NEWS RELEASE

Chartwell Announces First Quarter 2013 Results

2013-05-02

MISSISSAUGA, ONTARIO--(Marketwired - May 2, 2013) - Chartwell Retirement Residences ("Chartwell") (TSX:CSH.UN) annou

Highlights

-- Adjusted funds from operations ("AFFO") up 24.3%
-- Same property net operating income ("NOI") up 0.6% as occupancy grows to 89.5%
-- Balance sheet debt metrics continue to improve

"We continue making solid progress in the areas of operations, sales, marketing and information technology," commented Brent Binions, President and CEO. "Although our first quarter results reflect higher attrition rates and higher resident move-in incentives in our Canadian retirement portfolio, we believe that this impact will be short term in nature and that our results will improve in the remainder of 2013 based on the continued execution of our corporate-wide initiatives."

Financial Highlights

Three months ended March 31	2013	2012
AFFO (1) ($000s)	$ 27,625	$ 22,217
AFFO per unit diluted (1)	$ 0.16	$ 0.15

Funds from operations ("FFO") (1) ($000s)	$ 31,147	$ 25,512
FFO per unit diluted (1)	$ 0.18	$ 0.17
Distributions declared ($000s)	$ 23,433	$ 19,774
Distributions declared per unit	$ 0.14	$ 0.14
Distributions declared as a percentage of AFFO	84.8%	89.0%
Weighted average number of units outstanding, diluted (000s)	186,344	153,153

(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 first quarter of 2013 was $27.6 million ($0.16 per unit diluted) compared to $22.2 million ($0.15 per unit diluted) in the first quarter of 2012, representing an increase of 24.3%. Growth in AFFO was primarily driven by incremental contribution from the property portfolio due to acquisitions and higher management fee income from the Maestro properties acquired in 2012, offset by higher general, administrative and Trust ("G&A") expenses and higher interest expenses.

FFO in the first quarter of 2013 increased to $31.1 million ($0.18 per unit diluted) from $25.5 million ($0.17 per unit diluted) in the first quarter of 2012, representing an increase of 22.1%. In addition to the items discussed above, FFO in the first quarter of 2013 was impacted by changes in the amortization of financing costs and debt mark-to-market adjustments.

Operating Performance

Three months ended March 31	2013	2012	Increase/ (Decrease)
Same property occupancy (1)	89.5%	89.0%	0.5pp
Same property NOI (2) (3) ($000s)	$ 55,499	$ 55,187	$ 312
G&A expenses ($000s)	$ 7,876	$ 6,363	$ 1,513
G&A expenses as a percentage of revenue (1)	3.4%	3.1%	0.3pp

Net income/(loss) ($000s)	$ 37,145	$ (48,363)	$ 85,508

(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 the U.S. dollar.

Same property weighted average occupancy for the three months ended March 31, 2013 improved to 89.5% compared to the 89.0% in same period last year, with all operating platforms posting occupancy gains.

Same property NOI increased by 0.6% compared to the first quarter of 2012. The Canadian retirement portfolio same property NOI decreased 3.6% compared to the same period last year as occupancy improvements and higher ancillary services revenue were offset by higher move-in incentives and higher staffing costs incurred to provide additional services to our residents and to respond to new regulatory requirements. The Canadian long term care portfolio generated a solid 4.3% increase in same property NOI primarily due to higher government funding and increased preferred accommodation rates offset by higher utility costs. The U.S. same property portfolio delivered strong NOI growth of 7.0% in the first quarter of 2013 primarily due to improved occupancies, regular annual rental rate increases and strong expense controls.

G&A expenses increased by $1.5 million for the three months ended March 31, 2013 compared to the same period last year primarily due to costs incurred to support significant growth in the Canadian property portfolio as well as increased investments in training, education, employee recognition and information technology.

In addition to the items discussed above, the net income for the three months ended March 31, 2013 was impacted by the gain realized on the sale of the Bristal portfolio, the depreciation of properties, the amortization of limited life intangibles, changes in fair value of financial instruments and unrealized foreign exchange gains and losses and transaction related costs.

Financial position

At March 31, 2013 cash on hand was $17.3 million, and the available borrowing capacity on Chartwell's credit facility was $44.8 million. Interest coverage ratio for the three months ended March 31, 2013 improved to 2.08 compared to 1.92 in the same period of last year. As of March 31, 2013, Net Debt to Adjusted EBITDA Ratio improved to 8.6 from 9.4 at March 31, 2012, and Indebtedness Ratio was 53.6% (57.1% including convertible debentures) compared to 54.3% (57.9% including convertible debentures) at December 31, 2012. The average term to maturity of the

mortgage portfolio was 6.0 years with a contractual weighted average interest rate of 5.17%.

Chartwell's financial statements, including its MD&A, are available at **chartwell.com** and on SEDAR at **sedar.com**. A detailed list of Chartwell's property portfolio can also be obtained under "Supplementary Information" in the "Investor Relations" section of the Chartwell website.

Investor Conference Call

A conference call hosted by Chartwell's senior management team will be held Friday, May 3, 2013 at 10:00 AM ET. The telephone numbers for the conference call are: Local: (647) 788-4940 or Toll Free: (855) 223-9384. The conference call can also be heard over the Internet by accessing the Chartwell website at **www.chartwell.com**, 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: (404) 537-3406 or Toll Free: (855) 859-2056. The Passcode for the Instant Replay is 34152710#. The call, along with the accompanying slides, will also be archived on the Chartwell website at **www.chartwell.com**.

About Chartwell

Chartwell is a real estate investment trust which indirectly owns and operates a complete range of residences 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 retirement residences, 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.chartwell.com**.

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 estimates 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 the 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, FFO per unit diluted, AFFO, AFFO per unit diluted, NOI, Interest Coverage Ratio, Indebtedness Ratio and Net Debt to Adjusted EBITDA Ratio 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, NOI, Interest Coverage Ratio, Indebtedness Ratio and Net Debt to Adjusted EBITDA Ratio as computed may differ from similar computations as reported by other issuers and may not be comparable to those reported by such issuers. Chartwell monitors its operations on a line-by-line consolidation basis and as such, includes its share of amounts from joint ventures. Detailed descriptions of these non-IFRS measures are contained in Chartwell's Q1 2013 MD&A, available at **sedar.com**.

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Source: Chartwell Retirement Residences