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NHC Announces Preferred Dividend and an 8.3% Increase in Common Dividend

MURFREESBORO, Tenn. – National HealthCare Corporation (NYSE Amex: NHC, NHC.PR.A), one of the nation's oldest long-term health care companies, announced today that it will pay a quarterly dividend of 20 cents per preferred share to shareholders of record on June 16, 2009 and payable on July 15, 2009. The Board of Directors has also declared a quarterly cash dividend of \$.26 per common share to shareholders of record on June 30, 2009 and payable on September 1, 2009. This represents an 8.3% increase over last quarter's common dividend.

NHC operates, through various subsidiaries, for itself and third parties, 76 long-term health care centers with 9,772 beds. NHC also operates, through subsidiaries, 32 homecare programs, seven independent living centers and 23 assisted living centers. NHC's other services include Alzheimer's units, long-term care pharmacies, hospice, a rehabilitation services company, and providing management and accounting services to third parties. 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.