NEWS RELEASE

Chartwell Announces Second Quarter 2011 Results

2011-08-12

MISSISSAUGA, ONTARIO -- (MARKET WIRE) -- 08/12/11 -- Chartwell Seniors Housing Real Estate Investment Trust (TSX: CSH.UN) ("Chartwell") announced today results for the three and six months ended June 30, 2011.

Q2 2011 Highlights

- Improved quality of earnings with 94% of AFFO coming from core property operations.
- Improved same property NOI and occupancy.
- Strong financial position with improving interest coverage and indebtedness ratios.
- New U.S. property manager and acquisition of remaining 50% interest in U.S. portfolio extends strategy to consolidate U.S. interests.

"We continue to make progress on our key strategic priorities - improving our operating performance and efficiency, enhancing the quality of our cash flows, and strengthening our financial position," commented Brent Binions, President and CEO. "Looking ahead, we remain optimistic that our Canadian operations will continue to generate solid performance. We experienced positive occupancy trends in our U.S. markets through June and July, however, the recent economic and market data indicate a slower economic recovery and greater market volatility than previously expected. We are confident that our strong financial and liquidity position will enable us to weather this potential volatility."

"In addition, as disclosed earlier this month, the recent announcement by the U.S. Center for Medicare and

Medicaid Services on funding for nursing homes in the United States will have no impact on Chartwell's cash flows as none of our U.S. properties are affected by the funding reductions," Mr. Binions added.

Financial Highlights

	Three Months Ended June 30		Six Months Ended June 30	
	2011	2010	2011	2010
Adjusted Funds from Operations ("AFFO") (000s) (1)	$ 21,876	$ 21,216	$ 42,126	$ 41,004
AFFO per unit diluted (1)	$ 0.15	$ 0.16	$ 0.29	$ 0.31
Funds from Operations ("FFO") (000s) (1)	$ 24,047	$ 23,587	$ 46,697	$ 45,500
FFO per unit diluted (1)	$ 0.17	$ 0.18	$ 0.32	$ 0.34
Distributions declared (000s)	$ 19,571	$ 17,558	$ 39,083	$ 35,095
Distributions declared per unit	$ 0.14	$ 0.14	$ 0.27	$ 0.27
Distributions declared as a percentage of AFFO	89.5%	82.8%	92.8%	85.6%
Weighted average number of units outstanding, diluted (000s)	145,577	130,553	145,283	130,464

(1) AFFO, AFFO per unit diluted, FFO and FFO per unit diluted are measures used by management in evaluating operating performance. Please refer to the cautionary statements under the heading "Non-IFRS Measures" in this press release.

AFFO in the second quarter of 2011 was $21.9 million ($0.15 per unit diluted) compared to $21.2 million ($0.16 per unit diluted) in the second quarter of 2010. For the six-month period ended June 30, 2011, AFFO was $42.1 million

($0.29 per unit diluted) compared to $41.0 million ($0.31 per unit diluted) in the same period of 2010. Incremental contributions from the property portfolio, due to acquisitions completed in the prior year and lower interest expense due to the redemption of $125 million of convertible debentures in the fourth quarter of 2010, were offset by lower mezzanine loan interest and management fee income as well as higher General, Administrative and Trust ("G&A") expenses primarily related to continuing information technology investments and the added costs of the Harmonized Sales Taxes ("HST"). Per unit amounts were impacted by the 11.5% increase in the weighted average number of units outstanding compared to the prior year.

In the second quarter of 2011, FFO increased to $24.0 million ($0.17 per unit diluted) from $23.6 million ($0.18 per unit diluted) in the second quarter of 2010. For the six-month period ended June 30, 2011, FFO increased to $46.7 million ($0.32 per unit diluted) from $45.5 million ($0.34 per unit diluted) in the prior year. In addition to the items discussed above, FFO has also been impacted by changes in the amortization of financing costs and the fair value adjustments on mortgages payable.

Operating Performance

	Three Months Ended June 30			Six Months Ended June 30		
	2011	2010	Increase/ (Decrease)	2011	2010	Increase/ (Decrease)
Same Property Occupancy (1)	89.8%	89.7%	0.1 pp	90.0%	89.8%	0.2 pp
Same Property Net Operating Income ("NOI") (000s) (2) (3)	$ 42,902	$ 42,607	$ 295	$ 84,777	$ 84,570	$ 207
G&A expenses (000s)	$ 6,381	$ 5,966	$ 415	$ 12,542	$ 11,544	$ 998
G&A as a percentage of revenue	3.4%	3.4%	-	3.4%	3.4%	-
Net Loss (000s)	$(18,848)	$ (2,121)	$ (16,727)	$(37,312)	$(20,898)	$ (16,414)

(1) pp = percentage points
(2) NOI is a measure used by management in evaluating operating performance. Please refer to the cautionary statements under the heading "Non-IFRS Measures" in this press release.
(3) Excludes the effects of foreign exchange on U.S. dollar revenue.

Same property weighted average occupancy in the three and six months ended June 30, 2011 was slightly higher than occupancy in the same periods of 2010. Strong occupancy growth in the United States, Western Canada and Quebec were offset by a decline in Ontario occupancy.

Same property NOI improved by $0.3 million and $0.2 million for the three and six months ended June 30, 2011, respectively, compared to the same periods of 2010. Strong same property NOI growth in Canadian retirement operations, as a result of higher ancillary revenues and successful expense control, was offset by a reduction in NOI in U.S. operations due to higher operating costs in certain jurisdictions as a result of regulatory requirements, and higher investments in sales and marketing to drive increased occupancy.

