their participation in the ESPP), and (v) provide that the amount of the accumulated contributions of each participant under the ESPP as of immediately prior to the effective time of the merger, to the extent not used to purchase shares of

Gentiva common stock in accordance with the terms and conditions of the ESPP, be refunded to such participant as promptly as practicable following the effective time of the merger, without interest. Shares of Gentiva common stock purchased pursuant to the ESPP prior to the effective time will receive the merger consideration, as described above.

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Representations and Warranties

The merger agreement contains customary representations and warranties made by each party to the other, which are subject, in some cases, to specified exceptions and qualifications contained in the merger agreement and the matters contained in the confidential disclosure schedules that each of Gentiva and Kindred prepared and delivered to the other prior to signing the merger agreement. These representations and warranties relate to, among other things:

due organization, good standing and the requisite corporate power and authority to carry on their respective businesses;

capitalization;

corporate power and authority to enter into the merger agreement, the valid and binding nature of the merger agreement and enforceability of the merger agreement;

absence of conflicts with organizational documents, breaches of contracts and agreements, and liens upon assets and violations of applicable law resulting from the execution and delivery of the merger agreement and consummation of the transactions contemplated by the merger agreement;

absence of required governmental consents in connection with execution, delivery and performance of the merger agreement and consummation of the transactions contemplated by the merger agreement other than governmental filings specified in the merger agreement;

board of directors approval of the merger agreement and the voting agreement and, in the case of Gentiva, recommendation to its stockholders to adopt the merger agreement;

timely filing of required documents with the SEC since January 1, 2012, compliance of such documents with the requirements of the Securities Act, and the Exchange Act, and the absence of untrue statements of material facts or omissions of material facts in those documents;

compliance of financial statements with GAAP;

effectiveness of internal controls over financial reporting and disclosure controls and procedures;

compliance with the certifications required by the Sarbanes-Oxley Act;

absence of any outstanding reviews by, or unresolved comments received by, auditors from the Public Company Accounting Oversight Board related to or in connection with audits completed or in progress by the accountants of the parties;

absence of outstanding or unresolved SEC comments on documents filed with the SEC, and absence of any internal investigations, SEC inquiries or investigations or other governmental inquiries regarding accounting practices of the parties;

absence of any liabilities other than (i) as and to the extent disclosed, reflected or reserved against in the most recent balance sheets of Gentiva and Kindred filed with the SEC prior to the date of the merger agreement, (ii) as incurred in the ordinary course of business since June 30, 2014, (iii) that would not have had, and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect or (iv) arising out of or in connection with the merger agreement or the transactions contemplated thereby, including the merger;

since December 31, 2013, conduct of business in the ordinary course and, in the case of Gentiva, absence of specified changes or events;

absence since December 31, 2013 of any material adverse effect or any event, occurrence, fact, condition or change that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect;

no brokers or finders fees; and

absence of misleading information contained or incorporated into this proxy statement/prospectus.

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Gentiva made certain additional representations and warranties to Kindred in the merger agreement, including with respect to the following matters:

ownership of subsidiaries;

inapplicability of takeover statutes;

tax matters;

intellectual property;

compliance with applicable laws and holding of all necessary permits;

compliance with corporate integrity agreements;

government and third party reimbursements;

disclosure or absence of litigation;

absence of governmental orders;

employee benefits matters and ERISA compliance;

labor matters and compliance with labor and employment law;

real property and personal property;

environmental matters and compliance with environmental laws;

material contracts;

insurance; and

receipt of an opinion from one or both of Gentiva's financial advisors.

Kindred made certain additional representations and warranties to Gentiva in the merger agreement, including with respect to the following matters in connection with the debt financing arrangements:

sufficiency of funds;

validity and enforceability of the debt commitment letter;

absence of default under the debt commitment letter; and

absence of contingencies related to the funding of financing other than as set forth in the debt commitment letter.

Many of the representations and warranties in the merger agreement are qualified as to materiality or material adverse effect. For purposes of the merger agreement, a material adverse effect on Gentiva or Kindred, as applicable, means: any event, occurrence, fact, condition, change or effect, taken as a whole, that is materially adverse to (i) the business, assets, liabilities, operations or financial condition of such party and its subsidiaries, taken as a whole, or (ii) the ability of such party to consummate the transactions contemplated by the merger agreement. However, with respect to (i) above, no such event, occurrence, fact, condition, change or effect will be a material adverse effect on either Gentiva or Kindred, as the case may be, to the extent it arises out of, relates to or results from: (a) general economic, business, political, or regulatory conditions; (b) any changes or developments in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates; (c) the negotiation, execution, delivery, performance, announcement, pendency or completion of the transactions contemplated by the merger agreement, including any litigation, action, proceeding, claim, investigation or challenge related thereto or any losses or threatened losses of employees, customers, suppliers, distributors or others having relationships with such party resulting therefrom (except with respect to any representation or warranty that is intended to address the consequences of the execution, delivery or performance of the merger

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agreement or completion of the transactions contemplated by the merger agreement); (d) the identity of Kindred or Gentiva, as the case may be, as the other party to the merger agreement or any facts or circumstances concerning such other party or any of its affiliates; (e) any acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (f) any changes or conditions generally affecting the industries in which such party and its subsidiaries operate; (g) any matter disclosed in the confidential disclosure schedules delivered by such party; (h) any changes in applicable laws or accounting rules or principles (including GAAP) or the enforcement, implementation or interpretation thereof; (i) any failure by such party to meet any internal or published projections, forecasts, performance measures, operating statistics or revenue or earnings predictions for any period or a decline in the price or trading volume of such party's common stock (but not any underlying causes of such failures or decline that are not otherwise excluded from the definition of material adverse effect); (j) any action taken (or omitted to be taken) with the written consent of or at the written request of the other party; or (k) any natural or man-made disasters or acts of God, except in the case of clauses (a), (b), (e), (f), (h), or (k), to the extent that any such event, occurrence, fact, condition, change or effect has a material and disproportionate effect on the such party and its subsidiaries, taken as a whole, relative to others operating in the industries in which such party and any of its subsidiaries operate.

The representations and warranties contained in the merger agreement will expire at the effective time, and not survive the consummation of the merger, but they form the basis of specified conditions to the parties' obligations to complete the merger.

Covenants and Agreements

Operating Covenants

Gentiva. Gentiva has agreed that from the date of the merger agreement until the effective time, Gentiva will, and will cause each of its subsidiaries to, except as expressly contemplated by the merger agreement, as required by applicable law or with the prior written consent of Kindred (not to be unreasonably withheld, delayed or conditioned):

conduct its business in the ordinary course consistent with past practice; and

use its reasonable best efforts to preserve substantially intact its business organization, keep available the services of its current officers and key employees, and preserve its present relationships with its customers, suppliers, distributors, licensors, licensees, lenders and others having business relationships with it and governmental entities with jurisdiction over healthcare-related matters.

In addition, from the date of the merger agreement until the effective time, except as expressly contemplated by the merger agreement, as required by applicable law or with Kindred's prior written consent (not to be unreasonably withheld, conditioned or delayed), Gentiva has agreed, among other things, it will not, nor will it permit any of its subsidiaries to:

amend or propose to amend its organizational documents;

(i) split, combine or reclassify any shares of its voting securities or those of its subsidiaries, (ii) redeem, repurchase or otherwise acquire, or offer to redeem, repurchase, or otherwise acquire, any of its voting

securities or those of its subsidiaries or (iii) declare, set aside or pay any dividend or make any other distribution in respect of, or enter into any contract with respect to the voting of, any shares of its capital stock (other than dividends from its wholly owned subsidiaries);

issue, sell, grant, pledge, dispose of or encumber, or authorize the issuance, sale, grant, pledge, disposal or encumbrance of, any of its voting securities, other than (i) the issuance of any shares upon the exercise of outstanding Gentiva options outstanding as of the date of the merger agreement or (ii) the issuance of any securities of its subsidiaries to Gentiva or a wholly owned subsidiary of Gentiva;

except as required by applicable law or existing employee plans, and other than bonuses determined and paid in the ordinary course under the Gentiva Executive Officers Bonus Plan and Corporate

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Administration Plan and the transaction bonuses described on pages 71 and 79 (i) increase the compensation payable or that could become payable by Gentiva or its subsidiaries to directors, officers or employees other than increases made in the ordinary course of business consistent with past practice; (ii) enter into any new, or amend in any material respect, any existing employment, indemnification, severance, retention, change in control or similar agreement with any past or present officers or employees; (iii) establish, adopt, enter into, amend, terminate, exercise any discretion under, or take any action to accelerate rights under any employee plan; (iv) enter into any third-party contract with respect to an employee plan having a term of greater than one year and providing for payments by Gentiva having a value greater than \$250,000 (other than (a) contracts terminable on less than 180 days notice without penalty, (b) a financial renewal, in the ordinary course of business, of a contract existing on the date of the merger agreement or (c) a contract that does not increase Gentiva's annual costs by more than one percent over the cost of an analogous contract existing on the date of the merger agreement); (v) accelerate any rights or benefits, or, other than in the ordinary course of business and consistent with past practice, make any determinations or interpretations with respect to any employee plan; (vi) fund any rabbi trust or similar arrangement, other than in the ordinary course of business; (vii) grant or amend any equity awards; or (ix) hire or terminate (other than for cause) any officer, employee, independent contractor or consultant with target annual compensation in excess of \$250,000 or any other employee at the level of director or above;

acquire any business or person or division or make any loans, advances or capital contributions to or investments in any person in excess of \$5,000,000 in the aggregate;

(i) transfer, sell, lease, license, mortgage, encumber or otherwise dispose of any assets (whether by way of merger, consolidation, sale of stock or assets, or otherwise), including the capital stock or equity interest in any subsidiary, except in connection with services or products provided in the ordinary course of business, sales of obsolete assets and sales, leases, licenses or other dispositions of any asset or group of related assets with a fair market value not in excess of \$1,000,000 individually or \$5,000,000 in the aggregate, other than pursuant to material contracts in effect as of the date of the merger agreement; or (ii) adopt or effect, or propose to adopt or effect, a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization;

issue, sell, repurchase, prepay or incur any indebtedness, or guarantee or otherwise become liable for or modify in any material respect any indebtedness or issue or sell any options, warrants, calls or other rights to acquire any indebtedness of Gentiva or any of its subsidiaries, except for (i) indebtedness for borrowed money solely incurred in the ordinary course of business consistent with past practices in replacement of existing indebtedness for borrowed money on terms substantially consistent with or more favorable to Gentiva than the terms of the indebtedness being replaced or (ii) guarantees by Gentiva of indebtedness of wholly owned subsidiaries of Gentiva, provided that any such indebtedness shall be drawn in an aggregate amount not to exceed \$40,000,000;

make any loans or advances (other than in the ordinary course of business consistent with past practice) to any person, other than loans among Gentiva and its wholly owned subsidiaries, or cancel, release or assign any material indebtedness owed by any person to Gentiva or its subsidiaries, or any claims held by it against any such person;

make any material capital expenditures not contemplated by Gentiva's capital expenditure budget as disclosed to Kindred prior to the merger agreement;

enter into or amend or modify in any material respect, or consent to the termination of (other than at its stated expiry date), cancellation or renewal of, or waive, release or assign any material rights under, (i) any material contract or lease with respect to material real estate or any other contract or lease that, if in effect as of the date of the merger agreement, would constitute a material contract or lease with respect to material real estate, except which if so entered into, modified, amended, terminated, waived, released or assigned would reasonably be expected to (a) prevent or materially delay or impair the ability of Gentiva and its subsidiaries to consummate the merger, or (b) materially impair the ability of

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Gentiva and its subsidiaries, taken as a whole, to conduct their business in ordinary course consistent with past practice or (ii) any material contract (or contract that would be, if it existed as of the date of the merger agreement, a material contract) or any lease;

commence, settle or compromise or offer to settle or compromise, or waive any rights relating to, any legal actions pending or threatened before any arbitrator, court or other governmental entity involving (i) the payment of monetary damages by Gentiva or any of its subsidiaries of any amount exceeding \$500,000 in the aggregate (excluding amounts covered under insurance policies), (ii) any material restriction on the business of Gentiva or any of its subsidiaries or (iii) the admission of wrongdoing by Gentiva or any of its subsidiaries, other than (a) any legal action brought against Kindred or merger sub arising out of a breach or alleged breach of the merger agreement by Kindred or merger sub, and (b) the settlement of claims, liabilities or obligations reserved against on the most recent balance sheet of Gentiva included in Gentiva's SEC filings for amounts not in excess of the relevant reserve (and without the imposition of any material restriction on the business of Gentiva or any of its subsidiaries or any admission of wrongdoing by Gentiva or any of its subsidiaries);

cancel or compromise any material claim or waive or release any material right of Gentiva or any of its subsidiaries except in the ordinary course of business;

make any material change in any financial accounting methods, principles or practice, in each case except for any such change required by a concurrent change in GAAP or applicable law or required by the Public Company Accounting Oversight Board or Financial Accounting Standards Board;

enter into a material new line of business directly or indirectly or, except as required by applicable law, change any material policy established by the executive officers of Gentiva that generally applies to the operations of Gentiva;

extend, renew or enter into any contracts containing non-compete or exclusivity provisions that would restrict or limit the operations of Gentiva and its subsidiaries or apply to any current or future affiliates of Gentiva, Kindred or the surviving corporation;

other than in the ordinary course of business consistent with past practice, materially reduce the amount of insurance coverage or fail to renew any material existing insurance policies;

amend in a manner that adversely impacts in any material respect the ability to conduct its business, terminate or allow to lapse any material permits;

convene any regular (except to the extent required by applicable law or order) or special meeting (or any adjournment or postponement thereof) of the Gentiva stockholders, other than the special meeting of stockholders to approve the merger agreement;

settle or compromise any material tax claim, audit or assessment, make or change any material tax election (other than in the ordinary course of business consistent with past practice), adopt or change any method of tax accounting, or amend any material tax returns or file claims for material tax refunds; or

agree, resolve or commit to do any of the foregoing.

Kindred. Kindred has agreed that from the date of the merger agreement until the effective time, Kindred will, and will cause each of its subsidiaries to, except as expressly contemplated by the merger agreement, as set forth in its confidential disclosure schedules delivered to Gentiva, or as required by applicable law or with the prior written consent of Gentiva (not to be unreasonably withheld, delayed or conditioned):

conduct its business in the ordinary course of business consistent with past practice; and

use its reasonable best efforts to preserve substantially intact its business organization, keep available the services of its current officers and key employees, and preserve its present relationships with customers, suppliers, distributors, licensors, licensees, lenders and other persons having business relationships with it and governmental entities with jurisdiction over healthcare-related matters.

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Kindred has also agreed that from the date of the merger agreement until the effective time, it will not, nor will it permit merger sub to, except as expressly contemplated by the merger agreement, as set forth in its confidential disclosure schedules delivered to Gentiva, as required by applicable law or unless Gentiva consents (which consent not to be unreasonably withheld, delayed or conditioned):

amend or propose to amend its organizational documents in a manner materially adverse to Gentiva stockholders;

declare, set aside or pay any dividend or make any other distribution (whether in cash, stock, property or otherwise) in respect of any shares of Kindred common stock, except for quarterly cash dividends consistent with past practice; or

agree, resolve or commit to take, any of the foregoing actions.

No Solicitation

Subject to the exceptions described below, the merger agreement provides that Gentiva will not, nor will it authorize or permit its affiliates and its and their respective officers, directors, employees, advisors and investment bankers to, directly or indirectly:

solicit, initiate or knowingly encourage or otherwise take any action to facilitate any inquiries regarding, or the making of, any proposal or offer that constitutes, or may reasonably be expected to lead to, the submission of any takeover proposal (as defined on page 103);

conduct or engage in any discussions or negotiations with, disclose any non-public information relating to Gentiva or any of its subsidiaries to, afford access to the business, properties, assets, books or records of Gentiva or any of its subsidiaries to, or knowingly assist, participate in, facilitate or encourage any effort by, any third party that is seeking to make, or has made, any takeover proposal;

approve, endorse or recommend any takeover proposal; or

enter into any agreement in principle, letter of intent, term sheet, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement or other contract (in each case, whether or not binding) relating to any takeover proposal (which we refer to as a company acquisition agreement).

