NEWS RELEASE

# Chartwell Announces First Quarter 2009 Results

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MISSISSAUGA, ONTARIO--(Marketwire - May 14, 2009) - Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today results for the three months ended March 31, 2009.

HIGHLIGHTS:

- Same property NOI stable compared to last year, despite some challenging markets

- General, administrative and trust expenses, excluding Special Committee and severance related costs, declined to 2.3% of revenues

- AFFO of $21.9 million ($0.21 per unit), up from $16.0 million ($0.16 per unit) last year

- Normalized FFO of $24.0 million ($0.23 per unit), up from $18.7 million ($0.19 per unit) last year

- Continued progress on CMHC-insured mortgage renewals generates significant interest expense savings

Operating Performance

Same Property Net Operating Income ("NOI"), excluding foreign exchange impact, decreased marginally by 0.8% for the quarter ended March 31, 2009 compared to the same period in the prior year. The implementation of the rent increases on renewals and turnovers combined with targeted cost reduction initiatives and tight management of controllable expenses offset the impact of reduced occupancies compared to 2008.

Occupancies in Ontario remained stable with last year's first quarter, and we expect improvements through the

balance of the year as significant waiting lists for long-term care results in increased demand for retirement suites. Alberta performed well in the quarter maintaining essentially full occupancy, while temporary oversupply conditions in two British Columbia markets resulted in lower occupancies in that region. Performance in the Quebec portfolio continues to strengthen, and we anticipate occupancies of close to 90% by year end. The U.S. portfolio experienced challenges due to the slow economy and seasonal factors, and we are implementing cost reduction initiatives to mitigate the lower occupancies while at the same time sourcing new property management contracts to augment cash flow.

Mezzanine loan interest for the three months ended March 31, 2009 was $2.6 million compared to $3.0 million for the same period in the prior year. The decline was due to lower balances of mezzanine loans outstanding. Income from Chartwell's Canadian management operations in the first quarter of 2009 decreased to $1.1 million compared to $1.3 million in the prior year. We anticipate development management fees will continue to decline in 2009.

For the first quarter of 2009 General and Administrative ("G&A") expenses, as a percentage of revenue, declined to 2.3% compared to 2.7% for the same period in 2008, excluding advisory services and other costs related to the Board of Trustees' Special Committee and severance costs.

"Overall, our properties performed well in the quarter given the challenging economic environment, with occupancies that continue to exceed industry averages in the majority of our markets," commented Brent Binions, President and CEO. "Looking ahead, we expect to see improved performance in our Ontario, Quebec and B.C. retirement portfolios as our proven sales and marketing strategies enhance occupancies and our ongoing efforts to develop new cost control initiatives improve operating income. We are also cautiously optimistic that our U.S. portfolio will stabilize through the balance of the year. Longer term, we are confident we will benefit from the defensive nature of the seniors housing market and the strong reputation we have developed for high levels of care and service throughout North America."

Funds from Operations ("FFO") and Adjusted Funds from Operations ("AFFO"):

For the three months ended March 31, 2009, FFO increased to $19.3 million ($0.19 per unit diluted) from $18.9 million ($0.19 per unit diluted) in the first quarter of 2008. FFO and FFO per unit were positively affected by increased contribution from the property portfolio primarily due to incremental contribution from the properties acquired subsequent to January 1, 2008 and the positive impact of foreign exchange rates.. In addition, the current income tax expense in the first quarter of 2009 was approximately $1.0 million lower than in the prior year's first quarter due to the restructuring of one of Chartwell's subsidiary limited partnerships to ensure that it is no longer subject to SIFT tax. FFO in the first quarter of 2009 was negatively impacted by certain one-time severance cost of approximately $1.1 million and reduced mezzanine loan interest and fee income.

Normalized Funds from Operations, which excludes the effects of straight-line operating lease expense and unrealized foreign exchange gains and losses, were $24.0 million ($0.23 per unit diluted) in the first quarter of 2009 compared to $18.7 million ($0.19 per unit diluted) in the same period last year.

For the quarter ended March 31, 2009, AFFO was $21.9 million ($0.21 per unit diluted) compared to $16.0 million ($0.16 per unit diluted) for the same period in 2008. The increase in AFFO in the first quarter of 2009 is due primarily to a realized foreign exchange gain of $4.9 million, a reduction in current income taxes, and improved contributions from property-based AFFO. These increases were partially offset by lower mezzanine loan interest income and higher G&A expenses primarily related to the one-time severance cost of approximately $1.1 million.

Financial Position

As at March 31, 2009, Chartwell's debt to gross book value ratio was 55.8% (62.1% including convertible debentures). The average term to maturity for its mortgage portfolio was 8.3 years with a contractual weighted average interest rate of 5.54%.

