NEWS RELEASE

Chartwell Announces Second Quarter 2008 Results and Updated Outlook for 2008

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MISSISSAUGA, ONTARIO--(Marketwire - Aug. 12, 2008) - Chartwell Seniors Housing Real Estate Investment Trust (TSX:CSH.UN) announced today results for the three and six months ended June 30, 2008.

SECOND QUARTER OPERATING HIGHLIGHTS:

- Property portfolio continues to generate solid performance

-- Property revenues up 14.1% over last year's second quarter

-- Same property revenues rise 4.0% on increased rents, occupancies and new services

-- Total same property Net Operating Income ("NOI") rises 6.9%

-- Canadian retirement portfolio same property NOI up 4.8%

-- Stable same property NOI from our Canadian long-term care portfolio

-- U.S. portfolio same property NOI up 11.8%

-- Weighted average occupancy, excluding internal growth suites, rises to 93.0%

-- Same property operating margins improve to 33.2%

FINANCIAL HIGHLIGHTS:

- General, administrative and trust expenses, excluding Special Committee and related costs, decline to 2.9% of revenues

- Average term to maturity on mortgage portfolio strong at 9.1 years

- Weighted average contractual interest rate reduced to 5.7%

- 2008 and 2009 mortgage maturities limited to Canada only; no U.S. debt maturity exposure until 2013

- Conservative leverage ratio, before convertible debentures, of 54.3%

- No balance outstanding on operating credit facility

- $37.3 million cash on hand at June 30, 2008

Strong Property Revenue Growth

For the three months ended June 30, 2008, total revenues increased 11.8% to $174.7 million compared to $156.3 million for the same period in 2007. Property revenues were up 14.1% due primarily to contributions from acquisitions completed over the last twelve months, and a 4.0% increase in same property revenues resulting from increased rents, new resident services, increased occupancies and internal growth initiatives as compared to the same period last year.

For the six months ended June 30, 2008, total revenues increased 18.5% to $349.0 million compared to $294.6 million for the same period in 2007. Property revenues were up 21.3% due primarily to contributions from acquisitions completed over the last twelve months, and a 4.2% increase in same property revenues resulting from increased rents, new resident services, increased occupancies and internal growth initiatives as compared to the same period last year.

Chartwell's total portfolio, including suites owned, managed, in lease-up, or in various stages of development, consisted of interests in 37,401 suites in 271 seniors housing communities as at June 30, 2008. Its owned and leased portfolio consisted of interests in 28,389 suites in 202 communities at June 30, 2008. Occupancies for the existing stabilized portfolio, excluding internal growth suites, remained strong at 93.0% in the second quarter and 93.2% for the first six months of 2008 compared to 92.8% for the same periods last year.

Mezzanine loan interest before yield adjustments in the second quarter of 2008 increased by 1.6% compared to the

same period last year due to higher loan balances outstanding in 2008. For the first six months of 2008, mezzanine loan interest before yield adjustments increased by 1.6% compared to the same period last year.

For Chartwell's Canadian management operations, revenues before yield adjustments increased by $0.8 million in the second quarter of 2008 compared to the same period in 2007, due primarily to higher fees from Spectrum, ING and other third-parties. For the first half of 2008, revenues from Chartwell's Canadian management operations before yield adjustments decreased by $0.8 million compared to the same period last year.

"Our programs aimed at generating strong organic growth are proving effective, and we look for further increases in revenues going forward," commented Stephen Suske, CEO and Vice Chair. "We are confident our commitment to providing the highest levels of care and service will result in continued strong occupancies and increasing average rents over the long term, while the introduction of innovative new services in our communities will also contribute to our growth."

Solid Operating Performance

For Chartwell's Canadian retirement operations, same property net operating income for the three months ended June 30, 2008 rose 4.8% to $23.5 million, due primarily to revenue growth, contributions from internal growth projects, and benefits generated by new cost management programs implemented in mid-2007. For the first six months of 2008, same property NOI for the Canadian retirement operations increased 3.7% to $45.5 million. Acquisitions contributed $2.8 million and $5.8 million respectively, in NOI for the three and six month periods ended June 30, 2008. Excluding internal growth suites which are in lease-up, weighted average occupancies for the three and six months ended June 30, 2008 were 92.2% and 92.4% respectively, compared to 91.6% and 92.2% for the same respective periods last year.

For Chartwell's Canadian long-term care operations, same property net operating income remained stable at $3.2 million for the second quarter of 2008. For the first half of 2008, same property NOI for the Canadian long-term care operations increased 1.8% to $5.9 million. Acquisitions completed subsequent to January 1, 2007 contributed $2.2 million in NOI for the second quarter of 2008 and $4.0 million for the six months ended June 30, 2008. The weighted average occupancy for the three and six months ended June 30, 2008 was 96.9% and 97.2% compared to 98.1% and 96.9% respectively, for the same periods in 2007.

