



NATIONAL HEALTH REALTY, INC.

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NHR Extends NHC Lease through 2017

MURFREESBORO, Tenn. -- National Health Realty, Inc. (AMEX: NHR), today announced the extension of its agreement through 2017 to lease seven long-term care centers, six assisted living centers and one retirement center to National HealthCare Corporation (NHC).

The initial term of the lease was previously scheduled to expire on December 31, 2007. The lease extension is on the same terms as the original lease except that the extended lease clarifies the procedures by which NHC as tenant can make bed additions at existing centers.

NHR owns the real property of 16 skilled nursing facilities, six assisted living centers and one retirement center. NHR also owns first and second mortgage notes totaling \$13.4 million. These notes are secured by operating skilled nursing facilities and other health care properties. Additional information including NHR's most recent press releases may be obtained on NHR's web site at www.nationalhealthrealty.com. The company trades on the American Stock Exchange with the symbol NHR.

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