Existing Discussions or Negotiations

Under the terms of the merger agreement, Gentiva has agreed, and agreed to cause its subsidiaries and its and their respective officers, directors, employees, advisors and investment bankers, to cease immediately and cause to be terminated, and not to authorize or permit any and all existing activities, discussions or negotiations, if any, with any third parties with respect to any takeover proposal existing at the time the merger agreement was entered into. Gentiva

has agreed to use its reasonable best efforts to cause any such third party (or its agents and advisors) in possession of non-public information in respect of Gentiva or any of its subsidiaries that was furnished by or on behalf of Gentiva and its subsidiaries to return or destroy (and confirm destruction of) all such information, and to terminate access of all persons (other than Kindred, Gentiva and their respective subsidiaries and representatives) to any data room with respect to any takeover proposal. Gentiva has agreed not to, and not to authorize or permit its affiliates and its and their respective officers, directors, employees, advisors and investment bankers to, grant any waiver, amendment or release under any standstill or confidentiality agreement or any takeover law or otherwise fail to enforce any of the foregoing. Gentiva has also agreed not to terminate (or permit the termination of), waive or amend the Rights Agreement, dated as of May 22, 2014, as amended as of October 9, 2014, between Gentiva and Computershare Trust Company, N.A. (which we refer to as the rights agreement), redeem any rights under the rights agreement or take any action with respect to, or make any determination under, the rights agreement that would interfere with Kindred consummating the transactions contemplated by the merger agreement.

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Fiduciary Exception

However, at any time before the Gentiva stockholder approval of the merger agreement is obtained, the Gentiva board of directors, directly or indirectly through representatives, may:

participate in negotiations or discussions with any third party that has made a bona fide, unsolicited takeover proposal that the Gentiva board of directors determines in good faith (after consultation with outside legal counsel and financial advisors) constitutes or could reasonably be expected to result in a superior proposal (as defined on page 103); and

furnish to such third party information relating to Gentiva or any of its subsidiaries, provided that all such information has previously been provided to Kindred prior to or is provided to Kindred contemporaneously with the provision to such third party,

but in each case only if the Gentiva board of directors determines in good faith, after consultation with outside legal counsel, that the failure to take such action would be inconsistent with its fiduciary duties under applicable law, and such third party executes a confidentiality agreement with terms no less favorable to Gentiva than those contained in the confidentiality agreement between Gentiva and Kindred, subject to certain exceptions.

Gentiva has agreed to notify Kindred promptly (but in any event within forty-eight (48) hours) in the event that it receives any takeover proposal or any inquiry that could reasonably be expected to lead to a takeover proposal. In such notice, Gentiva has agreed to identify the third party making, and details of any material terms and conditions of, any such takeover proposal and provide copies of any written proposals, draft agreements and all draft or executed financing commitments and related documentation, subject to confidentiality obligations. Gentiva has also agreed to keep Kindred promptly informed of the status of such takeover proposal, including any changes in timing, amount or form of consideration, conditionality or other material terms of any takeover proposal, and to promptly (and in any event no later than forty-eight (48) hours after receipt), provide Kindred copies of any additional or revised written proposals, draft agreements and all draft or executed financing commitments and related documentation, subject to applicable confidentiality obligations.

No Change in Recommendation or Entry into Company Acquisition Agreement

Subject to the exceptions described below, the Gentiva board of directors may not:

(i) make, withdraw, amend, modify or materially qualify, in a manner adverse to Kindred or merger sub, the Gentiva board's recommendation to Gentiva stockholders to adopt the merger agreement, or (ii) recommend a takeover proposal, fail to recommend against acceptance of any tender offer or exchange offer for shares of Gentiva common stock within ten business days after the commencement of such offer, or make any public statement inconsistent with the Gentiva board's recommendation to Gentiva stockholders to adopt the merger agreement, or resolve or agree to take any of the foregoing actions (we refer to any action described in clause (i) or (ii) above as a company adverse recommendation change); or

enter into (or permit any subsidiary to enter into) a company acquisition agreement.

Fiduciary Exception

However, at any time before the Gentiva stockholder approval of the merger agreement is obtained, if the Gentiva board of directors receives a superior proposal or there occurs an intervening event (as defined on page 103), then the Gentiva board of directors may make a company adverse recommendation change or enter into a company acquisition agreement, if:

the Gentiva board of directors provides Kindred three business days prior written notice of its intention to take such action, which notice includes a description in reasonable detail of such superior proposal or intervening event;

Gentiva is and remains in compliance with the non solicitation obligations of the merger agreement;

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during the three business days following its written notice to Kindred, the Gentiva board of directors and, if requested by Kindred, its representatives negotiate in good faith with Kindred regarding any revisions to the terms and conditions of the merger agreement; and

at the end of such three business day period, the Gentiva board of directors concludes in good faith, after consultation with outside legal counsel and financial advisors (and taking into account any adjustment or modification of the terms of the merger agreement proposed by Kindred), that such takeover proposal (if any) continues to constitute a superior proposal and the failure to make a company adverse recommendation change would be inconsistent with its fiduciary duties under applicable law.

Any material change to the terms, facts and circumstances relating to the superior proposal or intervening event will be deemed to be a new superior proposal or intervening event and will require delivery of new notice and other materials and a new three-business day period as described above.

The merger agreement does not prohibit Gentiva from disclosing to Gentiva stockholders a position contemplated by Rule 14d-9 and Rule 14e-2(a) promulgated under the Exchange Act with regard to a takeover proposal, if Gentiva determines that failure to disclose such a position could reasonably be expected to result in a violation of applicable law.

If the Gentiva board of directors changes its recommendation, Kindred will have the right to terminate the merger agreement and be paid a \$32.5 million termination fee by Gentiva. See Termination of the Merger Agreement beginning on page 107 and Termination Fees and Expenses beginning on page 108.

Under the merger agreement, an intervening event means an event, not involving any takeover proposal, unknown to the Gentiva board of directors as of the date of the merger agreement, which becomes known prior to the Gentiva stockholder approval of the merger agreement and which causes the Gentiva board of directors to conclude in good faith that its failure to effect a company adverse recommendation change could be reasonably likely to result in a breach of its fiduciary duties to Gentiva stockholders under applicable law.

Under the merger agreement, a takeover proposal means a proposal or offer by any person (other than Kindred and its subsidiaries, including merger sub) relating to any (i) direct or indirect acquisition of assets of Gentiva or its subsidiaries (including any voting equity interests of subsidiaries, but excluding sales of assets in the ordinary course of business) equal to 20% or more of the fair market value of Gentiva's consolidated assets, (ii) direct or indirect acquisition of 20% or more of the voting equity interests of Gentiva, (iii) tender offer or exchange offer that if consummated would result in any person beneficially owning (within the meaning of Section 13(d) of the Exchange Act) 20% or more of the voting equity interests of Gentiva or (iv) merger, consolidation, other business combination or similar transaction involving Gentiva or any of its subsidiaries, pursuant to which such person would own 20% or more of the consolidated assets, net revenues or net income of Gentiva, taken as a whole.

Under the merger agreement, a superior proposal means a bona fide written takeover proposal involving the direct or indirect acquisition pursuant to a tender offer, exchange offer, merger, consolidation or other business combination, of all or substantially all of Gentiva's consolidated assets or a majority of the outstanding Gentiva common stock, that the Gentiva board of directors determines in good faith, after consultation with outside legal counsel and financial advisors, is more favorable from a financial point of view to the holders of Gentiva common stock than the transactions contemplated by the merger agreement, taking into account all of the terms and conditions and prospects for completion of such takeover proposal and of the merger agreement (including any proposal by Kindred made in accordance with the merger agreement to amend the terms of the merger agreement).

Stockholder Meeting

Gentiva is required to, as soon as practicable, duly set a record date for, call, give notice of, convene and hold a special meeting of Gentiva stockholders to consider and vote upon the adoption of the merger agreement.

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If either Gentiva or Kindred reasonably determines in good faith that the adoption of the merger agreement by the affirmative vote or consent of the holders of a majority of the outstanding shares of Gentiva common stock is unlikely to be obtained at the special meeting, then on a single occasion and prior to the vote having been taken, each of Gentiva and Kindred may require a single adjournment or postponement of the special meeting, provided that such adjournments or postponements will not delay the special meeting by more than 45 days from the originally scheduled date. The Gentiva board of directors is required to recommend in this proxy statement/prospectus and at the special meeting that Gentiva's stockholders vote in favor of the adoption of the merger agreement and the transactions contemplated by the merger agreement, including the merger, and use its commercially reasonable efforts to obtain and solicit such adoption, subject to the fiduciary termination right in the merger agreement.

Access to Information; Confidentiality

From the date of the merger agreement until the earlier of the effective time and the termination of the merger agreement, Gentiva will: (i) afford Kindred and its representatives reasonable access, during regular business hours and in a manner that will not unreasonably interfere with the business or operations of Gentiva or any of its subsidiaries, to the officers, employees, accountants, agents, properties, offices and other facilities and to the books and records of Gentiva and its subsidiaries; (ii) promptly provide Kindred and its representatives copies of any filings, notices, communications or other documents sent to or received from, and written summaries of any meetings with, any governmental entity or any other party with respect to compliance with Gentiva's existing corporate integrity agreement or any legal action pending or threatened against Gentiva or any of its subsidiaries under any healthcare regulatory laws; and (iii) promptly furnish Kindred and its representatives other information concerning the business and properties of Gentiva and its subsidiaries as may be reasonably requested. During the same period, Kindred will also afford Gentiva and its representatives reasonable access, during regular business hours and in a manner that will not unreasonably interfere with the business or operations of Kindred or any of its subsidiaries, information regarding Kindred and merger sub to the extent reasonably necessary for Gentiva to confirm the accuracy of the representations of Kindred and merger sub set forth in the merger agreement and the satisfaction of the conditions to the completion of the merger described below.

However, neither party is required to provide access or disclose information where such access or disclosure would jeopardize the protection of attorney-client privilege or contravene any law.

Indemnification and Insurance

All rights to indemnification, advancement of expenses and exculpation by Gentiva in existence under Gentiva's organizational documents or pursuant to disclosed indemnification contracts, in each case as of the date of the merger agreement, in favor of each current and former officer or director of Gentiva or any of its subsidiaries will be assumed by the surviving corporation in the merger. Any such rights contained in Gentiva's organizational documents will survive the merger in perpetuity and any such rights contained in the disclosed indemnification contracts will remain in full force and effect in accordance with their terms.

From and after the effective time, to the fullest extent permitted under applicable law, Kindred and the surviving corporation will indemnify and hold harmless each present and former officer or director of Gentiva or any of its subsidiaries against all losses, claims, damages, liabilities, fees, expenses, judgments and fines incurred in connection with any claim, suit, action or proceeding, whether civil, criminal, administrative, or investigative, and will provide for advancement of expenses to the extent provided under Gentiva's organizational documents or disclosed indemnification agreements, in each case in existence as of the date of the merger agreement (and if such indemnified parties are not entitled to advancement of expenses, Kindred and the surviving corporation will reimburse such indemnified parties for reasonable legal or other expenses as incurred, subject to receipt of an undertaking from such

indemnified parties to repay such advanced expenses if it is finally determined that indemnification was not available to them).

For a period of six years after the effective time, the surviving corporation will, if available, maintain the directors and officers insurance policies of Gentiva in effect immediately prior to the effective time or may

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purchase tail insurance policies with a claims period of six years from the effective time with at least the same coverage and amounts and containing terms not less advantageous to the indemnified parties.

Employee Benefits Matters

Kindred will, for the period commencing on the effective time and ending on the earlier of (i) December 31, 2015, (ii) 12 months from the effective time or (iii) the date of the employee's termination, cause the surviving corporation and each of its subsidiaries to provide each employee of Gentiva who remains employed immediately after the effective time with annual base salary, target annual cash bonus opportunities and employee benefits that are, in the aggregate, comparable to the annual base salary, target annual cash bonus opportunities and employee benefits provided by Gentiva and its subsidiaries on the date of the merger agreement. However, Kindred maintains the right to request that Gentiva terminate the tax-qualified deferred compensation plan before the effective time (in which case, if certain conditions are met, active employees will be permitted to make rollover contributions of the amounts distributed from the Gentiva tax-qualified deferred compensation plan (but excluding loans)), and to amend, modify or terminate any employee benefit plan.

Kindred's obligations with respect to those employee benefit matters are for the sole benefit of Gentiva, do not create any rights for any Gentiva employees to any continued employment and are not intended to constitute an amendment to any employee plan.

Financing Matters

In connection with signing the merger agreement, Kindred obtained a debt commitment letter pursuant to which the debt commitment parties have agreed to provide, under certain circumstances and subject to certain conditions, a \$750 million senior secured asset-based revolving credit facility, a \$700 million senior secured term loan facility and a \$1,700 million senior unsecured bridge loan facility. These commitments, in addition to existing cash balances and borrowings under Kindred's existing revolving credit facility, would be sufficient to finance the cash consideration to Gentiva stockholders in the merger and to refinance certain existing Gentiva debt. The debt commitment letter also provides for commitments to replace Kindred's existing credit facilities, subject to certain conditions. For additional information about this debt financing, see "The Merger Financing Relating to the Merger" on page 81.

Kindred has agreed in the merger agreement to use its reasonable best efforts to obtain the debt financing on the terms and conditions described in the debt commitment letter. Gentiva has agreed in the merger agreement to, and to cause its subsidiaries and representatives to, use commercially reasonable efforts to cooperate with Kindred in connection with the debt financing for the merger. Gentiva has also agreed to take certain actions with respect to its existing credit facilities and debt securities in connection with the merger.

Conditions to Completion of the Merger

Conditions to Each Party's Obligations

The respective obligations of each of Gentiva, Kindred and merger sub to complete the merger are subject to the satisfaction or waiver on or prior to the closing date of the merger of the following conditions:

the adoption of the merger agreement by the Gentiva stockholders;

the authorization for listing on the NYSE, subject to official notice of issuance, of the shares of Kindred common stock to be issued in the merger;

the effectiveness of the registration statement on Form S-4 of which this proxy statement/prospectus forms a part and absence of any stop order by the SEC or pending or threatened proceedings of the SEC seeking a stop order, suspending the effectiveness of such registration statement; and

the absence of any laws or orders by any governmental authority that make illegal, enjoin or otherwise prohibit consummation of the merger or the other transactions contemplated by the merger agreement.

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Conditions to Obligations of Kindred and Merger Sub

The obligations of Kindred and merger sub to effect the merger are also subject to the satisfaction or waiver of the following conditions:

the representations and warranties of Gentiva regarding (i) corporate power and authority to enter into the merger agreement and consummate the transactions contemplated thereby, (ii) the inapplicability of the rights agreement to the merger and (iii) the absence of a material adverse effect on Gentiva since December 31, 2013 must be true and correct in all respects both as of the date of the merger agreement and as of the effective time, as if made at and as of the effective time (except that any such representation and warranty that addresses matters as of a particular date need only be true and correct as of such date);

the representations and warranties of Gentiva regarding capitalization must be true and correct in all but *de minimis* respects both as of the date of the merger agreement and as of the effective time, as if made at and as of the effective time (except that any such representation and warranty that addresses matters as of a particular date need only be true and correct as of such date);

all other representations and warranties of Gentiva must be true and correct both as of the date of the merger agreement and as of the effective time, as if made at and as of the effective time (except that any such representation and warranty that addresses matters as of a particular date need only be true and correct as of such date), except where the failure to be true and correct would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Gentiva;

Gentiva must have performed in all material respects all obligations, and complied in all material respects with the agreements and covenants required to be performed by or complied with by it under the merger agreement at or prior to the effective time;

the absence, since the date of the merger agreement, of any material adverse effect on Gentiva or any event, occurrence, fact, condition or effect that would reasonably be expected to have, individually or in the aggregate with all other events, occurrences, facts, conditions, changes and effects, a material adverse effect on Gentiva;

Gentiva must have delivered to Kindred a certificate signed on its behalf by the chief executive or chief financial officer of Gentiva, certifying as to the matters set forth in the preceding bullets; and

Gentiva must have obtained the regulatory consents and approvals described under *The Merger Regulatory Approvals* beginning on page 80, provided that, if such consents and approvals have not been previously obtained, this condition will be deemed satisfied on February 28, 2015.

Conditions to Gentiva's Obligations

The obligation of Gentiva to consummate the merger is further subject to satisfaction (or, to the extent permissible, waiver) of the following conditions:

the representations and warranties of Kindred set forth in the merger agreement regarding corporate power and authority to enter into the merger agreement and consummate the transactions contemplated thereby and conduct of business of Kindred in the ordinary course since December 31, 2013 must be true and correct in all respects both as of the date of the merger agreement and as of the effective time, as if made at and as of the effective time (except that any such representation and warranty that addresses matters as of a particular date need only be true and correct as of such date);

the representations and warranties of Kindred regarding capitalization must be true and correct in all but *de minimis* respects both as of the date of the merger agreement and as of the effective time, as if made at and as of the effective time (except that any such representation and warranty that addresses matters as of a particular date need only be true and correct as of such date);

all other representations and warranties of Kindred must be true and correct both as of the date of the merger agreement and as of the effective time, as if made at and as of the effective time (except that

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any such representation and warranty that addresses matters as of a particular date need only be true and correct as of such date), except where the failure to be true and correct would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Kindred;

Kindred must have performed in all material respects all obligations, and complied in all material respects with the agreements and covenants required to be performed or complied with by it under the merger agreement at or prior to the effective time;

the absence, since the date of the merger agreement, of any material adverse effect on Kindred or any event, occurrence, fact, condition or effect that would reasonably be expected to have, individually or in the aggregate with all other events, occurrences, facts, conditions, changes and effects, a material adverse effect on Kindred; and

Kindred must have delivered to Gentiva a certificate signed on its behalf by the chief executive or chief financial officer of Kindred, certifying as to the matters set forth in the preceding bullets.