Chartwell's U.S. operations contributed approximately $22.9 million to net operating income for the quarter ended June 30, 2008. For the six months ended June 30, 2008, Chartwell's U.S. operations contributed approximately U.S.$46.4 million to net operating income. Same property net operating income in the U.S. portfolio increased 11.8% and 12.0% respectively, to U.S.$15.3 million and U.S.$30.7 million for the three and six months ended June 30, 2008, primarily due to regular annual rent increases. Challenging conditions in the U.S. economy, credit and

housing markets had a negative effect on the performance of the U.S. portfolio in the second quarter as weighted average occupancies declined from 93.3% in the first quarter to 92.8% in the second quarter.

"While the majority of our growth platforms are generating solid performance, we are closely monitoring the U.S. market as economic and other challenges appear to now be impacting our performance. However, over the longer term, we expect we will continue to capitalize on our increased size and scale while prudently reducing our costs, and benefiting from the strong demographic trends in all of our markets," Mr. Suske added.

General and Administrative ("G&A") expenses, as a percentage of revenue, improved to 2.9% for the three months ended June 30, 2008 compared to 3.0% for the same period last year, after excluding advisory services and other costs related to the Board of Trustees' Special Committee. For the six months ended June 30, 2008, G&A expenses, excluding the above items, as a percentage of revenues improved to 2.9% compared to 3.1% for the same period last year.

Funds from Operations ("FFO") increased 53.2% to $16.5 million ($0.16 per unit diluted) in the second quarter of 2008 and 43.4% to $35.4 million ($0.35 per unit diluted) for the six months ended June 30, 2008 compared to $10.8 million ($0.11 per unit diluted) and $24.7 million ($0.28 per unit diluted) respectively, for the same periods last year. FFO and FFO per unit in the second quarter and first half of 2008 were affected by a number of factors, including:

- Lower unrealized foreign exchange losses of $4.7 million ($0.05 per unit diluted) resulted in increased FFO for the second quarter of 2008 compared to the second quarter of 2007. For the first six months of 2008 changes in unrealized foreign exchange gains and losses increased FFO by $8.2 million ($0.08 per unit diluted) for the first half of 2008, compared to the same period of last year. These unrealized gains and losses are predominantly related to cross-border U.S. dollar denominated loans used to finance the Chartwell's U.S. operations.

- Amortization of financing costs and debt mark-to-market adjustments, and accretion on the convertible debentures combined, reduced FFO by $0.4 million in the second quarter of 2008 and $1.1 million ($0.01 per unit diluted) for the first six months of 2008.

- A reduction in the current income tax provision related to SIFT tax rules increased FFO by $0.2 million ($0.01 per unit diluted) in the second quarter of 2008 and $0.7 million ($0.01 per unit diluted) for the first six months of 2008.

- FFO in the second quarter and first six months of 2008 reflected strong, positive contributions from Chartwell's property portfolio due to improved occupancies, rate increases, and cost management programs.

Normalized funds from operations, which excludes the effect of foreign exchange losses on intercompany debt, straight line lease expense adjustments and SIFT tax expenses, were $18.5 million ($0.18 per unit diluted) for the

three months ended June 30, 2008 compared to $18.1 million ($0.19 per unit diluted) for the same period last year. For the six months ended June 30, 2008, normalized funds from operations were $37.2 million ($0.37 per unit diluted) compared to $35.0 million ($0.39 per unit diluted) for the same period last year.

Adjusted Funds from Operations ("AFFO") is FFO adjusted for straight line adjustments to lease expense, the amortization of below-market leases, the principal portion of capital subsidies receivable, amounts received under net operating income guarantees, the amortization of debt mark-to-market adjustments and deferred financing costs, financing fees and capital maintenance reserves. For the three months ended June 30, 2008, AFFO was $17.1 million ($0.17 per unit diluted) compared to $16.1 million ($0.17 per unit diluted) for the same period last year. For the six months ended June 30, 2008, AFFO was $33.1 million ($0.33 per unit diluted) compared to $31.1 million ($0.35 per unit diluted) for the same period last year. AFFO in the first half of 2008 has been impacted by many of the same factors that reduced FFO as outlined above.