G&A expenses increased by $0.4 million and $1.0 million in the three and six months ended June 30, 2011, respectively, compared to the same periods of 2010. The increases are primarily due to higher investments in information technology and added HST costs. The implementation of HST on July 1, 2010 has impacted both property operating and G&A expenses in 2011 by approximately $0.5 million in the second quarter and by approximately $1.0 million for the six months ended June 30, 2011.

In addition to the items discussed above, the net loss for the three and six months ended June 30, 2011 was impacted by higher depreciation and amortization charges resulting from acquisitions, an impairment of $8.5 million recorded in Q2 2011, changes in deferred income tax expense / recovery, and changes in the fair value of certain financial liabilities.

Strong Financial Position

At June 30, 2011, cash on hand amounted to $11.7 million and the unused borrowing capacity on the Credit Facility was $21.2 million.

At June 30, 2011, the Indebtedness Ratio was 55.2% (57.5% including convertible debentures), compared to 55.3% (57.7% including convertible debentures) at December 31, 2010. The Interest Coverage Ratio for the three and six months ended June 30, 2011 was 1.92x and 1.89x, respectively, an improvement from the 1.88x and 1.86x Interest Coverage Ratios in the same periods of 2010. The average term to maturity of the mortgage portfolio was stable at

7.3 years with a contractual weighted average interest rate of 5.43%.

In the second quarter of 2011, Chartwell renewed its Credit Facility for an additional 364-day period expiring on June 24, 2012. The size of the Credit Facility was increased by $10 million to $85 million and the amounts outstanding on the Credit Facility will bear interest at the bank's prime rate plus 1.65% or at the applicable banker's acceptance rate plus 2.65%.

Recent Developments

In June 2011, Chartwell announced that management of 45 of its properties in the U.S. is being transferred to Brookdale Senior Living Inc. ("Brookdale") as a result of Brookdale's acquisition of Horizon Bay Realty LLC, whose affiliates had managed these properties. Chartwell is working with Brookdale to simplify and restructure the existing management relationships to improve alignment with the new manager.

Subsequent to June 30, 2011, Chartwell entered into an agreement to acquire a 50% interest in a 15-property portfolio in the U.S. from ING Real Estate Community Living Group ("ING") to bring its total ownership in such properties to 100%. The purchase price of U.S. $169.0 million will be partially settled by an assumption of ING's share of mortgages on these properties with an outstanding balance of U.S. $135.8 million as of June 30, 2011, bearing a weighted average interest rate of 6.27% with a weighted average term to maturity of approximately 4.5 years. The remainder of the purchase price of approximately U.S. $33.2 million is expected to be paid in cash utilizing Chartwell's Credit Facility.

"These initiatives are in line with our stated strategy to consolidate our interests in the United States," Mr. Binions added. "With our proven new property manager, and 100% ownership in the majority of our U.S. portfolio, we are better able to act on opportunities in this market going forward."

Subsequent to June 30, 2011, Chartwell completed the sale of one non-core property located in Quebec. The sale price was $70.0 million of which $1.5 million was set aside in escrow to provide the purchaser with income protection until the expiration of current resident incentives and the achievement of 97% occupancy for three consecutive months. The purchaser assumed the existing mortgage financing on the property in the amount of approximately $47.0 million. The net proceeds from the sale of $21.5 million were used by Chartwell to repay amounts outstanding on its Credit Facility.

Subsequent to June 30, 2011, Chartwell arranged new financing on one of its previously unencumbered properties in the amount of $23.9 million. The new mortgage bears interest at 5.15% and matures in August 2021. The proceeds from this financing were also used to repay amounts outstanding on the Credit Facility.

Chartwell's financial statements, including its Management's Discussion and Analysis ("MD&A"), are available at **www.chartwellreit.ca**. A detailed list of Chartwell's property portfolio can also be obtained under "Supplementary Information" 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 Monday, August 15, 2011 at 9:00 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 by accessing the Chartwell website at **www.chartwellreit.ca**, clicking on "Investor Relations" and following the link at the top of the page. A slide presentation to accompany management's comments during the conference call will be available on the website. 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 263087. The call, along with the accompanying slides, will also be archived on the Chartwell website at **www.chartwellreit.ca**.

Chartwell is a real estate investment trust which indirectly owns and operates a complete range of seniors housing communities from independent supportive living through assisted living to long term care. It is one of the largest participants in the seniors housing business in North America. 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 communities, and prudently avail itself of opportunities to grow internally and through accretive acquisitions.

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**.

Forward-Looking Information

This press release contains forward-looking information that reflects the current expectations, estimates and projections of management about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry. The words "plans", "expects", "does not expect", "is expected", "budget", "scheduled", "estimates", "intends", "anticipates", "does not anticipate", "projects", "believes" or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "would", "might", "occur", "be achieved" or "continue" and similar expressions identify forward-looking statements. 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 our control, and 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 intend 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 2010 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.

Non-IFRS Measures

FFO, AFFO, and NOI are not measures defined by International Financial Reporting Standards ("IFRS"). They are presented because management believes these non-IFRS measures are relevant and meaningful measures of Chartwell's performance. FFO, AFFO and NOI as computed may differ from similar computations as reported by other issuers and may not be comparable to those reported by such issuers. Chartwell's Q2 2011 MD&A contains a reconciliation of Net Income/Loss to FFO and the calculation of AFFO for the three and six months ended June 30, 2011. Detailed descriptions of these terms are contained in Chartwell's 2010 MD&A, available at **www.sedar.com**.

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Source: Chartwell Seniors Housing REIT