Termination of the Merger Agreement

The merger agreement may be terminated at any time before the effective time, whether or not the Gentiva stockholders have adopted the merger agreement (except in the case of Gentiva's fiduciary termination right described below):

by mutual written agreement of Kindred, merger sub and Gentiva;

by either Kindred or Gentiva if:

the merger has not been consummated on or before the end date of March 31, 2015, unless the breach of any representation, warranty, covenant or agreement set forth in the merger agreement by the party seeking to terminate was the direct cause of the failure to consummate the merger by such date;

if any governmental entity has enacted, issued, promulgated, enforced or entered any law or order making illegal, permanently enjoining or otherwise permanently prohibiting the consummation of the merger or the other transactions contemplated by the merger agreement, and such law or order has become final and non-appealable, unless the breach of any representation, warranty, covenant or agreement set forth in the merger agreement by the party seeking to terminate was the direct cause of such action; or

the adoption of the merger agreement by the Gentiva stockholders was not obtained at the special meeting of Gentiva stockholders (or any adjournment or postponement of the meeting);

by Kindred if:

(i) there occurs a company adverse recommendation change, (ii) Gentiva has entered into, or publicly announced its intention to enter into, a company acquisition agreement (other than an acceptable confidentiality agreement), (iii) the Gentiva board of directors fails to reaffirm (publicly, if requested by Kindred) its recommendation to Gentiva stockholders to approve the merger agreement within ten business days after the date a takeover proposal is first publicly disclosed, or (iv) Gentiva or its board of directors has publicly announced its intention to do any of the foregoing; or

Gentiva breaches its representations or warranties or fails to perform any covenants or agreements set forth in the merger agreement, which breach or failure would cause the conditions to the closing relating to the accuracy of the representations and warranties of Gentiva or compliance by Gentiva with its obligations under the merger agreement not to be satisfied and such breach is incapable of being cured by March 31, 2015, provided that Kindred gives 30 days written notice of its intention to terminate the merger agreement;

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by Gentiva if:

at any time prior to the adoption of the merger agreement by Gentiva stockholders, the Gentiva board of directors authorizes Gentiva, in full compliance with the terms of the merger agreement, to enter into a written definitive agreement with respect to a superior proposal and Gentiva concurrently pays a \$32.5 million termination fee; or

Kindred or merger sub breaches its representations or warranties or fails to perform any covenants or agreements set forth in the merger agreement, which breach or failure would cause the conditions to the closing relating to the accuracy of the representations and warranties of Kindred or compliance by Kindred with its obligations under the merger agreement not to be satisfied and such breach is incapable of being cured by March 31, 2015, provided that Gentiva gives 30 days written notice of its intention to terminate the merger agreement.

Termination Fees and Expenses

Gentiva has agreed to pay Kindred a termination fee of \$32.5 million in the following circumstances:

if (i) the merger agreement is or, at the time of termination, could have been terminated, (a) at the March 31, 2015 end date, (b) if the Gentiva stockholders fail to adopt the merger agreement at the special meeting (or adjournment or postponement thereof) or (c) as a result of Gentiva's breach of its representations or warranties or failure to perform its covenants or agreements under the merger agreement, which breach or failure would cause the conditions to the closing relating to the accuracy of the representations and warranties of Gentiva or compliance by Gentiva with its obligations under the merger agreement not to be satisfied and such breach is incapable of being cured by March 31, 2015, (ii) a takeover proposal is publicly disclosed or made known to the Gentiva board of directors prior to the event that gave rise to such termination or termination right, and (iii) within 12 months after the date of such termination, Gentiva enters into a definitive agreement relating to a takeover proposal or any such transaction is consummated (provided that the fee will only be payable upon consummation of such transaction);

if (i) the merger agreement is or, at the time of termination, could have been terminated by Kindred as a result of (a) a company adverse recommendation change, (b) Gentiva's entry into, or publicly announcement of its intention to enter into, a company acquisition agreement (other than an acceptable confidentiality agreement), (c) the Gentiva board's failure to reaffirm its recommendation to Gentiva stockholders to approve the merger agreement within ten business days after the date a takeover proposal is first publicly disclosed, or (d) Gentiva or its board of directors' public announcement of its intention to do any of the foregoing, and (ii) at the time of the event giving rise to such termination there has not been a material adverse effect on Kindred; or

if at any time prior to the adoption of the merger agreement by Gentiva stockholders, Gentiva terminates the merger agreement to enter into a written definitive agreement with respect to a superior proposal.

In the event a termination fee becomes payable and is paid by Gentiva, such fee will be the sole and exclusive remedy of Kindred for monetary damages under the merger agreement.

Expenses

In general, each of Kindred and Gentiva will bear its own expenses in connection with the merger agreement and the related transactions.

Specific Performance; Damages

Kindred and Gentiva agreed that, in addition to any other remedy to which each may be entitled, the parties are entitled to an injunction to prevent breaches or threatened breaches of the merger agreement or to specifically enforce the performance of the terms and provisions of the merger agreement.

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Amendments, Extensions and Waivers

Amendments

The merger agreement may be amended by the parties at any time, whether before or after the Gentiva stockholders approve the merger, by an instrument in writing signed on behalf of each of the parties. However, after the Gentiva stockholders adopt the merger agreement, the merger agreement may not be amended if such amendment would require further approval of the Gentiva stockholders under applicable law or in accordance with rules of any self-regulatory organization. Furthermore, no amendment may be made that would adversely affect the rights of the debt commitment parties without the consent of the debt commitment parties.

Extensions and Waivers

At any time prior to the effective time, Kindred, merger sub, on the one hand, or Gentiva, on the other hand, may, if set forth in writing, extend the time for performance of any obligations of the other party, waive any inaccuracies in the representations and warranties of the other party or waive compliance with any covenants, agreements or conditions contained in the merger agreement. The failure of any party to the merger agreement to assert any of its rights under the merger agreement or otherwise will not constitute a waiver of those rights.

Voting and Support Agreement

In connection with entering into the merger agreement, Kindred entered into the voting agreement, with each of the directors and executive officers of Gentiva as set forth in Schedule A of the voting agreement, whom we refer to as the voting agreement stockholders. The following summary of the voting agreement does not purport to be complete and is subject to, and qualified in its entirety by reference to, the voting agreement attached to this proxy statement/prospectus as Annex B.

Pursuant to the voting agreement, each voting agreement stockholder agreed to, among other things, vote such stockholder's beneficially owned shares of Gentiva common stock:

in favor of the adoption of the merger agreement;

in favor of any proposal to adjourn or postpone a meeting of Gentiva stockholders in the event there are not sufficient votes to adopt the merger agreement;

against any action, proposal, transaction or agreement that relates to a takeover proposal; and

against any action, proposal, transaction or agreement that would reasonably be likely to (i) result in a breach of the merger agreement by Gentiva or of the voting agreement by a voting agreement stockholder or (ii) prevent, materially impede or materially delay Gentiva's or Kindred's ability to consummate the transactions contemplated by the merger agreement, including the merger.

As of December 15, 2014, the most recent practicable date before the mailing of this proxy statement/ prospectus, the voting agreement covered 5,754,720 shares of Gentiva common stock, or approximately 15.4% of the outstanding

shares of Gentiva common stock.

Each voting agreement stockholder also agreed to comply with certain restrictions on the disposition of such stockholder's beneficially owned shares of Gentiva common stock prior to the earlier of the expiration date of the voting agreement and the date that stockholders of Gentiva adopt the merger agreement.

The voting agreement applies to each voting agreement stockholder only in such person's capacity as a stockholder of Gentiva and does not limit the ability of the voting agreement stockholders to exercise their fiduciary duties as directors or officers of Gentiva or take any action or any inaction in their capacity as directors or officers of Gentiva. In the event of a company adverse recommendation change, only that proportion of shares owned by the voting agreement stockholders constituting 15% of the outstanding common stock of Gentiva (applied to each voting agreement stockholder pro rata) will be required to be voted in accordance with the required votes as set forth in the voting agreement.

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The voting agreement will terminate upon the earliest to occur of (1) the completion of the merger, (2) the termination of the merger agreement pursuant to and in compliance with its terms and (3) with regard to any voting agreement stockholder, the entry without the prior written consent of such voting agreement stockholder into any amendment or modification of the merger agreement, or any written waiver of Gentiva's rights under the merger agreement, in each case, which results in a decrease in, or change in the composition of, the merger consideration or an extension of the end date specified in the merger agreement or which is otherwise adverse to any such voting agreement stockholder in any material respect.

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INFORMATION ABOUT THE SPECIAL MEETING

Overview

This proxy statement/prospectus is being provided to Gentiva stockholders as part of a solicitation of proxies by the Gentiva board of directors for use at the special meeting of Gentiva stockholders and at any adjournments or postponements thereof. This proxy statement/prospectus is first being furnished to Gentiva stockholders on or about December 22, 2014. In addition, this proxy statement/prospectus constitutes a prospectus for Kindred in connection with the issuance by Kindred of Kindred common stock in connection with the merger. This proxy statement/prospectus provides Gentiva stockholders with information they need to know to be able to vote or instruct their vote to be cast at the special meeting of Gentiva stockholders.

Date, Time and Place of the Special Meeting

The special meeting of Gentiva stockholders will be held at the Renaissance Waverly Hotel, 2450 Galleria Parkway, Atlanta, Georgia 30339 on Thursday, January 22, 2015, at 3:00 p.m., local time.

Purposes of the Special Meeting

At the special meeting, Gentiva stockholders will be asked to consider and vote upon:

a proposal to adopt the merger agreement;

a proposal to approve, by advisory (non-binding) vote, certain compensation arrangements for Gentiva's named executive officers in connection with the merger; and

a proposal for adjournments of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

Gentiva stockholders must adopt the merger agreement in order for the merger to occur. If Gentiva stockholders fail to adopt the merger agreement, the merger will not occur. A copy of the merger agreement is attached as [Annex A](#) to this proxy statement/prospectus, and you are encouraged to read the merger agreement carefully and in its entirety.

Gentiva Board of Directors Recommendation

The Gentiva board of directors has unanimously determined that the merger agreement and the merger are advisable, fair to and in the best interests of Gentiva and Gentiva stockholders and has unanimously approved the merger, the merger agreement and the transactions contemplated thereby. The Gentiva board of directors unanimously recommends that you vote **FOR** the adoption of the merger agreement, **FOR** the approval, by advisory (non-binding) vote, of certain merger-related executive compensation and **FOR** the approval of adjournment of the special meeting to a later date, if necessary or appropriate, for the purpose of soliciting additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement.

Record Date; Outstanding Shares; Shares Entitled to Vote

The record date for the special meeting of Gentiva stockholders is December 19, 2014. This means that you must be a stockholder of record of Gentiva common stock at the close of business on December 19, 2014 in order to vote at the special meeting. You are entitled to receive notice of, and to vote at, the special meeting if you owned shares of Gentiva common stock at the close of business on the record date. At the close of business on December 15, 2014, the most recent practicable date before the mailing of this proxy statement/prospectus, there were 37,408,360 shares of Gentiva common stock outstanding and entitled to vote, held by approximately 3,600 holders of record. Each share of Gentiva common stock entitles its holder to one vote on all matters properly presented at the special meeting. As of December 15, 2014, the most recent practicable date before the mailing of

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this proxy statement/prospectus, the directors and executive officers of Gentiva and their affiliates owned and were entitled to vote approximately 5,718,819 shares of Gentiva common stock, representing approximately 15.3% of the shares of Gentiva common stock outstanding on that date. For further information, see *The Merger Agreement Voting and Support Agreement* beginning on page 109.

Quorum and Vote Required

A quorum of stockholders is necessary to hold a valid special meeting of Gentiva. The required quorum for the transaction of business at the Gentiva special meeting is a majority of the issued and outstanding shares of Gentiva common stock entitled to vote at the special meeting, whether in person or by proxy. Shares of Gentiva common stock represented at the special meeting but not voted, including shares of common stock for which a stockholder directs an abstention from voting, as well as broker non-votes, will be counted for purposes of establishing a quorum. Once a share of Gentiva common stock is represented at the special meeting, it will be counted for the purpose of determining a quorum at the special meeting and at any adjourned or postponed special meeting. However, if a new record date is set for the adjourned or postponed special meeting, then a new quorum will have to be established. In the event that a quorum is not present at the special meeting, it is expected that the special meeting will be adjourned or postponed.

Adoption of the merger agreement requires the affirmative vote of a majority of the outstanding shares of Gentiva common stock entitled to vote. The required vote of Gentiva stockholders on the merger agreement is based upon the number of outstanding shares of Gentiva common stock as of the record date, and not the number of shares that are actually voted. Abstentions will not be counted as votes cast in favor of the proposal to adopt the merger agreement, but will count for the purposes of determining whether a quorum is present. **If you fail to submit a proxy or to vote in person at the special meeting, or abstain, it will have the same effect as a vote AGAINST the proposal to adopt the merger agreement.**

Banks, brokerage firms or other nominees who hold shares in street name for customers have the authority to vote on routine proposals when they have not received instructions from beneficial owners. However, banks, brokerage firms or other nominees are precluded from exercising their voting discretion with respect to approving non-routine matters, such as the proposal to adopt the merger agreement, and, as a result, absent specific instructions from the beneficial owner of such shares of Gentiva common stock, banks, brokerage firms or other nominees are not empowered to vote those shares on non-routine matters. **These broker non-votes will be counted for purposes of determining a quorum, but will have the same effect as a vote AGAINST the proposal to adopt the merger agreement.**

The proposal to approve certain compensation arrangements for Gentiva's named executive officers in connection with the merger requires the affirmative vote of the holders of a majority of shares of Gentiva common stock present in person or represented by proxy and entitled to vote thereon; however, such vote is advisory (non-binding) only. If your shares of Gentiva common stock are present at the special meeting but your shares are not voted on the proposal, or if you vote to abstain on the proposal, each will have the effect of a vote **AGAINST** the merger-related compensation proposal. If you fail to submit a proxy and fail to attend the special meeting, or if your shares are held through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee to vote your shares of Gentiva common stock, your shares of Gentiva common stock will not be voted, but this will not have an effect on the advisory (non-binding) vote to approve the merger-related executive compensation except to the extent it results in there being insufficient shares present at the meeting to establish a quorum.

Approval of the adjournment or postponement of the special meeting to a later date, if necessary or appropriate, for the purpose of soliciting additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement requires the affirmative vote of the holders of a majority of the shares of Gentiva common stock present, in person or by proxy, and entitled to vote at the special meeting on that matter, even

if less than a quorum.

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For purposes of the adjournment or postponement proposal, if your shares of Gentiva common stock are present at the special meeting, but are not voted on this proposal, or if you have given a proxy and abstained on the proposal, this will have the same effect as if you voted **AGAINST** the proposal. If you fail to submit a proxy or vote in person at the special meeting, or there are broker non-votes on the issue, as applicable, the shares of Gentiva common stock not voted will not be counted in respect of, and will not have an effect on, the proposal to adjourn or postpone the special meeting.

ITEM 1 PROPOSAL TO ADOPT THE MERGER AGREEMENT

As discussed elsewhere in this proxy statement/prospectus, Gentiva stockholders are considering and voting on a proposal to adopt the merger agreement. You should carefully read this proxy statement/prospectus in its entirety for more detailed information concerning the transactions contemplated by the merger agreement, including the merger. In particular, you are directed to the merger agreement, which is attached as Annex A to this proxy statement/prospectus.

The Gentiva board of directors unanimously recommends that Gentiva stockholders vote FOR the adoption of the merger agreement, and your properly completed, signed and dated proxy will be so voted unless you specify otherwise.

ITEM 2 PROPOSAL TO APPROVE BY ADVISORY (NON-BINDING) VOTE MERGER-RELATED COMPENSATION FOR GENTIVA S NAMED EXECUTIVE OFFICERS

Under Section 14A of the Exchange Act and the applicable SEC rules issued thereunder, Gentiva is required to submit a proposal to its stockholders for an advisory (non-binding) vote to approve certain compensation that may become payable to Gentiva s named executive officers in connection with the completion of the merger. This proposal, which we refer to as the compensation proposal, gives Gentiva s stockholders the opportunity to vote, on an advisory (non-binding) basis, on the compensation that may be paid or become payable to Gentiva s named executive officers in connection with the merger as set forth in the table on page 76, including the footnotes to the table and the associated narrative discussion.