Solid Financial Position

Chartwell's balance sheet remained solid at quarter-end. As at June 30, 2008, Chartwell's leverage of debt to the gross book value of its assets was 54.3% (61.1% including convertible debentures). The average term to maturity for its mortgage portfolio was 9.1 years, stable in comparison to the end of 2007, with a contractual weighted average interest rate of 5.72% . Chartwell has 5.8% and 9.9% of its debt maturing in 2008 and 2009, respectively. Of the remaining maturities in 2008 and 2009, 58% and 86%, respectively are CMHC insured. Maturing debt in 2008 and 2009 relates only to Chartwell's Canadian property portfolio. There are no maturities of U.S. debt until 2013. Management expects to renew or replace all expiring mortgages in the normal course. As of June 30, 2008 Chartwell had no balances outstanding on its operating credit facility and $37.3 million in cash.

Updated outlook for 2008

For the first six months of 2008 Chartwell has achieved its AFFO per unit targets and generated strong same property NOI growth. However, due to uncertain economic and market conditions in certain regions and delays in acquisitions and the recognition of development fees, management now expects that pre-tax AFFO per unit through the second half of the year will be lower than originally estimated. Chartwell now expects that pre-tax AFFO per unit diluted for the full 2008 year will be in the range of $0.69 to $0.71.

The following factors have contributed to the revision of management's guidance for the year:

- While Chartwell has achieved strong growth in same property NOI in its U.S. operations, we believe weak economic, housing and credit market conditions began to affect occupancies in June. Our occupancy levels exceed industry averages and our strong U.S. management team is implementing innovative programs driving both top

and bottom line improvement. However, with the uncertain economic climate in the U.S., we are less confident that our double-digit same property NOI growth will continue in the last half of the year and are revising our targets downward for our U.S. portfolio for the last half of the year.

- Chartwell's Canadian platforms continue to perform strongly compared to historic results and are achieving or exceeding management's expectations. However, due to construction related delays in completing the repositioning of certain Quebec communities combined with increased competition in certain regional Quebec markets, management now believes the results for the Quebec platform will not achieve expected targets for the last half of 2008.

- The commencement of certain development projects and the recognition related to development fees has been delayed for longer than originally anticipated. In addition, the acquisition of certain Spectrum and Melior development projects originally expected to close in 2008 are now expected to be delayed beyond 2008.

- Strong performance in our Ontario and Western Canada retirement homes and long term care communities combined with lower G&A spending is expected to partially offset the challenges noted above.

"Looking ahead, we are optimistic that our innovative marketing strategies and cost control initiatives will result in improved performance in our U.S. portfolio as the market conditions stabilize. As well, our U.S. management team has sourced new development and property management contracts and continues to explore further opportunities to augment future earnings in our U.S. management operations."

"In Quebec, the vast majority of our suite renovation and repositioning projects are now complete, more competitive, and in lease up. We anticipate we will see improved overall occupancy in the Quebec portfolio, beginning this quarter with the complete recovery expected over the course of 2009."

"Finally, we believe that when the reorganization process at Spectrum is complete, Chartwell will resume its development activities at a moderate pace. In addition, five Spectrum projects have now achieved stabilization, with another five nearing this milestone, and we are evaluating the purchase of these state-of-the-art properties to enhance our growth and the quality and average age of our portfolio," Mr. Suske concluded.

Financial Highlights:

Period Ended June 30,	Three Months		Six Months	
($,000 except per unit amounts)	2008	2007	2008	2007
Revenues:				
Property Revenue	$ 167,920	$ 147,105	$ 334,307	$ 275,560
Mezzanine Loan Interest	2,418	4,051	5,446	7,408
Management and Other Fees	2,257	1,485	4,596	5,351
Other Income	2,103	3,658	4,698	6,322
Total Revenues	$ 174,698	$ 156,299	$ 349,047	$ 294,641
Net Loss	(12,872)	(31,153)	(24,393)	(40,283)
Net Loss per Unit (diluted)	$ (0.14)	$ (0.36)	$ (0.27)	$ (0.50)
Funds from Operations	16,524	10,785	35,424	24,699
Funds from Operations per Unit (diluted)	$ 0.16	$ 0.11	$ 0.35	$ 0.28
Normalized Funds from Operations	18,543	18,113	37,245	35,004
Normalized Funds from Operations per Unit (diluted)	$ 0.18	$ 0.19	$ 0.37	$ 0.39
Adjusted Funds from Operations	17,071	16,123	33,084	31,128
Adjusted Funds from Operations per Unit (diluted)	$ 0.17	$ 0.17	$ 0.33	$ 0.35
Distributions declared	18,436	26,186	42,220	48,181

Distributions declared per Unit	$ 0.19	$ 0.27	$ 0.42	$ 0.53
Weighted Avg Units Outstanding (diluted)	101,219,260	95,903,843	100,794,363	89,654,177

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.

Chartwell is an investment trust focused on generating sustainable, stable and growing cash distributions from owning and managing a complete spectrum of seniors housing communities. It is the largest participant in the Canadian seniors housing business and the third largest in North America. Chartwell will 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, Canada's largest and fastest growing seniors 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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