During the first quarter of 2009, Chartwell refinanced $65 million of 2009 maturing mortgage debt with three to five year CMHC-insured mortgages with a weighted average interest rate of 3.43%, considerably lower than average rate on the maturing mortgages. Chartwell has $113.9 million (8.5% of total debt) and $81.2 million (6.1% of total debt) of mortgage debt maturing in 2009 and 2010 respectively. Approximately 64% and 47% the remaining maturing mortgages in 2009 and 2010 respectively are CMHC-insured. Maturing debt through to 2012 relates exclusively to Chartwell's Canadian property portfolio, and there are no maturities of U.S. debt until 2013. Management expects to renew or replace the maturing mortgages in the normal course.

Financial Highlights

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| Period Ended March 31, | Three Months | |
|---|---|---|
| ($000s except per unit amounts) | 2009 | 2008 |

| | | |
|---|---|---|
| Net Loss | (13,945) | (11,521) |
| Net Loss per unit (diluted) | (0.14) | (0.13) |
| Funds from Operations | 19,309 | 18,900 |
| Funds from Operations per unit (diluted) | 0.19 | 0.19 |
| Normalized Funds from Operations | 23,956 | 18,702 |

Normalized Funds from Operations per unit (diluted) 0.23 0.19 Adjusted Funds from Operations

| | |
|---|---|
| 21,908 | 16,013 |

Adjusted Funds from Operations per unit (diluted) 0.21 0.16 Distributions declared

| | |
|---|---|
| 16,399 | 20,307 |
| Distributions declared per unit | 0.1850 | 0.2392 |

Weighted average units outstanding (diluted) 102,053 100,368 ----------

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Chartwell's financial statements, including its Management's Discussion and Analysis, are available at **www.chartwellreit.ca**. A detailed list of Chartwell's property portfolio can also be obtained under "Property List" in the "Investor Relations" section of the web site.

Investor Conference Call

A conference call hosted by Chartwell's senior management team will be held Friday, May 15, 2009 at 10:00 AM ET. The telephone numbers for the conference call are: Local (416) 849-5562 or Toll Free: (866) 269-7096. The conference call can also be heard over the Internet. Access the Chartwell REIT web site at **www.chartwellreit.ca**, click on "Investor Relations" and follow the link at the top of the page. A slide presentation to accompany management's comments during the conference call will be available. To view the slides, access the Chartwell web site at **www.chartwellreit.ca**, click on "Investor Relations" and follow the link at the top of the page. Please log on at least 15 minutes before the call commences.

The telephone numbers to listen to the call after it is completed (Instant Replay) are local (416) 915-1035 or toll-free (866) 245-6755. The Passcode for the Instant Replay is 494566#. The Instant Replay will be available until midnight, May 22, 2009. The call, along with the companying slides, will also be archived on the Chartwell REIT web site at **www.chartwellreit.ca**.

Chartwell is a real estate investment trust focused on generating sustainable, stable and growing cash distributions from owning and managing a complete range of seniors housing communities. It is one of the largest participants in the North American seniors housing business. Chartwell 's aim is to capitalize on the strong demographic trends present in its markets to maximize the value of its existing portfolio of seniors housing facilities, and prudently avail itself of opportunities to grow internally and through accretive acquisitions. Chartwell also has an exclusive option to purchase stabilized communities from Spectrum, a senior's housing development company.

Chartwell's Distribution Reinvestment Plan (DRIP) allows Unitholders to have their monthly cash distributions used to purchase units without incurring commission or brokerage fees, and receive bonus units equal to 3% of their monthly cash distributions. More information can be obtained at **www.chartwellreit.ca**.

This press release contains forward-looking information that reflect the current expectations of management about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "believe", "project", "should" or "continue" or the negative thereof or similar variations. Forward-looking statements are based upon a number of assumptions and are subject to a number of known and unknown risks and uncertainties, many of which are beyond Chartwell's control that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements.

While we anticipate that subsequent events and developments may cause our views to change, we do not have an intention to update this forward-looking information, except as required by applicable securities laws. This forward-looking information represents our views as of the date of this press release and such information should not be relied upon as representing our views as of any date subsequent to the date of this document. We have attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimated expressed or implied by the forward-looking information. However, there may be other factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are not intended to represent a complete list of the factors that could affect us. See "Risks and Uncertainties" in our MD&A and risk factors highlighted in materials filed

with the securities regulatory authorities in Canada from time to time, including but not limited to our most recent annual information form.

Funds from Operation, Normalized Funds from Operations, Adjusted Funds from Operations and Net Operating Income are not measures recognized under GAAP and do not have a standardized meaning prescribed by GAAP. They are presented because management believes these non-GAAP measures are relevant measures of Chartwell's performance. Funds from Operations, Normalized Funds from Operations, Adjusted Funds from Operations and Net Operating Income as computed by Chartwell may differ from similar computations as reported by other organizations and, accordingly, may not be comparable to those reported by such organizations. Detailed descriptions of these terms are contained in Chartwell's Management Discussion and Analysis, available at **www.sedar.com**.

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