The Gentiva board unanimously recommends that the Gentiva stockholders approve the following resolution:

RESOLVED, that the stockholders of Gentiva Health Services, Inc. approve, on a non-binding, advisory basis, the compensation that will or may become payable to the named executive officers that is based on or otherwise relates to the merger, as disclosed pursuant to Item 402(t) of Regulation S-K in the Golden Parachute Compensation table and the related narrative disclosures, other than the compensation that will or may become payable pursuant to the employment agreement between Mr. Causby and Kindred.

The vote on the compensation proposal is a vote separate and apart from the vote on the approval of the merger agreement. Accordingly, you may vote to approve the merger agreement and vote not to approve the compensation proposal and vice versa. Because the vote on the compensation proposal is advisory only, it will not be binding on either Kindred or Gentiva. Accordingly, if the merger agreement is approved and adopted and the merger is completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the vote on the compensation proposal.

The approval of the compensation proposal requires the affirmative vote of the holders of a majority of shares of Gentiva common stock present in person or represented by proxy and entitled to vote thereon; however, such vote is non-binding and advisory only. If your shares of Gentiva common stock are present at the special meeting but your

shares are not voted on the proposal, or if you vote to abstain on the proposal, each will have the effect of a vote AGAINST the compensation proposal. If you fail to submit a proxy and fail to attend the special meeting, or if you hold your shares through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee to vote your shares of Gentiva common stock, your shares of

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Gentiva common stock will not be voted, but this will not have an effect on the advisory (non-binding) vote to approve the merger-related executive compensation except to the extent it results in there being insufficient shares present at the meeting to establish a quorum.

The Gentiva board of directors unanimously recommends that Gentiva stockholders vote FOR the compensation proposal.

ITEM 3 PROPOSAL TO APPROVE ADJOURNMENTS OF THE SPECIAL MEETING

Gentiva stockholders may be asked to vote on a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement.

The Gentiva board of directors unanimously recommends that Gentiva stockholders vote FOR the proposal to adjourn or postpone the special meeting under certain circumstances, and your properly completed, signed and dated proxy will be so voted unless you specify otherwise.

Stock Ownership and Voting by Gentiva's Directors and Executive Officers

At the close of business on December 15, 2014, Gentiva's directors and executive officers had the right to vote 5,718,819 shares of the then-outstanding Gentiva voting stock (excluding any shares of Gentiva common stock deliverable upon exercise or conversion of any options or deferred stock units, as the case may be) at the special meeting. At the close of business on December 15, 2014 these shares represented approximately 15.3% of the Gentiva common stock outstanding and entitled to vote at the special meeting. It is expected that Gentiva's directors and executive officers will vote their shares **FOR** the proposal to adopt the merger agreement, **FOR** the approval, by advisory (non-binding) vote, of certain compensation arrangements for Gentiva's named executive officers and **FOR** the proposal to adjourn or postpone the special meeting to a later date, if necessary or appropriate, for the purpose of soliciting additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement. Each of Gentiva's directors and executive officers has entered into the voting agreement, as described in "The Merger Agreement Voting and Support Agreement" beginning on page 109.

How to Vote

You may vote in person at the special meeting or by proxy. Gentiva recommends you submit your proxy even if you plan to attend the special meeting. If you vote by proxy, you may change your vote if you attend and vote at the special meeting.

If you own common stock in your own name, you are an owner of record. This means that you may use the enclosed proxy card(s) to direct/instruct the persons named as proxies how to vote your shares. If you properly complete, sign and date your proxy card(s) or submit your voting instructions by telephone or over the internet, your shares will be voted in accordance with your instructions. The named proxies will vote all shares at the meeting for which proxies have been properly submitted (whether by mail, telephone or over the internet) and not revoked. If you sign and return your proxy card(s) but do not mark your card(s) to direct/instruct the proxies how to vote your shares on each proposal, your shares will be voted as recommended by the Gentiva board of directors. If you receive more than one proxy card, it means that you have multiple accounts at the transfer agent and/or with brokers, banks or other nominees. Please complete, sign and return all the proxy cards you have received to ensure that all your shares are voted.

If you are an owner of record, you have three voting options:

Internet: You can vote over the internet at the web address shown on your proxy card(s). You will be prompted to enter your Control Number from your proxy card. This number will identify you as a stockholder of record. Follow the simple instructions that will be given to you to record your vote. If you vote over the internet, do not return your proxy card(s).

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Telephone: You can vote by telephone by calling the toll-free number on your proxy card(s). You will be prompted to enter your Control Number from your proxy card. This number will identify you as a stockholder of record. Follow the simple instructions that will be given to you to record your vote. If you vote by telephone, do not return your proxy card(s).

Mail: You can vote by mail by simply signing, dating and mailing your proxy card(s) in the postage-paid envelope included with this proxy statement/prospectus.

Please refer to the instructions on your proxy or voting instruction card to determine the deadlines for voting over the internet or by telephone. If you choose to vote by mailing a proxy card, your proxy card must be received by the time the special meeting begins. **Please do not send your stock certificates with your proxy card.** When the merger is completed, a separate letter of transmittal will be mailed to you that will enable you to receive the per share merger consideration in exchange for your stock certificates.

If you have any questions or need assistance voting your shares, please call MacKenzie Partners, Inc., Gentiva's proxy solicitor, toll-free at (800) 322-2885.

If you hold shares of Gentiva common stock in a stock brokerage account or through a bank, broker or other nominee, or, in other words, in street name, please follow the voting instructions provided by that entity. With respect to the proposal to adopt the merger agreement, if you do not instruct your bank, broker or other nominee how to vote your shares, your bank, broker or other nominee will not be authorized to vote with respect to this proposal and a broker non-vote will occur, which will have the same effect as a vote **AGAINST** the adoption of the merger agreement. Furthermore, if you do not instruct your bank, broker or other nominee how to vote your shares with respect to the proposal to approve certain compensation payments for Gentiva's named executive officers in connection with the merger, a broker non-vote will occur, but this will not have an effect on the advisory (non-binding) vote to approve the merger-related executive compensation except to the extent it results in there being insufficient shares present at the meeting to establish a quorum. In addition, if you do not instruct your bank, broker or other nominee how to vote your shares with respect to the proposal to adjourn or postpone the meeting to solicit further proxies to approve the proposal to adopt the merger agreement, a broker non-vote will occur, but this will not have an effect on such proposal to adjourn the special meeting.

A number of banks and brokerage firms participate in a program that also permits stockholders whose shares are held in street name to direct their vote by telephone or over the internet. If your shares are held in an account at a bank or brokerage firm that participates in such a program, you may direct the vote of these shares by telephone or over the internet by following the voting instructions enclosed with the proxy form from the bank or brokerage firm. The internet and telephone proxy procedures are designed to authenticate stockholders' identities, to allow stockholders to give their proxy voting instructions and to confirm that those instructions have been properly recorded. Votes directed by telephone or over the internet through such a program must be received by 11:59 p.m., Eastern Standard Time, on the day preceding the special meeting. Directing the voting of your shares will not affect your right to vote in person if you decide to attend the special meeting; however, you must first obtain a signed and properly executed legal proxy from your bank, broker or other nominee to vote your shares held in street name at the special meeting. Requesting a legal proxy prior to the deadline described above will automatically cancel any voting directions you have previously given by telephone or over the internet with respect to your shares.

It is important that you vote your shares of Gentiva common stock promptly. Whether or not you plan to attend the special meeting, please complete, date, sign and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope, or submit your proxy by telephone or over the internet. Gentiva stockholders who attend the special meeting may revoke their proxies by voting in person.

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Voting of Proxies

Shares of Gentiva common stock represented by duly executed and unrevoked proxies in the form of the enclosed proxy card will be voted at the special meeting in accordance with specifications made therein by the Gentiva stockholders, unless authority to do so is withheld. If no specification is made, shares represented by duly executed and unrevoked proxies in the form of the enclosed proxy card will be voted **FOR** the proposal to adopt the merger agreement, **FOR** the approval, by advisory (non-binding) vote, of certain compensation arrangements for Gentiva's named executive officers and **FOR** the proposal to adjourn or postpone the special meeting to a later date, if necessary or appropriate, for the purpose of soliciting additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement.

If your shares of Gentiva common stock are held in street name by your bank, brokerage firm or other nominee, you should instruct your bank, brokerage firm or other nominee on how to vote your shares of Gentiva common stock using the instructions provided by your bank, brokerage firm or other nominee. If you fail to submit a proxy or vote in person at the special meeting, or abstain, or do not provide your bank, brokerage firm or other nominee with voting instructions, as applicable, your shares will not be voted on the proposal to adopt the merger agreement, which will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement.

Revoking Your Proxy

If you are the owner of record of your shares, you can revoke your proxy at any time before its exercise at the special meeting by:

sending a written notice to Gentiva at Gentiva Health Services, Inc. 3350 Riverwood Parkway, Suite 1400, Atlanta, Georgia 30339, Attention: Corporate Secretary, bearing a date later than the date of the proxy, that is received prior to the special meeting and states that you revoke your proxy;

submitting your proxy again by telephone or over the internet so long as you do so before the deadline of 11:59 p.m., Eastern Standard Time, the day preceding the special meeting;

signing another proxy card(s) bearing a later date and mailing it so that it is received prior to the special meeting; or

attending the special meeting and voting in person, although attendance at the special meeting will not, by itself, revoke a proxy.

If your shares of Gentiva common stock are held in street name by your broker, you will need to follow the instructions you receive from your broker to revoke or change your proxy.

Other Voting Matters

Voting in Person

If you plan to attend the Gentiva special meeting and wish to vote in person, we will give you a ballot at the special meeting. However, if your shares are held in street name, you must first obtain from your broker, bank or other nominee a legal proxy authorizing you to vote the shares in person, which you must bring with you to the special meeting. If your shares are held in street name by your broker, bank or other nominee, and you plan to attend the special meeting, you must present proof of your ownership of Gentiva common stock such as a bank or brokerage account statement, to be admitted to the meeting.

Electronic Access to Proxy Materials

This proxy statement/prospectus is available on Gentiva's website at www.gentiva.com.

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Proxy Solicitations and Expenses

Gentiva has engaged MacKenzie Partners, Inc. to assist in the solicitation of proxies for the special meeting. Gentiva estimates that it will pay MacKenzie Partners, Inc. a fee of approximately \$25,000, and will reimburse MacKenzie Partners, Inc. for reasonable out-of-pocket expenses. Gentiva may also reimburse brokers, banks and other custodians, nominees and fiduciaries representing owners of shares held in street name for their expenses in forwarding soliciting materials to such owners of shares of Gentiva common stock and in obtaining voting instructions from those owners. Gentiva's directors, officers and employees may also solicit proxies by telephone, by facsimile, by mail, over the internet or in person, but they will not be paid any additional amounts for soliciting proxies.

Adjournment or Postponement of the Special Meeting

Although it is not currently expected, the special meeting may be adjourned or postponed, including for the purpose of soliciting additional proxies, if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement or if a quorum is not present at the special meeting. Other than an announcement to be made at the special meeting of the time, date and place of an adjourned or postponed meeting, an adjournment or postponement generally may be made without notice. Any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies will allow Gentiva stockholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting as adjourned or postponed.

Stock Certificates

Stockholders should not submit any stock certificates with their proxy cards. If the merger is completed, Gentiva stockholders will be sent written instructions for sending their stock certificates or, in the case of book-entry shares, for transferring their book-entry shares.

Other Business

The Gentiva board of directors is not aware of any other business to be acted upon at the special meeting. If, however, other matters are properly brought before the special meeting, your proxies will have discretion to vote or act on those matters according to their best judgment and they intend to vote the shares as the board of directors may recommend.

Assistance

If you need assistance in completing your proxy card or have questions regarding the special meeting, or if you need additional copies of this proxy statement/prospectus or the enclosed proxy card or voting instructions, please contact MacKenzie Partners, Inc., Gentiva's proxy solicitor, toll-free at (800) 322-2885.

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INFORMATION ABOUT GENTIVA

Gentiva is one of the nation's largest providers of home health, hospice and community care services, delivering innovative, high quality care to patients across the United States. Gentiva is a single source for skilled nursing; physical, occupational, speech and neurorehabilitation services; hospice services; social work; nutrition; disease management education; help with daily living activities; and other therapies and services.

Gentiva is a Delaware corporation with principal executive offices at 3350 Riverwood Parkway, Suite 1400, Atlanta, GA 30339-3314. The telephone number of Gentiva's executive offices is (770) 951-6450, and Gentiva's website is www.gentiva.com. Gentiva common stock is listed on NASDAQ and trades under the symbol GTIV. Additional information about Gentiva is included in documents incorporated by reference into this proxy statement/prospectus. See the section entitled "Where You Can Find More Information" beginning on page 147.

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INFORMATION ABOUT KINDRED

Kindred is a healthcare services company that through its subsidiaries operates transitional care hospitals, inpatient rehabilitation hospitals, nursing centers, assisted living facilities, a contract rehabilitation services business and a home health and hospice business across the United States. At September 30, 2014, Kindred's hospital division operated 97 transitional care hospitals (certified as long-term acute care hospitals under the Medicare program) and five inpatient rehabilitation hospitals in 22 states. Kindred's nursing center division operated 99 nursing centers and six assisted living facilities in 21 states. Kindred's rehabilitation division provided rehabilitation services primarily in hospitals and long-term care settings. Kindred's care management division (formerly known as Kindred's home health and hospice division) primarily provided home health, hospice and private duty services from 152 locations in 13 states.

Kindred is a Delaware corporation headquartered in Louisville, Kentucky. Kindred's principal offices are located at 680 South Fourth Street, Louisville, Kentucky 40202 and its telephone number is (502) 596-7300. Kindred's website is www.kindredhealthcare.com. Kindred common stock is listed on the NYSE, and trades under the symbol KND. Additional information about Kindred is included in documents incorporated by reference into this proxy statement/prospectus. See the section entitled "Where You Can Find More Information" beginning on page 147.

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INFORMATION ABOUT MERGER SUB

Kindred Healthcare Development 2, Inc., a Delaware corporation and wholly owned subsidiary of Kindred, was formed on June 13, 2014 for the purpose of commencing the tender offer. Merger sub has not carried on any activities or operations to date, except for those incidental to its formation and undertaken in connection with the tender offer and, following termination of the tender offer, the transactions contemplated by the merger agreement. By operation of the merger, merger sub will merge with and into Gentiva, with Gentiva continuing as the surviving corporation and a wholly owned subsidiary of Kindred.

Table of Contents**COMPARISON OF RIGHTS OF STOCKHOLDERS**

Both Kindred and Gentiva are incorporated under the laws of the State of Delaware and, accordingly, the rights of the stockholders of each are governed by the DGCL. Upon consummation of the merger, all outstanding shares of Gentiva common stock will be converted into the right to receive the merger consideration, which will include shares of Kindred common stock and cash. Therefore, upon completion of the merger, the rights of the former Gentiva stockholders will be governed by the DGCL, the certificate of incorporation of Kindred, and the bylaws of Kindred, as amended.

The following discussion is a summary of the current rights of Kindred stockholders and the current rights of Gentiva stockholders. While this summary includes the material differences between the two, this summary may not contain all of the information that is important to you. You are urged to carefully read this entire proxy statement/prospectus, the relevant provisions of the DGCL and the other governing documents referred to in this proxy statement/prospectus for a more complete understanding of the differences between being a stockholder of Kindred and a stockholder of Gentiva. Kindred and Gentiva have filed with the SEC their respective governing documents referenced in this summary of stockholder rights and will send copies of these documents to you, without charge, upon your request. See *Where You Can Find More Information* beginning on page 147.

Material Differences in Stockholder Rights

	GENTIVA	KINDRED
Amendment of Charter Documents	<p>Delaware. Unless a greater vote is required by a corporation's certificate of incorporation, the DGCL requires approval by a corporation's board of directors and holders of a majority of the outstanding stock of a corporation entitled to vote thereon and, in cases in which class voting is required, by holders of a majority of the outstanding shares of such class, in order to amend a corporation's certificate of incorporation.</p> <p>Amendments, alterations, changes and repeals of provisions contained in the certificate of incorporation are governed in accordance with applicable law, including the DGCL, except that holders of common stock are not entitled to vote on any amendment that solely related to powers, privileges, preferences or rights pertaining to a series of preferred stock, and does not affect the number of authorized shares of preferred stock or the powers, privileges and rights of common stock.</p>	<p>Amendments to the certificate of incorporation are governed in accordance with the DGCL, except that (1) the affirmative vote of two-thirds of the votes entitled to be cast by the holders of all outstanding shares of voting stock is required to amend, modify or repeal the article eighth of the certificate of incorporation, which governs the limitations on director liability and indemnification of directors, officers, agents and employees; (2) the affirmative vote of 95 percent of each class of voting stock, voting separately by class, is required to amend, modify or repeal the article tenth of the certificate of incorporation, which governs the relationship between Kindred and Ventas, Inc.; and (3) the affirmative vote of 95 percent of each class of voting stock, voting separately by class, is required to amend,</p>

modify or repeal the article twelfth of the certificate of incorporation, which governs any proposal by Kindred to redeem, repurchase or otherwise reacquire shares or engage in any other transaction,

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Right to Call Special Meetings of the Stockholders

Delaware. The DGCL permits special meetings of stockholders to be called by the board of directors and such other persons, including stockholders, as the certificate of incorporation or bylaws may provide. The DGCL does not require that stockholders be given the right to call special meetings.

