

National HealthCare Corporation

Tax ID: 52-2057472

The dividends paid by National HealthCare Corporation which are reportable for tax purposes to recipients for 2011 should be characterized as follows for Form 1099-DIV:

Common CUSIP NO. 635906100

| Record Date | 12/31/10 | 3/31/11 | 6/30/11 | 9/30/11 | Total |
|---------------------------------|----------|---------|---------|---------|-------|
| Payment Date | 3/1/11 | 6/1/11 | 9/1/11 | 12/1/11 | |
| Gross Dividends | .28 | .28 | .30 | .30 | 1.16 |
| Box 1a-Total Ordinary Dividends | .28 | .28 | .30 | .30 | 1.16 |
| Box 1b-Qualified Dividends | .28 | .28 | .30 | .30 | 1.16 |

PREFERRED CUSIP NO. 635906209

| Record Date | 12/15/10 | 3/15/11 | 6/15/11 | 9/15/11 | Total |
|---------------------------------|----------|---------|---------|----------|-------|
| Payment Date | 1/17/11 | 4/15/11 | 7/15/11 | 10/17/11 | |
| Gross Dividends | .20 | .20 | .20 | .20 | .80 |
| Box 1a-Total Ordinary Dividends | .20 | .20 | .20 | .20 | .80 |
| Box 1b-Qualified Dividends | .20 | .20 | .20 | .20 | .80 |