



NATIONAL HEALTHCARE CORPORATION

For release: May 9, 2011
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NHC Announces a 7.1% Increase in Common Dividend and Announces Preferred Dividend

MURFREESBORO, Tenn. -- National HealthCare Corporation (NYSE Amex: NHC, NHC.PRA), one of the nation's oldest long-term health care companies, announced today the Board of Directors has declared a quarterly cash dividend of 30 cents per common share to shareholders of record June 30, 2011 and payable on September 1, 2011. This represents a 7.1% increase over last quarter's common dividend.

The Company will also pay a quarterly dividend of 20 cents per preferred share to shareholders of record on June 15, 2011 and payable on July 15, 2011.

Forward-Looking Statements

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. The risks and uncertainties are detailed from time to time in reports filed by NHC with the S.E.C., including Forms 8-K, 10-Q and 10-K, and include, among others, the following: liabilities and other claims asserted against us and patient care liabilities, as well as the resolution of current litigation; availability of insurance and assets for indemnification; national and local economic conditions; including their effect on the availability and cost of labor, utilities and materials; the effect of government regulations and changes in regulations governing the healthcare industry, including our compliance with such regulations; changes in Medicare and Medicaid payment levels and methodologies and the application of such methodologies by the government and its fiscal intermediaries, the ability of third parties for whom we have guaranteed debt to refinance certain short term debt obligations; and other factors referenced or incorporated by reference in the S.E.C. filings. The risks included here are not exhaustive. All forward-looking statements represent NHC's best judgment as of the date of this release.

About NHC

NHC affiliates operate for themselves and third parties 76 long-term health care centers with 9,548 beds. NHC affiliates also operate 36 homecare programs, six independent living centers and 16 assisted living communities. 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.