The bylaws of Gentiva provide that special meetings of the stockholders may be called by the chairman of the board, the chief executive officer or the board of directors pursuant to a resolution approved by a majority of the directors then in office.

which would increase the beneficial ownership of Ventas, Inc. in excess of 9.99 percent.

The bylaws of Kindred provide that special meetings of the stockholders may be called by the chairman of the board, if any, pursuant to a resolution approved by a majority of the board of directors or by written request to the chairman of the board by stockholders representing in excess of 50% of the then outstanding common stock entitled to vote.

Stockholder Action Without a Meeting

Delaware. The DGCL provides that any action that may be taken at a meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if the holders of the outstanding stock having not less than the minimum number of votes otherwise required to authorize or take such action at a meeting of stockholders consent in writing, unless otherwise provided by a corporation's certificate of incorporation.

The certificate of incorporation of Gentiva prohibits action by written consent (other than for fixing the powers, privileges or rights of any class of stock by written consent of the holders of the class) and accordingly, stockholders may generally not take action without a meeting.

The certificate of incorporation of Kindred does not prohibit stockholder action by written consent and accordingly, stockholders may take action without a meeting.

Amendment and Repeal of Bylaws

Delaware. The DGCL provides that stockholders of a corporation, and, when provided for in the certificate of incorporation, the board of directors of the corporation, have the power to adopt, amend and repeal the bylaws of a corporation.

The board of directors may amend or repeal the Gentiva bylaws or adopt new bylaws by the affirmative vote of the directors then in office. The stockholders may amend or repeal the bylaws or adopt new bylaws at any annual or special meeting by the affirmative vote of the holders of a majority of the voting power of the stock issued and outstanding and entitled to vote thereon.

The board of directors may amend or repeal the Kindred bylaws or adopt new bylaws by the affirmative vote of two-thirds of the directors present at any meeting of the board, assuming a quorum is present; provided, however, that the affirmative vote of not less than 80% of all directors then in office shall be required to amend or repeal Section 2.1, which sets forth how the number of directors is determined. The stockholders may amend or repeal the bylaws or adopt new bylaws only by the affirmative vote of at least two-thirds of the then outstanding common stock entitled to

vote.

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	GENTIVA	KINDRED
Size of the Board of Directors	<p>Delaware. Under DGCL, the number of directors of a corporation shall be fixed by, or in the manner provided in, the bylaws, unless the certificate of incorporation fixes the number of directors.</p> <p>Pursuant to the Gentiva bylaws, the Gentiva board of directors shall consist of between five and twelve members, as fixed by a resolution adopted by a majority of the directors then in office.</p>	<p>Pursuant to the Kindred bylaws, the Kindred board of directors shall consist of between nine and twelve members, as fixed by the affirmative vote of not less than 80% of all directors then in office.</p>
Removal of Directors	<p>Delaware. The DGCL provides that a director or directors may be removed from office, with or without cause, by the holders of a majority of the shares then entitled to vote, except that (1) in the case of a corporation that has a classified board, directors may be removed from office by stockholders only for cause, unless the certificate of incorporation provides otherwise and (2) in the case of a corporation having cumulative voting, if less than the entire board is to be removed, no director may be removed without cause if the votes cast against such removal would be sufficient to elect such director if then cumulatively voted at an election of the entire board of directors or of the class of directors of which the director is a part.</p> <p>The certificate of incorporation and bylaws of Gentiva provide that any director may be removed from office with or without cause by the affirmative vote of the holders of at least a majority of the voting power of all shares of capital stock entitled to vote on the election of directors then outstanding, voting as a single class.</p>	<p>The certificate of incorporation and bylaws of Kindred provide that any director, or the entire board of directors, may be removed from office with or without cause but only by the affirmative vote of not less than two-thirds of the votes entitled to be cast by the holders of all outstanding shares of voting stock, voting together as one class.</p>
Provisions Affecting Business Combinations	<p>Delaware. Section 203 of the DGCL provides generally that any person who acquires 15% or more of a corporation's voting stock (thereby becoming an interested stockholder) may not engage in a wide range of business combinations with the corporation for a period of three years following the time the person became an interested stockholder, unless (1) the board of directors of the corporation has approved, prior to that acquisition time, either the business combination or the transaction that resulted in the person becoming an interested stockholder, (2) upon consummation of the transaction that resulted in the person becoming an interested stockholder, that person owned at least 85% of the corporation's voting stock outstanding at the time the transaction commenced (excluding shares owned by persons who are directors and also officers and shares owned by employee stock plans in which participants do not have the right to determine confidentially whether shares will be tendered in a tender or exchange offer), or (3) the person became an interested stockholder on or after the time the business combination is approved by the board of directors and authorized by the affirmative vote (at an annual or special meeting and not by written consent) of at least 66 $\frac{2}{3}$% of the outstanding voting stock not owned by the interested stockholder.</p>	

These restrictions on interested stockholders do not apply under certain circumstances, including, but not limited to, the following: (1) if the corporation's original certificate of incorporation contains a provision expressly electing not to be governed by Section 203 of the DGCL, or (2) if the corporation, by action of its stockholders taken with the favorable vote of

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a majority of the outstanding voting power of the corporation, adopts an

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amendment to its bylaws or certificate of incorporation expressly electing not to be governed by Section 203 of the DGCL, with such amendment to be effective 12 months thereafter, or in certain limited circumstances, immediately.

Gentiva is subject to Section 203 of the DGCL. Kindred expressly elects in its certificate of incorporation not to be governed by Section 203 of the DGCL.

Stockholder Rights Plan

Gentiva currently has a stockholder rights plan in effect, pursuant to which each share of Gentiva's common stock includes an attached preferred stock purchase right. The rights have certain anti-takeover effects. The rights will cause substantial dilution to any person or group who becomes a beneficial owner of 15% of the outstanding common stock or voting power of Gentiva without Gentiva's approval. Because the Gentiva board can redeem the rights or approve an acquisition offer, the rights generally do not interfere with any merger or other business combination approved by the board. Gentiva may amend the terms of the rights in any manner prior to the public announcement that a person or group has acquired 15% of the voting power of Gentiva.

Kindred does not currently have in effect a stockholder rights plan.

In connection with the execution of the merger agreement, Gentiva entered into an amendment to its rights agreement, pursuant to which neither Kindred nor its affiliates will be deemed an acquiring person as a result of the execution and delivery of the merger agreement, the consummation of the merger or the consummation of any of the other transactions contemplated by the merger agreement. Pursuant to the amendment, the execution of the merger agreement, the consummation of the merger, and the consummation of the transactions contemplated by the merger agreement will be deemed not to trigger the issuance or exercise of the rights. In addition, pursuant to the amendment, the rights agreement and the rights thereof will expire immediately prior to the completion of the merger.

**Public Market for
the Shares**

Gentiva common stock is traded on the
NASDAQ.

Kindred common stock is traded on the
NYSE.

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Certain Similarities in Stockholder Rights

Authorized Capital Stock Under Delaware law, every corporation may issue one or more classes of stock or one or more series of stock within any class thereof, which classes or series may have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the certificate of incorporation or in the board resolution providing for the issue of such stock adopted pursuant to authority expressly vested in the board by the provisions of the certificate of incorporation.

Gentiva's certificate of incorporation authorizes 125,000,000 shares, consisting of 100,000,000 shares of common stock, \$0.10 par value, and 25,000,000 preferred shares, \$0.01 par value. Kindred's certificate of incorporation authorizes 176,000,000 shares, consisting of 175,000,000 shares of common stock, \$0.25 par value, and 1,000,000 shares of preferred stock, \$0.25 par value.

Both companies' certificate of incorporation authorizes the board to determine the rights and preferences of preferred stock and issue such preferred stock.

Election of Directors Delaware. The DGCL provides that stockholders of a corporation do not have the right to cumulate their votes in the election of directors unless such right is granted in the certificate of incorporation of the corporation.

Each nominee for a director is elected if the votes cast for such nominee's election exceed the votes cast against such nominee's election, provided that in contested elections, directors are elected by a plurality vote of the shares present in person or represented by proxy at the meeting and entitled to vote. The stockholders do not have cumulative voting rights.

Vacancies on the Board Delaware. The DGCL provides that vacancies and newly created directorships resulting from a resignation or any increase in the authorized number of directors to be elected by the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office although less than a quorum or by a sole remaining director, unless the certificate of incorporation or the bylaws of a corporation provide otherwise.

If the office of any director becomes vacant (due to resignation, removal or otherwise), the remaining directors in office, though less than a quorum, by a majority vote, or the holders of a majority of all the shares of voting stock outstanding, may appoint any qualified person to fill such vacancy. Any directors elected or appointed to fill a vacancy shall hold office until

the next annual meeting of stockholders, and until his or her successor is elected and qualified or until his or her earlier resignation or removal.

**Notice of
Stockholders
Meetings**

Both companies have to give written notice of any meeting not less than ten nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting.

**Stockholder
Nominees for Board
of Directors**

The bylaws of both companies provide that nominations of persons for election to the board of directors may be made (a) by or at the direction of the board or (b) by any stockholder entitled to vote for the election of directors at such meeting, provided that the stockholder complies with the conditions and procedures set forth in the bylaws. Such bylaw provisions relate to, among other things, timing of nominations and the requirement to provide certain information about the proponent and nominee.

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Stockholder Proposals (other than Nomination of Candidates to the Board of Directors) The bylaws of both companies provide that a stockholder may submit matters for a stockholder meeting only if such stockholder complies with the conditions and procedures set forth in the bylaws. Such bylaw provisions relate to, among other things, the timing of submitting the proposal and the requirement to provide certain information about the proponent.

No Classified Board Neither the Kindred board of directors nor the Gentiva board of directors is divided into classes.

Director and Officer Liability and Indemnification The certificates of incorporation and/or bylaws of both companies, in compliance with DGCL, provide for the following rights with respect to the liability of directors and officers:

The directors of both companies are not liable to the company to the fullest extent permitted by Delaware law;

The companies will indemnify, to the fullest extent permitted by law, any person who incurs losses by reason of the fact that he is or was a director or officer;

Both companies will provide advances for reimbursement of expenses incurred by directors and officers in defending any action, suit or proceeding for which the company has a duty to indemnify the director or officer, subject to repayment of such expenses if it shall ultimately be determined that such person is not entitled to be indemnified; and

Both companies are entitled to purchase liability insurance for its directors, officers, employees and agents, regardless of whether any such person is otherwise eligible for indemnification by the company.

Rights of Dissenting Stockholders The DGCL provides that appraisal rights are available to dissenting stockholders in connection with certain mergers or consolidations. However, the DGCL does not provide for appraisal rights in connection with such mergers or consolidations if (1) the shares of the corporation are (a) listed on a national securities exchange or (b) held of record by more than 2,000 stockholders or (2) the corporation is the surviving corporation and no vote of its stockholders is required for the merger. However, notwithstanding the foregoing, the DGCL provides that appraisal rights will be available to the stockholders of a corporation if the stockholders are required by the terms of a merger agreement to accept for such stock anything except (1) shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect thereof, (2) shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock (or depository receipts in respect thereof) or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or held of record by more than 2,000 holders, (3)

cash in lieu of fractional shares or fractional depository receipts as described above, or (4) any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts as described above. See Summary Appraisal Rights beginning on page 17 and The Merger Gentiva Stockholders Rights of Appraisal beginning on page 83. The DGCL does not provide appraisal rights to stockholders with respect to the sale of all or substantially all of a corporation's assets or an amendment to a corporation's certificate of incorporation, although a corporation's certificate of incorporation may so provide.

The DGCL provides, among other procedural requirements for the exercise of the appraisal rights, that a stockholder's written demand for appraisal of shares must be received before the taking of the vote on the matter giving rise to appraisal rights, when the matter is voted on at a meeting of stockholders.

The appraisal rights of Kindred and Gentiva stockholders are governed in accordance with the DGCL.

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Preemptive Rights of Stockholders The DGCL provides that no stockholder shall have any preemptive rights to purchase additional securities of a corporation unless the corporation's certificate of incorporation expressly grants such rights. The certificates of incorporation of neither Kindred nor Gentiva grant any preemptive rights to their respective stockholders.

Table of Contents**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

The following unaudited pro forma condensed combined financial information is based upon the historical consolidated financial information of Kindred and Gentiva incorporated by reference in this proxy statement/prospectus, and has been prepared to reflect the merger. The unaudited pro forma condensed combined balance sheet is presented as if the merger and the related financing transactions (as defined below), which, collectively, we refer to as the Gentiva transaction, had occurred on September 30, 2014. The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2013 and for the nine months ended September 30, 2014 were prepared assuming the Gentiva transaction and other events described below occurred on January 1, 2013. The historical consolidated financial information has been adjusted to give effect to estimated pro forma events that are (1) directly attributable to the merger, (2) factually supportable and (3) with respect to the statements of operations, expected to have a continuing impact on the combined results of operations. The historical consolidated financial statements of Gentiva have been adjusted to reflect certain reclassifications to conform to Kindred's financial statement presentation. The financing transactions refer to the following transactions that have occurred or are expected to occur in connection with the merger: (i) Kindred's issuance of 172,500 tangible equity units, (ii) Kindred's issuance of 5,395,759 shares of Kindred common stock, (iii) Kindred's amendment to its existing credit facilities and planned borrowing of approximately \$164 million under Kindred's existing asset-based revolving credit facility, dated as of June 1, 2011, as amended and restated from time to time, which we refer to as the ABL facility, and (iv) Kindred's issuance of \$1.35 billion aggregate principal amount of the senior notes that closed on December 18, 2014.

In addition to those pro forma adjustments directly linked to the Gentiva transaction, the unaudited pro forma results of operations for the year ended December 31, 2013 include pro forma adjustments related to Gentiva's acquisition of Harden (which we refer to as the Harden acquisition), and the unaudited pro forma results of operations for both the year ended December 31, 2013 and the nine months ended September 30, 2014 include pro forma adjustments related to the effect of Kindred's refinancing of certain debt obligations that occurred in April 2014 (which we refer to as the April 2014 refinancing) and Kindred's common stock offering in June 2014 (which we refer to as the June 2014 equity offering).

The unaudited pro forma condensed combined financial information has been prepared for illustrative purposes only and is not necessarily indicative of the consolidated financial position or results of operations in future periods or the results that actually would have been realized had Kindred and Gentiva been a combined company during the periods specified or the other transactions as previously described.

The unaudited pro forma condensed combined financial information was derived from and should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial information and the following historical consolidated financial statements and accompanying notes of Kindred and Gentiva for the applicable periods, which are incorporated by reference in this proxy statement/prospectus:

Historical financial statements and related notes of Kindred for the year ended December 31, 2013, included in Kindred's Current Report on Form 8-K filed with the SEC on November 14, 2014, and for the nine months ended September 30, 2014, included in Kindred's Quarterly Report on Form 10-Q filed with the SEC on November 7, 2014.

Historical financial statements and related notes of Gentiva for the year ended December 31, 2013, included in Gentiva's Annual Report on Form 10-K/A filed with the SEC on November 14, 2014, and for the nine months ended September 30, 2014, included in Gentiva's Quarterly Report on Form 10-Q filed with the SEC on November 14, 2014.

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Historical financial statements of Harden for the year ended December 31, 2012 and for the nine months ended September 30, 2013, included in Gentiva's Current Report on Form 8-K/A filed with the SEC on December 23, 2013, including any related pro forma adjustments presented in the Form 8-K/A filing.

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting under existing GAAP. The acquisition accounting for certain items, including property and equipment, identifiable intangible assets, leasehold interests and noncontrolling interests, are preliminary and dependent upon certain valuations and other studies that have not been finalized and are subject to subsequent adjustments. For purposes of this unaudited pro forma condensed combined financial information, the merger consideration has been preliminarily allocated to the tangible and intangible assets being acquired and liabilities being assumed based upon current estimates of fair value. Any excess of the merger consideration over the fair value of Gentiva's identifiable net assets will be recorded as goodwill. The final allocation is dependent upon the completion of the aforementioned valuations and other analyses that cannot be completed prior to the completion of the merger. The actual amounts recorded at the completion of the merger may differ materially from the information and those differences could have a material impact on the unaudited pro forma condensed combined financial information and the combined company's future results of operations and financial performance. The unaudited pro forma condensed combined statements of operations do not include expenses and certain write-offs related to debt refinancing that Kindred expects to incur in connection with the Gentiva transaction, which are estimated to be approximately \$157 million as of the date of this proxy statement/prospectus. The unaudited pro forma condensed combined statements of operations do not reflect the cost of any integration activities or benefits from synergies that may be derived from any integration activities.

