

NEWS

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NHC to Pay 18 Cents Per Share Dividend

MURFREESBORO, Tenn. -- National HealthCare Corporation (AMEX: NHC), one of the nation's oldest long-term health care companies, announced today that it will pay a quarterly dividend of 18 cents per common share to shareholders of record on September 29 and payable on December 1, 2006.

NHC operates for itself and third parties 74 long-term health care centers with 9,155 beds. NHC also operates 30 homecare programs, six independent living centers and assisted living centers at 22 locations. NHC's other services include managed care specialty medical units, Alzheimer's units, hospice and a rehabilitation services company. Other information about the company can be found on our web site at www.NHCcare.com.

Statements in this press release that are not historical facts are forward-looking statements. NHC cautions investors that any forward-looking statements made involve risks and uncertainties and are not guarantees of future performance. All forward-looking statements represent NHC's best judgment as of the date of this release.

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NATIONAL HEALTHCARE CORPORATION