

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: August 2, 2007

Subject: Kindred Healthcare, Inc. (KND) - New 100 Share Option Contracts

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Please be advised that new 100 share KND options will be available for trading on Thursday, August 2, 2007.  
The list of strike prices and symbols available for trading is as follows:

Kindred Healthcare, Inc. (KND) (Beginning 8/2/2007) (100 Shares KND)					Kindred Healthcare, Inc. - 2009 LEAPs (OXK) (Beginning 8/2/2007) (100 Shares KND)				
			Calls	Puts				Calls	Puts
KND	AUG	17 1/2	HW	TW	OXK	JAN	17 1/2	AW	MW
KND	AUG	20	HD	TD	OXK	JAN	20	AD	MD
KND	AUG	22 1/2	HX	TX	OXK	JAN	22 1/2	AX	MX
KND	SEP	17 1/2	IW	UW					
KND	SEP	20	ID	UD					
KND	SEP	22 1/2	IX	UX					
					Kindred Healthcare, Inc. - 2010 LEAPs (WKC) (Beginning 8/2/2007) (100 Shares KND)				
KND	NOV	17 1/2	KW	WW				Calls	Puts
KND	NOV	20	KD	WD	WKC	JAN	17 1/2	AW	MW
KND	NOV	22 1/2	KX	WX	WKC	JAN	20	AD	MD
KND	JAN	17 1/2	AW	MW	WKC	JAN	22 1/2	AX	MX
KND	JAN	20	AD	MD					
KND	JAN	22 1/2	AX	MX					

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-1508.