Table of Contents**Kindred Healthcare, Inc. and Gentiva Health Services, Inc.****Unaudited Pro Forma Condensed Combined Balance Sheet****As of September 30, 2014****(in thousands)**

	Historical			Pro Forma Adjustments		
	Kindred	Gentiva	Reclassifications	Merger related financing(k)	Allocation of Merger Consideration	Pro forma combined
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 81,784	\$ 114,206	\$	\$ (1,915,451)	\$	\$ 73,495
				1,792,956		
Cash-restricted	2,390					2,390
Insurance subsidiary investments	95,425					95,425
Accounts receivable less allowance for loss	980,723	285,718	(47,919)(a) 5,858(b)			1,224,380
Inventories	25,952					25,952
Deferred tax assets	57,577	24,270				81,847
Income taxes	35,779		11,435(c)	46,967		94,181
Other	42,727	48,776	(5,858)(b) (11,435)(c)			74,210
	1,322,357	472,970	(47,919)	(75,528)		1,671,880
Property and equipment, net	905,968	42,048			16,830(l)	964,846
Goodwill	995,240	374,024			(374,024)(l) 1,376,665(l)	2,371,905
Intangible assets less accumulated amortization	405,900	247,033			92,431(l)	745,364
Notes receivable from third party		25,000				25,000
Assets held for sale	2,222					2,222
Insurance subsidiary investments	158,394					158,394
Investment in Gentiva				739,312	(739,312)(m)	
Other	234,707	64,151		1,043 29,558	(1,190)(n)	303,829

				(24,440)		
Total Assets	\$ 4,024,788	\$ 1,225,226	\$ (47,919)	\$ 669,945	\$ 371,400	\$ 6,243,440
LIABILITIES AND EQUITY						
Current liabilities:						
Accounts payable	\$ 158,397	\$ 16,370	\$	\$	\$	\$ 174,767
Salaries, wages and other compensation	346,957	45,736	12,823(d)			473,376
			67,860(e)			
Deferred revenue		47,919	(47,919)(a)			
Due to third party payors	47,320		17,640(f)			64,960
Professional liability risks	66,974		10,402(g)			77,376
Other accrued liabilities	138,620		46,216(h)		(3,601)(o)	200,297
			19,014(i)			
			48(j)			
Medicare liabilities		17,640	(17,640)(f)			
Obligations under insurance programs		78,310	(10,402)(g)			
			(67,860)(e)			
			(48)(j)			
Accrued nursing home costs		19,014	(19,014)(i)			
Long-term debt due within one year	10,233	51,138		(51,138)		21,824
				11,591		
Accrued interest expense		7,788		(7,788)		
Other		59,039	(12,823)(d)			
			(46,216)(h)			
	768,501	342,954	(47,919)	(47,335)	(3,601)	1,012,600
Long-term debt	1,484,436	1,105,750		(1,124,450)	18,700(l)	3,021,508
				1,350,000		
				23,182		
				163,890		
Professional liability risks	243,496					243,496
Deferred tax liabilities	7,683	6,264			60,148(l)	74,095
Deferred credits and other liabilities	217,218	55,456		(7,741)	7,143(l)	272,076
Equity:						
Stockholders' equity:						
Common stock, par value	16,153	3,827		1,349	(3,827)(p)	19,900
				2,398		
	1,357,134	466,777		105,217	(466,777)(p)	1,775,727

Capital in excess of par value

				184,310		
				137,727		
				(4,132)		
				(4,529)		
Accumulated other comprehensive loss	(905)					(905)
Treasury stock		(19,165)			19,165(p)	
Accumulated deficit	(112,044)	(740,449)		(109,941)	740,449(p)	(221,985)
	1,260,338	(289,010)		312,399	289,010	1,572,737
Noncontrolling interests	43,116	3,812				46,928
Total equity	1,303,454	(285,198)		312,399	289,010	1,619,665
Total liabilities and equity	\$ 4,024,788	\$ 1,225,226	\$ (47,919)	\$ 669,945	\$ 371,400	\$ 6,243,440

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Information

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Kindred Healthcare, Inc. and Gentiva Health Services, Inc.

Unaudited Pro Forma Condensed Combined Statement of Operations

For the year ended December 31, 2013

(in thousands, except per share amounts)

	Historical		Gentiva Adjustments			Pro Forma Adjustments			
	Kindred	Gentiva	Reclassifications (q)	Harden Acquisition	After giving effect to reclassifications and Harden Acquisition	April 2014 Refinancing (y)	Merger related financing	Allocation of Merger Consideration	Pro forma combined
Revenue	\$ 4,835,585	\$ 1,726,644	\$	\$ 355,480	\$ 2,082,124	\$	\$	\$	\$ 6,917,709
Cost of services sold		942,180	(942,180)						
Revenue	4,835,585	784,464	942,180	355,480	2,082,124				6,917,709
Salaries, wages and benefits	2,954,663		773,500	289,399	1,536,994				4,491,657
Depreciation and amortization	322,941		85,259	15,010	107,834				430,775
Other	311,526		7,565	43,370	8,957			(1,453)(v)	362,400
Depreciation and amortization	965,760		82,713	19,548	259,049				1,224,809
Other			156,788						
Operating (income)	(1,442)		496	1,194	1,690				249
Interest expense	77,193	612,380			612,380				689,573
Other income	154,206		708	6,582	31,203			(9,304)(t)	179,755
Other			23,913					3,649(u)	
Other income	108,009	113,088		8,787	121,875	(107,130)	(121,875)(aa)		224,779
Other						94,048	129,852(aa)		
Other expense	(4,046)	(2,704)		(32)	(2,736)				(6,788)
Other expense, net of tax		706,227	(706,227)						

Table of Contents**Kindred Healthcare, Inc. and Gentiva Health Services, Inc.****Unaudited Pro Forma Condensed Combined Statement of Operations****For the nine months ended September 30, 2014****(in thousands, except per share amounts)**

	Historical		Pro Forma Adjustments				Pro forma combined
	Kindred	Gentiva	Reclassification (y)	Refinancing (z)	Merger related financing	Allocation of merger consideration	
Revenues	\$ 3,806,019	\$ 1,483,551	\$	\$	\$	\$	\$ 5,289,570
Cost of services sold		811,077	(811,077)				
	3,806,019	672,474	811,077				5,289,570
Salaries, wages and benefits	2,300,567		682,472				3,372,115
			389,076				
Supplies	242,176		68,062				313,927
			3,689				
Rent	241,449		33,467			(1,090)(v)	273,826
Other operating expenses	768,247		60,096		(5,279)(x)		941,758
			120,997		(2,303)(x)		
Other (income) expense	(741)	490	(267)				(518)
Depreciation and amortization	117,802		447			(5,287)(t)	130,325
			20,760			(3,397)(u)	
Interest expense	128,845	75,805		(82,087)	96,798(aa)		167,135
				23,579	(75,805)(aa)		
Investment income	(2,975)	(1,899)					(4,874)
Selling, general and administrative		567,722	(567,722)				
	3,795,370	642,118	811,077	(58,508)	13,411	(9,774)	5,193,694
Income from continuing operations before income	10,649	30,356		58,508	(13,411)	9,774	95,876

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taxes						
Provision for income taxes	3,582	12,499	23,023(s)	(5,277)(s)	3,900(s)	37,727
Income from continuing operations						
	7,067	17,857	35,485	(8,134)	5,874	58,149
Earnings attributable to noncontrolling interests						
	(13,729)	(170)				(13,899)
Income (loss) attributable to Kindred from continuing operations						
	\$ (6,662)	\$ 17,687	\$ 35,485	\$ (8,134)	\$ 5,874	\$ 44,250
Earnings (loss) per common share from continuing operations:						
Basic	\$ (0.12)	\$ 0.49				\$ 0.51(w)
Diluted	\$ (0.12)	\$ 0.48				\$ 0.50(w)
Shares used in computing earnings (loss) per common share:						
Basic	56,443	36,285		28,706(w)		85,149
Diluted	56,443	37,052		30,070(w)		86,513

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Information

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Notes to Unaudited Condensed Combined Pro Forma Financial Information

Note 1 Basis Of Presentation

The accompanying unaudited pro forma condensed combined financial information was prepared in accordance with the provisions of the authoritative guidance for business combinations using the acquisition method of accounting.

The accompanying unaudited pro forma condensed combined financial information presents the pro forma combined financial position and results of operations based upon the historical audited financial statements for the year ended December 31, 2013 and unaudited financial statements as of and for the nine months ended September 30, 2014, after giving effect to the Gentiva transaction, the Harden acquisition, the April 2014 refinancing and the June 2014 equity offering. The unaudited pro forma condensed combined financial information has been prepared for illustrative purposes only and does not reflect the cost of any integration activities or benefits from synergies that may be derived from any integration activities, nor does the unaudited pro forma condensed combined statements of operations include the effects of any items directly attributable to these transactions that are not expected to have a continuing impact on the combined results of operations. The effects of the April 2014 refinancing, the June 2014 equity offering and the Harden acquisition have been shown separately as these transactions have already occurred.

The accompanying unaudited pro forma condensed combined balance sheet gives effect to the Gentiva transaction as if the merger and the related financing transactions have been consummated on September 30, 2014, and includes estimated pro forma adjustments for the preliminary valuations of assets acquired and liabilities assumed. These adjustments are subject to further revision as additional information becomes available. The unaudited pro forma condensed combined statements of operations give effect to all of the above transactions as if they had been consummated on January 1, 2013.

Note 2 Preliminary Allocation of Merger Consideration

On October 9, 2014, Kindred and Gentiva entered into the merger agreement. Each share of Gentiva common stock outstanding immediately prior to the effective time (subject to certain exceptions) will be converted into the right to receive \$14.50 in cash, without interest, and 0.257 of a share of Kindred common stock. No fractional shares of Kindred common stock will be issued in the merger and Gentiva stockholders will receive cash in lieu of fractional shares. The value of the stock consideration portion of the merger consideration is subject to change based upon changes in the market price of Kindred common stock prior to the closing of the merger. The total value of the transaction, including the assumption and refinancing of Gentiva long-term debt and financing and transaction costs, is approximately \$2.1 billion.

Upon completion of the merger, Gentiva stockholders will own approximately 12% of Kindred's outstanding common stock including 5.4 million shares issued during the common stock offering and assuming 9.6 million shares issued directly to Gentiva stockholders.

Kindred has obtained a financing commitment from the debt commitment parties in connection with the merger. These funds, along with the proceeds from the issuance of the senior notes, Kindred common stock and the tangible equity units in the public market, and existing cash balances are expected to be sufficient to fund the cash consideration to Gentiva stockholders, refinance Gentiva's revolving credit, term loan facilities and notes, and pay transaction costs. Subject to certain conditions, Kindred expects to have in place approximately \$3.6 billion of long-term financing, of which \$3.0 billion is expected to be outstanding upon the consummation of the merger.

Each tangible equity unit is comprised of one share of mandatory redeemable preferred stock, Series A of Kindred (which we refer to as the mandatory redeemable preferred stock) and a prepaid stock purchase contract issued by Kindred (which we refer to as the purchase contract). The purchase contracts were recorded as capital

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in excess of par value, net of issuance costs, and the mandatory redeemable preferred stock have been recorded as long-term debt due to the mandatory redemption feature. Issuance costs associated with the debt component were recorded as deferred financing costs and are being amortized using the effective interest rate method over the term of the instrument. Proceeds from the issuance of the tangible equity units were allocated to equity and debt based on the relative fair values of the respective components of each tangible equity unit. Dividends on the mandatory redeemable preferred stock are treated as interest expense as the preferred stock is classified as debt.

An estimate of the merger consideration paid to Gentiva stockholders at the effective time and a preliminary allocation of the merger consideration to the assets to be acquired and the liabilities to be assumed follows (in thousands, except per share and per option amounts):

Estimate of Merger Consideration:

Cash consideration:	
Shares eligible at November 13, 2014 for merger consideration	37,328
Cash consideration	\$ 14.50
	541,256
Gentiva employee stock options outstanding as of November 13, 2014	1,807
Weighted average intrinsic value per outstanding Gentiva stock option as of December 3, 2014	\$ 6.28
Cash buyout of stock options	11,348
Total cash consideration	552,604
Kindred equity consideration:	
Gentiva common stock and unvested restricted stock outstanding as of November 13, 2014	37,328
Exchange ratio	0.257
Assumed Kindred common stock to be issued	9,593
Kindred closing price per share as of December 3, 2014	\$ 19.15
Stock based equity consideration	183,706
Fair value of replacement stock options	3,002
Total equity consideration	186,708
Total merger consideration	\$ 739,312

Allocation of merger consideration to assets acquired and liabilities assumed:

	Historical balances of Gentiva as of September 30, 2014	Fair value adjustments	Allocation of Merger Consideration
Cash and cash equivalents	\$ 114,206	\$	\$ 114,206

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Accounts receivable	285,718		285,718
Deferred tax assets	24,270		24,270
Other current assets	48,776		48,776
Property and equipment	42,048	16,830	58,878
Identifiable intangible assets	247,033	92,431	339,464
Other assets	89,151	(1,190)	87,961
Current portion of long-term debt	(51,138)		(51,138)
Accounts payable and other current liabilities	(291,816)	3,601	(288,215)
Long-term debt, less current portion	(1,105,750)	(18,700)	(1,124,450)
Deferred tax liabilities	(6,264)	(60,148)	(66,412)
Other liabilities	(55,456)	(7,143)	(62,599)
Noncontrolling interests	(3,812)		(3,812)
Total identifiable net assets	(663,034)		(637,353)
Goodwill	374,024		1,376,665
Net assets	\$ (289,010)		\$ 739,312

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A change of \$1 in the price of Kindred common stock would increase or decrease the equity consideration including unvested employee restricted shares and employee stock option consideration, by approximately \$10 million, which would result in a corresponding adjustment to goodwill.

The final merger consideration allocation for certain items, including property and equipment, identifiable intangible assets, leasehold interests, debt and noncontrolling interests, are preliminary and dependent upon certain valuations and other studies that have not been finalized and are subject to subsequent adjustments. The actual amounts recorded at the completion of the merger may differ materially from the information presented herein.

Note 3 Reclassification and Pro Forma Adjustments

The unaudited pro forma condensed combined financial information includes the following reclassification adjustments to conform the Gentiva balance sheet and statements of operations to Kindred's presentation, and pro forma adjustments to give effect to the April 2014 refinancing and the Gentiva transaction.

In addition, the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2013 includes pro forma adjustments to incorporate the operating results of Harden for the nine months ended September 30, 2013 as the acquisition of Harden was not consummated by Gentiva until October 18, 2013. These adjustments were included in order to incorporate a full year of Harden's operations into Gentiva's statement of operations for the year ended December 31, 2013 and should be read in conjunction with Gentiva's Form 8-K/A filed with the SEC on December 23, 2013.

Unaudited pro forma condensed combined balance sheet adjustments

- a) To reclassify \$47.9 million of Gentiva deferred revenue to accounts receivable.
- b) To reclassify \$5.9 million of Gentiva third party receivables from other current assets to accounts receivable.
- c) To reclassify \$11.4 million of Gentiva income tax receivables from other current assets to income taxes.
- d) To reclassify \$12.8 million of Gentiva accrued incentive compensation from other accrued expenses to salaries, wages and other compensation.
- e) To reclassify \$67.9 million of Gentiva workers compensation and health liabilities from obligations under insurance programs to salaries, wages and other compensation.
- f) To reclassify \$17.6 million of Gentiva Medicare liabilities to due to third party payors.
- g) To reclassify \$10.4 million of Gentiva professional liability risks from obligations under insurance programs to professional liability risks.

- h) To reclassify \$46.2 million of Gentiva other current liabilities to other accrued liabilities.
- i) To reclassify \$19.0 million of Gentiva accruals from accrued nursing home costs to other accrued liabilities.
- j) To reclassify \$0.05 million of Gentiva accruals from obligations under insurance programs to other accrued liabilities
- k) The unaudited pro forma condensed combined financial information assumes, based upon management's current expectations, that the financing transactions are completed prior to consummation of the proposed merger. Kindred expects to pay financing costs of \$29.6 million related to executing these debt instruments that will be amortized over the terms of the loans.

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For purposes of the unaudited pro forma condensed combined financial information, Kindred has assumed the Gentiva transaction financing will consist of the following:

- 1) an assumed \$122.5 million in excess cash;
- 2) an assumed \$1.35 billion aggregate principal amount of the senior notes;
- 3) the sale of 5.4 million shares of Kindred common stock at the price of \$19.75 per share resulting in gross proceeds of \$106.6 million;
- 4) the issuance of 9.6 million shares of Kindred common stock directly to Gentiva stockholders;
- 5) the sale of \$172.5 million of tangible equity units, comprised of \$34.8 million of mandatory redeemable preferred stock and \$137.7 million of purchase contracts. For accounting purposes, the purchase contracts are recorded as capital in excess of par value, net of issuance costs, and the mandatory redeemable preferred stock is recorded as long-term debt due to the mandatory redemption feature. Issuance costs associated with the debt component were recorded as deferred financing costs and are being amortized using the effective interest rate method over the term of the instrument. Proceeds from the issuance of the tangible equity units were allocated to equity and debt based on the relative fair values of the respective components of each tangible equity unit. Dividends on the mandatory redeemable preferred stock are recorded as interest expense as the preferred stock is classified as debt; and
- 6) an assumed draw of approximately \$163.9 million of Kindred's current ABL facility.

The actual terms of the Gentiva transaction financing may change materially from the assumptions described above. Changes in assumptions described above would result in changes to various components of the unaudited pro forma condensed combined balance sheet including, long-term debt and stockholders' equity, and various components of the unaudited pro forma condensed combined statements of operations, including interest expense and earnings per share. Depending upon the nature of the changes, the impact on the unaudited pro forma condensed combined financial information could be material.

Based on the assumptions outlined above, the following table outlines the anticipated sources and uses of funds (in thousands, except per share amounts):

Financing sources:

Excess cash	\$ 122,495
New debt:	
\$1.35 billion senior notes	1,350,000
Tangible equity units debt portion:	

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Long-term debt	\$ 23,182	
Current portion of long-term debt	11,591	34,773
Existing ABL facility draw		163,890
Equity exchanged and issued:		
Equity issued to open market:		
Kindred common stock, \$0.25 par value	1,349	
Capital in excess of par value	105,217	106,566
Equity exchanged:		
Kindred common stock, \$0.25 par value	2,398	
Capital in excess of par value	184,310	186,708
Tangible equity units equity portion (capital in excess of par value)		137,727
		\$ 2,102,159

Table of Contents**Financing uses:**

Consideration to acquire Gentiva (see Note 2):

Cash consideration	\$ 552,604	
Equity consideration	186,708	\$ 739,312

Retirement of Gentiva debt:

Long-term debt	1,105,750	
Current portion of long-term debt	51,138	
Call premium on Gentiva's unsecured senior notes	18,700	
Accrued interest	7,788	
Unamortized debt discount	6,368	1,189,744

Long-term debt financing fees		29,558
Tangible equity units financing fees debt portion (accounted for as deferred financing cost)		1,043
Tangible equity units financing fees equity portion (accounted for as reduction to equity)		4,132
Equity to market issuance fee (accounted for as reduction to equity)		4,529
Settlement of Gentiva's long-term incentive plan		7,741
Expenses paid at closing		126,100

\$ 2,102,159

Expenses related to merger closing:

Cash payments:

Legal and professional fees	\$ 74,100
Employee change in control payments	35,000
Bridge loan facility commitment fee	17,000

126,100

Non-cash write-offs:

Gentiva deferred financing costs	24,440
Gentiva unamortized debt discount	6,368

30,808

	156,908
Income tax benefit (1)	(46,967)

Charge to retained earnings \$ 109,941

(1) The combined company estimated statutory income tax rate of 39.35% was only applied to expenses related to the merger that are expected to be deductible for income tax purposes.

1)

To adjust the tangible and identifiable intangible assets acquired and liabilities assumed based upon preliminary estimates of fair value and eliminate historical Gentiva balances. To record a fair value adjustment related to Gentiva's unsecured senior notes of \$18.7 million based on trading value. The preliminary estimates of fair value for property and equipment and identifiable intangible assets follow (in thousands):

	Historical net book value as of September 30, 2014	Estimated fair value (1)	Estimated fair value adjustment
Property and equipment:			
Land and land improvements	\$ 595	\$ 595	\$
Buildings and improvements	8,503	15,313	6,810
Software and equipment	32,124	42,144	10,020
Construction in progress	826	826	
	\$ 42,048	\$ 58,878	\$ 16,830

- (1) Fair value is determined based upon a valuation report as of June 30, 2014, along with any subsequent additions or disposals in the period from July 1, 2014 to September 30, 2014.

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Identifiable intangible assets and liabilities:	Estimated fair value
Indefinite lived:	
Licenses and certificates of need	\$ 317,710
Finite lived:	
Trade name	17,700
Leasehold interest	2,124
Legacy non-compete agreements	1,930
	\$ 339,464
Leasehold interest liability	\$ (7,143)

The excess of the merger consideration over the fair value of Gentiva's identifiable net assets of \$1.4 billion is recorded as goodwill. See Note 2.

Adjustments to deferred tax liabilities related to the tax effect of fair value adjustments (in thousands):

Property and equipment	\$ 6,555
Identifiable intangible assets and liabilities	53,593
	\$ 60,148

- m) To allocate the total merger consideration paid to Gentiva stockholders to the assets acquired and liabilities assumed. See Note 2.
- n) To eliminate \$1.2 million of net unfavorable operating lease obligations recorded by Gentiva related to the Harden acquisition.
- o) To eliminate \$3.6 million of deferred rent liabilities related to straight-line rent accruals. In subsequent periods following the date of the merger, lease payments that are not contingent will continue to be accounted for on a straight-line basis.
- p) To eliminate the historical stockholders' equity balances of Gentiva.

Unaudited pro forma condensed combined statements of operations adjustments

- q) To reclassify Gentiva's statement of operations for the year ended December 31, 2013 to conform to Kindred's presentation (in thousands):

	Cost of services sold	Selling, general and administrative	Total expenses
Salaries, wages and benefits	\$ 773,500	\$ 474,095	\$ 1,247,595
Supplies	85,259	7,565	92,824
Rent		43,370	43,370
Other operating expenses	82,713	156,788	239,501
Other income (expense)		496	496
Depreciation and amortization	708	23,913	24,621
Selling, general and administrative expenses		(706,227)	(706,227)
Cost of services sold	(942,180)		(942,180)
	\$	\$	\$

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- r) To reclassify Gentiva's statement of operations for the nine months ended September 30, 2014 to conform to Kindred's presentation (in thousands):

	Cost of services sold	Selling, general and administrative	Total expenses
Salaries, wages and benefits	\$ 682,472	\$ 389,076	\$ 1,071,548
Supplies	68,062	3,689	71,751
Rent		33,467	33,467
Other operating expenses	60,096	120,997	181,093
Other income (expense)		(267)	(267)
Depreciation and amortization	447	20,760	21,207
Selling, general and administrative expenses		(567,722)	(567,722)
Cost of services sold	(811,077)		(811,077)
	\$	\$	\$

- s) To adjust the income tax provision to reflect the pro forma combined company estimated statutory income tax rate of 39.35%.
- t) To adjust depreciation expense based upon the estimated fair value of the property and equipment related to each asset's estimated remaining useful life (dollars in thousands):

	As of September 30, 2014			Estimated remaining useful life	Depreciation expense	
	Historical net book value	Estimated fair value adjustment	Estimated fair value		Year ended December 31, 2013	Nine months ended September 30, 2014
Land and land improvements	\$ 595	\$	\$ 595		\$	\$
Buildings and improvements	8,503	6,810	15,313	(1)	1,764	1,323
Software and equipment	32,124	10,020	42,144	4	10,536	7,902
Construction in progress	826		826			
	\$ 42,048	\$ 16,830	\$ 58,878	9	12,300	9,225
Historical Gentiva depreciation expense					21,604	14,512
Depreciation expense adjustment					\$ (9,304)	\$ (5,287)

(1) Gentiva possesses a \$3.9 million building improvement asset which is depreciated using a life of 30 years. The remaining portion of the buildings and improvements assets are depreciated using a useful life of 7 years.

u) To adjust intangible assets amortization expense based upon the estimated fair value of finite-lived intangible assets (dollars in thousands):

	As of September 30, 2014		Amortization expense	
	Estimated	Estimated	Year	Nine
	fair value	weighted	ended	months
		average	December 31,	ended
		useful life	2013	September 30,
				2014
Trade name	\$ 17,700	(1)	\$ 12,390	\$ 2,655
Legacy non-compete agreements	1,930	2.25	858	643
	\$ 19,630		13,248	3,298
Historical Gentiva amortization expense			9,599	6,695
Amortization expense adjustment			\$ 3,649	\$ (3,397)

(1) Amortization expense of 70% in year one, 20% in year two and 10% in year three is applied for the trade name based upon the assumed usage of this asset over a 3 year life.

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- v) To amortize the fair market value of leasehold interest assets and liabilities acquired over their remaining lease term in the amounts of \$1.5 million and \$1.1 million for the year ended December 31, 2013 and for the nine months ended September 30, 2014 respectively.
- w) Pro forma earnings (loss) from continuing operations per common share attributable to Kindred are based upon the weighted average number of common shares outstanding. On June 25, 2014, Kindred sold 9.0 million shares of Kindred common stock in the public market and on July 14, 2014, an additional 0.7 million shares of Kindred common stock were sold to the underwriters pursuant to the exercise of their option to purchase additional shares. While the share issuance is included in Kindred's September 30, 2014 balance sheet, for pro forma earnings (loss) per share, the earnings (loss) per share calculations assume this Kindred common stock issuance occurred on January 1, 2013. The weighted average number of shares outstanding reflect the elimination of Gentiva common stock and also includes 5.4 million shares issued during an additional Kindred common stock offering, 9.6 million shares issued directly to Gentiva stockholders, and shares related to the tangible equity units. The tangible equity units are assumed to be settled at the minimum settlement rate for weighted average shares for basic calculation of pro forma earnings (loss) from continuing operations per common share, which totaled 7.4 million shares. The diluted calculation of pro forma earnings (loss) from continuing operations per common share includes the dilutive effect of Kindred's stock options and the dilutive effect of the tangible equity units which are assumed to be settled at the maximum settlement rate, which resulted in incremental shares of 1.3 million. Kindred follows the provisions of the authoritative guidance for determining whether instruments granted in share-based payment transactions are participating securities, which requires that unvested restricted stock that entitles the holder to receive nonforfeitable dividends before vesting be included as a participating security in the basic and diluted earnings per common share calculation pursuant to the two-class method. A computation of pro forma earnings (loss) from continuing operations per common share follows for the year ending December 31, 2013 and for the nine months ended September 30, 2014 respectively (in thousands, except per share amounts).

For the year ended December 31, 2013:	Basic	Diluted
Pro forma loss:		
Loss attributable to Kindred stockholders from continuing operations:		
As reported in Unaudited Pro Forma Condensed Combined Statement of Operations	\$ (639,287)	\$ (639,287)
Allocation to participating unvested restricted stockholders		
Available to common stockholders	\$ (639,287)	\$ (639,287)
Shares used in the computation:		
Weighted average share outstanding basic computation	84,395	84,395
Dilutive effect of Kindred employee stock options		
Dilutive effect of Kindred performance-based restricted shares		
Adjusted weighted average shares outstanding diluted computation		84,395
Pro forma loss from continuing operations per common share	\$ (7.57)	\$ (7.57)

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For the nine months ended September 30, 2014:	Basic	Diluted
Pro forma earnings:		
Income attributable to Kindred stockholders from continuing operations:		
As reported in Unaudited Pro Forma Condensed Combined Statement of Operations	\$ 44,250	\$ 44,250
Allocation to participating unvested restricted stockholders	(848)	(835)
Available to common stockholders	\$ 43,402	\$ 43,415
Shares used in the computation:		
Weighted average share outstanding basic computation	85,149	85,149
Dilutive effect of tangible equity units		1,301
Dilutive effect of Kindred employee stock options		63
Adjusted weighted average shares outstanding diluted computation		86,513
Pro forma income from continuing operations per common share	\$ 0.51	\$ 0.50

- x) To eliminate \$5.3 million of direct incremental costs of the merger that are reflected in the historical statement of operations of Kindred, and to eliminate \$2.3 million of direct incremental costs of the merger that are reflected in the historical statement of operations of Gentiva.
- y) To eliminate historical interest expense and deferred financing cost amortization and recalculate interest expense based upon the new terms for the year ended December 31, 2013 related to the April 2014 refinancing (dollars in thousands):

	Interest expense	Deferred cost amortization	Total decrease to interest expense
Historical Kindred interest expense eliminated	\$ 95,243	\$ 11,887	\$ 107,130
New interest expense:			
\$750 million revolving credit facility	\$ 9,298	\$ 3,553	\$ 12,851
\$1 billion term loan	40,402	4,152	44,554
\$500 million senior unsecured notes	31,875	1,168	33,043
Interest rate swap	3,600		3,600
	\$ 85,175	\$ 8,873	\$ 94,048

Interest rates and term:	Interest rate index and margin	Assumed rate	Term (years)
\$750 million revolving credit facility (base rate)	N/A	4.50%	5
\$750 million revolving credit facility	LIBOR (1) + 2.25%	2.44%	5
\$1 billion term loan	LIBOR (2) + 3.00%	4.00%	7
\$500 million senior unsecured notes	N/A	6.38%	8
Interest rate swap	N/A	1.867%	4

- (1) LIBOR One month London Interbank Offered Rate
(2) LIBOR One month London Interbank Offered Rate with floor of 1.0%

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- z) To eliminate historical interest expense and deferred financing cost amortization and recalculate interest expense based upon the new terms for the nine months ended September 30, 2014 related to the April 2014 refinancing (dollars in thousands):

	Interest expense	Deferred cost amortization	Total decrease to interest expense
Historical Kindred interest expense eliminated	\$ 64,812	\$ 17,275	\$ 82,087

	Interest expense	Deferred cost amortization	Total increase to interest expense
New interest expense:			
\$750 million revolving credit facility	\$ 2,592	\$ 888	\$ 3,480
\$1 billion term loan	9,900	1,038	10,938
\$500 million senior unsecured notes	7,969	292	8,261
Interest rate swap	900		900
	\$ 21,361	\$ 2,218	\$ 23,579

Interest rates and term:	Interest rate index and margin	Assumed rate	Term (years)
\$750 million revolving credit facility (base rate)	N/A	4.25%	5
\$750 million revolving credit facility	LIBOR (1) + 2.00%	2.19%	5
\$1 billion term loan	LIBOR (2) + 3.00%	4.00%	7
\$500 million senior unsecured notes	N/A	6.38%	8
Interest rate swap	N/A	1.867%	4

- (1) LIBOR One month London Interbank Offered Rate
(2) LIBOR One month London Interbank Offered Rate with floor of 1.0%

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- aa) To eliminate historical interest expense and deferred financing cost amortization related to Gentiva debt obligations that will be retired at the closing date of the merger, and to add the new interest expense and deferred financing cost amortization related to new debt, which are computed as follows (dollars in thousands):

						Total decrease to interest expense
Historical Gentiva interest expense eliminated:			Interest expense	Deferred cost amortization		
Year ended December 31, 2013			\$ 91,075	\$ 30,800		\$ 121,875
Nine months ended September 30, 2014			\$ 71,033	\$ 4,772		\$ 75,805
New interest expense:	Debt borrowings	Deferred costs related to financing	Interest expense	Deferred cost amortization		Total increase to interest expense
Year ended December 31, 2013:						
\$1.35 billion senior notes	\$ 1,350,000	\$ 29,558	\$ 112,500	\$ 4,735		\$ 117,235
Tangible equity units debt portion	34,773	1,043	2,267	348		2,615
Existing ABL facility	163,890		7,477			7,477
\$1 billion term loan amendment			2,525			2,525
	\$ 1,548,663	\$ 30,601	\$ 124,769	\$ 5,083		\$ 129,852
Nine months ended September 30, 2014:						
\$1.35 billion senior notes	\$ 1,350,000	\$ 29,558	\$ 84,375	\$ 3,551		\$ 87,926
Tangible equity units debt portion	34,773	1,043	1,146	261		1,407
Existing ABL facility	163,890		5,593			5,593
\$1 billion term loan amendment			1,872			1,872
	\$ 1,548,663	\$ 30,601	\$ 92,986	\$ 3,812		\$ 96,798
Interest rates and term:	Interest rate index and margin per commitment letter	Assumed rate at closing	Term (years)			
\$750 million senior notes	N/A	8.0%	5			
\$600 million senior notes	N/A	8.75%	8			
Tangible equity units debt portion	N/A	7.5%	3			
Existing ABL facility	N/A	4.5%	5			

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LEGAL MATTERS

The validity of the Kindred common stock to be issued in the merger will be passed upon for Kindred by Joseph L. Landenwich, Esq., Kindred's Co-General Counsel and Corporate Secretary.

EXPERTS

The financial statements incorporated in this proxy statement/prospectus by reference to Kindred Healthcare Inc.'s Current Report on Form 8-K dated November 14, 2014 and the financial statement schedule and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this proxy statement/prospectus by reference to the Annual Report on Form 10-K of Kindred Healthcare, Inc. for the year ended December 31, 2013 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of RehabCare Group, Inc. as of December 31, 2010 and 2009, and for each of the years in the three-year period ended December 31, 2010, incorporated in this proxy statement/prospectus by reference to Kindred Healthcare Inc.'s Current Report on Form 8-K filed on October 4, 2011, have been incorporated by reference in reliance upon the report of KPMG LLP, independent registered public accounting firm, which report appears in Kindred Healthcare Inc.'s Current Report on Form 8-K dated October 4, 2011, incorporated by reference herein, and upon the authority of said firm as experts in auditing and accounting.

The audit report covering the December 31, 2010 consolidated financial statements of RehabCare Group, Inc. refers to the adoption of FASB Financial Accounting Standard No. 141(R), Business Combinations (included in FASB ASC Topic 805, Business Combinations), as of January 1, 2009.

The financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this proxy statement/prospectus by reference to Gentiva Health Services, Inc.'s Annual Report on Form 10-K/A for the year ended December 31, 2013 have been so incorporated in reliance on the report (which contains an explanatory paragraph relating to Gentiva Health Services, Inc.'s restatement of its financial statements as described in Note 2 to the financial statements, an adverse opinion on the effectiveness of internal control over financial reporting and an explanatory paragraph on the effectiveness of internal control over financial reporting due to the exclusion of certain elements of the internal control over financial reporting of Harden Healthcare Holdings, Inc. which Gentiva Health Services, Inc. acquired as of December 31, 2013) of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The combined financial statements of Harden Healthcare Holdings, Inc. Net Assets Sold (Certain Assets, Liabilities and Operations Related to the Harden Home Health and Hospice Divisions) incorporated by reference in Gentiva Health Services, Inc.'s Current Report on Form 8-K/A (Amendment No. 1) (Exhibits 99.1 and 99.2 only) filed on December 23, 2013, for the year ended December 31, 2012, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon, included therein, and incorporated herein by reference. Such combined financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

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The following table sets forth, as of December 15, 2014, certain information regarding the beneficial ownership of Gentiva common stock held by:

Gentiva's named executive officers;

each current director;

each beneficial owner of more than five percent of Gentiva common stock; and

all of Gentiva's executive officers and directors as a group.

For the purpose of the table, a person or group of persons is deemed to have beneficial ownership of any shares that such person or group has the right to acquire within 60 days after December 15, 2014 through the exercise of stock options or exchange or conversion rights, but such shares are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

Name of Beneficial Owner	Amount of Shares of Common Stock and Nature of Beneficial Ownership (1)(2)(3)(4)	Percent of Common Stock Owned (if more than 1%)
David A. Causby	230,005	
Jeff Shaner	214,175	
Eric R. Slusser	424,946	1.1%
Tony Strange	1,072,799	2.8%
Rodney D. Windley (5)	550,718	1.5%
Robert S. Forman, Jr. (6)	118,361	
Victor F. Ganzi (7)	173,678	
R. Steven Hicks (8)	3,226,760	8.6%
Philip R. Lochner, Jr.	43,938	
Stuart Olsten (9)	261,341	
Sheldon M. Retchin	44,938	
Raymond S. Troubh	198,739	
BlackRock, Inc. (10)		
40 East 52 nd Street		
New York, NY 10022	2,745,002	7.3%
The Vanguard Group 23 1945930 (11)	2,090,598	5.6%

100 Vanguard Blvd.

Malvern, PA 19355

North Tide Capital, LLC (12)

500 Boylston Street

Boston, MA 02116

2,000,000

5.3%

All executive officers and directors as a group (14 persons) (13)

6,971,988

18.0%

- (1) Unless otherwise indicated, the shareholders identified in this table have sole voting and investment power with respect to the shares beneficially owned by them.
- (2) Includes beneficial ownership of the following number of shares that may be acquired upon exercise of presently exercisable stock options under Gentiva's 2004 Equity Incentive Plan: Mr. Causby 59,300; Mr. Shaner 61,300; Mr. Slusser 239,600; and Mr. Strange 369,950.
- (3) Includes beneficial ownership of the following number of shares acquired and currently held under Gentiva's Employee Stock Purchase Plan, as amended: Mr. Causby 5,216; Mr. Shaner 344; and Mr. Strange 14,974.
- (4) Includes beneficial ownership of the following number of shares representing the equivalent of units deferred under Gentiva's Stock & Deferred Compensation Plan for Non-Employee Directors: Mr. Forman 43,938; Mr. Ganzi 68,245; Mr. Hicks 10,385; Mr. Lochner 43,938; Mr. Olsten 68,245; Dr. Retchin 43,938; Mr. Troubh 65,215; and Mr. Windley 35,415.

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- (5) In addition to the shares referred to in footnote (4), Mr. Windley's holdings include 54,345 shares owned directly and 460,958 shares owned indirectly through trusts.
- (6) In addition to the shares referred to in footnote (4), Mr. Forman's holdings include 72,998 shares owned directly, 25 shares owned by his wife and 1,400 shares owned by his wife's trust, as to which shares he disclaims beneficial ownership.
- (7) In addition to the shares referred to in footnote (4), Mr. Ganzi's holdings include 52,633 shares owned directly and 52,800 shares owned indirectly through a trust.
- (8) In addition to the shares referred to in footnote (4), Mr. Hicks' holdings include 2,279,698 shares owned directly, 484,715 shares owned indirectly through trusts, 441,962 shares over which he has voting control, as to which shares he disclaims beneficial ownership, and 10,000 shares owned by his wife, as to which shares he disclaims beneficial ownership.
- (9) In addition to the shares referred to in footnote (4), Mr. Olsten's holdings include 192,796 shares owned directly and 300 shares owned by his wife, as to which shares he disclaims beneficial ownership.
- (10) The amount of shares shown is derived from Form 13F filed with the SEC covering the calendar quarter ended September 30, 2014. Information as to voting and investment power with respect to such shares was not available.
- (11) The amount of shares shown is derived from Form 13F filed with the SEC covering the calendar quarter ended September 30, 2014. Information as to voting and investment power with respect to such shares was not available.
- (12) The amount of shares shown is derived from Form 13F filed with the SEC covering the calendar quarter ended September 30, 2014. Information as to voting and investment power with respect to such shares was not available.
- (13) Includes 5,718,819 shares owned directly and indirectly by current executive officers and directors, 873,850 shares that may be acquired upon exercise of presently exercisable stock options and 379,319 shares representing shares deferred as share units.

SUBMISSION OF FUTURE STOCKHOLDER PROPOSALS

Gentiva does not intend to hold an annual meeting in 2015 unless the merger is not completed.

If the merger is not completed and the Gentiva 2015 annual meeting is held, proposals of stockholders intended for inclusion in Gentiva's proxy statement and form of proxy for Gentiva's 2015 Annual Meeting of Shareholders must have been received in writing by November 25, 2014 at the Office of Secretary at Gentiva's principal executive offices located at 3350 Riverwood Parkway, Suite 1400, Atlanta, Georgia 30339. In addition, notice of any proposal that a shareholder desires to propose for consideration or the nomination of any candidate for election as a director at the 2015 Annual Meeting of Shareholders must contain information as specified in Gentiva's bylaws and must be received in writing by at the above address on or after January 7, 2015 and on or before February 6, 2015. In order for proposals of stockholders to be considered timely within the meaning of Rule 14a-4(c) under the Exchange Act, such proposals must be received by Gentiva's Secretary at the address above by February 6, 2015.

HOUSEHOLDING OF PROXY MATERIALS

Some banks, brokerage firms or other nominees may be participating in the practice of householding proxy statements. This means that only one copy of this proxy statement/prospectus may have been sent to multiple Gentiva shareholders sharing the same address. Gentiva will promptly deliver a separate copy of this proxy statement/prospectus to you if you direct your request to Office of Secretary, Telephone (770) 951-6450. If you want to receive separate copies of a Gentiva proxy statement in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, brokerage firm or other nominee, or you may contact Gentiva at the above address and telephone number.

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WHERE YOU CAN FIND MORE INFORMATION

Kindred and Gentiva separately file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any of this information filed with the SEC at the SEC's public reference room:

Public Reference Room

100 F Street NE

Room 1024

Washington, D.C. 20549

For information regarding the operation of the Public Reference Room, you may call the SEC at 1-800-SEC-0330. These filings made with the SEC are also available free to the public through the website maintained by the SEC at <http://www.sec.gov> or from commercial document retrieval services. In addition, you may obtain free copies of the documents Kindred files with the SEC by going to Kindred's website at www.kindredhealthcare.com under the heading Investors and then SEC Filings. You may obtain free copies of the documents Gentiva files with the SEC by going to Gentiva's website at www.gentiva.com under the heading Investors and then SEC Filings. The Internet website addresses of Kindred and Gentiva are provided as inactive textual references only. The information provided on the Internet websites of Kindred and Gentiva, other than copies of the documents listed below that have been filed with the SEC, is not part of this proxy statement/prospectus and, therefore, is not incorporated by reference.

Each of Kindred and Gentiva incorporates by reference into this proxy statement/prospectus the documents listed below, and any filings Kindred or Gentiva make with the SEC under Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act after the date of this proxy statement/prospectus until the date of the special meeting shall be deemed incorporated by reference into this proxy statement/prospectus. Statements contained in this proxy statement/prospectus, or in any document incorporated by reference into this proxy statement/prospectus regarding the contents of any contract or other document, are not necessarily complete and each such statement is qualified in its entirety by reference to that contract or other document filed as an exhibit with the SEC. The SEC allows Kindred and Gentiva to incorporate information into this proxy statement/prospectus by reference, which means that Kindred and Gentiva can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this proxy statement/prospectus, except for any information superseded by information contained directly in this proxy statement/prospectus. Any statement so modified or superseded will not be deemed, except as modified or superseded, to constitute a part of this proxy statement/prospectus.

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Kindred SEC Filings

The following documents, which were filed by Kindred with the SEC, are incorporated by reference into this proxy statement/prospectus (other than documents and information deemed furnished and not filed under SEC rules):

Kindred Filings (File No. 001-14057):

Annual Report on Form 10-K

Period

Fiscal year ended December 31, 2013, as filed on February 28, 2014 (certain items, including the financial statements and related audit report have been superseded by Kindred's current report on Form 8-K filed on November 14, 2014).

Quarterly Reports on Form 10-Q

Fiscal quarter ended March 31, 2014, as filed on May 9, 2014, fiscal quarter ended June 30, 2014, as filed on August 11, 2014, fiscal quarter ended September 30, 2014, as filed on November 7, 2014.

Definitive Proxy Statement on Schedule 14A

Filed on April 3, 2014.

Current Reports on Form 8-K

Filed on October 4, 2011 (Exhibits 99.3 and 99.4 only), January 2, 2014, January 16, 2014, February 4, 2014, February 21, 2014 (Item 8.01 and Exhibit 99.2 only), March 26, 2014, March 27, 2014, March 28, 2014, April 14, 2014 (excluding Item 7.01 and Exhibit 99.1), April 17, 2014, May 8, 2014 (Item 8.01 and Exhibit 99.2 only), May 15, 2014 (Item 8.01 and Exhibit 99.2 only), May 23, 2014, June 3, 2014, June 16, 2014 (SEC Accession No. 0001193125-14-237656), June 16, 2014 (SEC Accession No. 0001193125-14-237710) (Item 8.01 and Exhibit 99.1 only), June 20, 2014, June 25, 2014, July 25, 2014, August 7, 2014 (Item 8.01 and Exhibit 99.2 only), October 9, 2014 (Item 8.01 only), October 14, 2014, October 23, 2014 (other than any portion of any documents not deemed to be filed); October 23, 2014, October 31, 2014, November 3, 2014, November 6, 2014 (SEC Accession No. 0001193125-14-398918), November 6, 2014 (SEC Accession No. 0001193125-14-399781) (Item 8.01 and Exhibit 99.2 only), November 12, 2014 (Item 1.01 only), November 14, 2014 (including a recast presentation of certain sections of Kindred Healthcare, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2013), November 20, 2014, November 25, 2014, December 8, 2014, December 12, 2014, December 15, 2014, December 17, 2014 and December 18, 2014.

Description of Kindred common stock contained in Kindred's Current Report on Form 8-K filed with the SEC on June 16, 2014.

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You can obtain a copy of any document incorporated by reference into this proxy statement/prospectus except for the exhibits to those documents from Kindred. You may also obtain these documents from the SEC or through the SEC's website referred to above. Documents incorporated by reference are available from Kindred without charge, excluding all exhibits unless specifically incorporated by reference as an exhibit into this proxy statement/prospectus. You may obtain documents incorporated by reference into this proxy statement/prospectus by requesting them in writing or by telephone from Kindred at the following address and telephone number:

Kindred Healthcare, Inc.
680 South Fourth Street
Louisville, Kentucky 40202
(502) 596-7300

If you would like to request documents, please do so by January 14, 2015, to receive them before the special meeting. If you request any of these documents from Kindred, Kindred will mail them to you by first-class mail, or similar means.

Gentiva SEC Filings

The following documents, which were filed by Gentiva with the SEC, are incorporated by reference into this proxy statement/prospectus (other than documents and information deemed to have been furnished and not filed under SEC rules):

Gentiva Filings (File No. 001-15669):	Period
Annual Report on Form 10-K/A	Fiscal year ended December 31, 2013, as filed on November 14, 2014.
Quarterly Reports on Form 10-Q or 10-Q/A	Fiscal quarter ended March 31, 2014, as filed on November 14, 2014 (Form 10-Q/A), fiscal quarter ended June 30, 2014, as filed on August 11, 2014 and Form 10-Q/A, as filed on August 13, 2014, and fiscal quarter ended September 30, 2014, as filed on November 14, 2014.
Definitive Proxy Statement on Schedule 14A	Filed on March 25, 2014.
Current Reports on Form 8-K	Filed on December 23, 2013 (Amendment No.1) (Exhibits 99.1 and 99.2 only), February 6, 2014, March 4, 2014, May 7, 2014, May 13, 2014, May 19, 2014, May 23, 2014, July 9, 2014, August 5, 2014, October 14, 2014 and November 6, 2014 (other than any portion of any documents not deemed to be filed).

You can obtain a copy of any document incorporated by reference into this proxy statement/prospectus, except for the exhibits to those documents, from Gentiva. You may also obtain these documents from the SEC or through the SEC's website described above. Documents incorporated by reference are available from Gentiva without charge, excluding all exhibits unless specifically incorporated by reference as an exhibit into this proxy statement/prospectus. You may

obtain documents incorporated by reference into this proxy statement/prospectus by requesting them in writing or by telephone from Gentiva at the following address and telephone number:

Gentiva Health Services, Inc.

Office of Secretary

3350 Riverwood Parkway, Suite 1400

Atlanta, Georgia 30339

(770) 951-6450

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If you would like to request documents, please do so by January 14, 2015, to receive them before the special meeting. If you request any of these documents from Gentiva, Gentiva will mail them to you by first-class mail, or similar means.

Kindred has supplied all information contained in or incorporated by reference into this proxy statement/prospectus relating to Kindred and its affiliates, and Gentiva has supplied all information contained in or incorporated by reference into this proxy statement/prospectus relating to Gentiva and its affiliates.

You should rely only on the information contained in, or incorporated by reference into, this proxy statement/prospectus in voting your shares at the special meeting, as applicable. Neither Kindred nor Gentiva has authorized anyone to provide you with information that is different from what is contained in this proxy statement/prospectus. This proxy statement/prospectus is dated December 18, 2014. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any other date, and neither the mailing of this proxy statement/prospectus to Gentiva stockholders nor the consummation of the merger will create any implication to the contrary.

THIS PROXY STATEMENT/PROSPECTUS DOES NOT CONSTITUTE THE SOLICITATION OF A PROXY IN ANY JURISDICTION TO OR FROM ANY PERSON TO WHOM OR FROM WHOM IT IS UNLAWFUL TO MAKE SUCH PROXY SOLICITATION IN THAT JURISDICTION. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE INTO THIS PROXY STATEMENT/PROSPECTUS TO VOTE YOUR SHARES OF GENTIVA COMMON STOCK AT THE SPECIAL MEETING. KINDRED HAS NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT FROM WHAT IS CONTAINED IN THIS PROXY STATEMENT/PROSPECTUS. THIS PROXY STATEMENT/PROSPECTUS IS DATED DECEMBER 18, 2014. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROXY STATEMENT/PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THAT DATE, AND THE MAILING OF THIS PROXY STATEMENT/PROSPECTUS TO STOCKHOLDERS DOES NOT CREATE ANY IMPLICATION TO THE CONTRARY.

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ANNEX A

AGREEMENT AND PLAN OF MERGER

among

GENTIVA HEALTH SERVICES, INC.

and

KINDRED HEALTHCARE, INC.

and

KINDRED HEALTHCARE DEVELOPMENT 2, INC.

dated as of

October 9, 2014

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