NEWS RELEASE

Chartwell Announces First Quarter 2014 Results

2014-05-08

MISSISSAUGA, ONTARIO--(Marketwired - May 8, 2014) - Chartwell Retirement Residences ("Chartwell") (TSX:CSH.UN) annou

Highlights

-- Adjusted funds from operations ("AFFO") up 8.7%
-- Same property net operating income ("NOI") up 2.4%
-- Same property occupancy 89.5%

"We delivered strong operating results in the first quarter of 2014, despite the unusually harsh winter conditions," commented Brent Binions, President and CEO. "Looking forward, we are confident that the progress we are making in our strategic operations, information technology and sales and marketing initiatives will result in significant long-term value creation for our unitholders."

Financial Highlights

($000s, except per unit amounts)	Three months ended March 31 2014	2013
AFFO (1)	30,019	27,625

AFFO per unit diluted (1)(2)	0.17	0.16
Funds from operations ("FFO") (1)	33,688	31,147
FFO per unit diluted (1)(2)	0.19	0.18
Distributions declared	23,666	23,433
Distributions declared per unit	0.14	0.14
Distributions declared as a percentage of AFFO	78.8%	84.8%

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.
2. Includes dilutive effect of convertible debentures.

AFFO in the first quarter of 2014 was $30.0 million ($0.17 per unit diluted) compared to $27.6 million ($0.16 per unit diluted) in the first quarter of 2013, representing an increase of 8.7%. Growth in AFFO was primarily driven by NOI growth and interest cost savings in the same property portfolio, a SIFT tax recovery of $2.2 million, a $1.2 million reversal of previously-recorded provision for impairment of mezzanine loans and favourable fluctuations in foreign exchange rates partially offset by the impact of non-core asset sales and higher general, administrative and Trust ("G&A") expenses.

FFO in the first quarter of 2014 increased to $33.7 million ($0.19 per unit diluted) from $31.1 million ($0.18 per unit diluted) in the first quarter of 2013, representing an increase of 8.2%. 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

($000s, except occupancy rates and percentage of revenue)	Three months ended March 31 2014	2013	Increase/ (Decrease)
Same property occupancy (1)	89.5%	89.7%	(0.2pp)
Same property NOI (2)(3)	57,162	55,835	1,327
G&A expenses	9,935	7,876	2,059

G&A expenses as a percentage of revenue (1)	4.2%	3.4%	0.8pp
Net income/(loss)	(16,870)	32,202	(49,072)

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, 2014 declined to 89.5% compared to the 89.7% in same period last year, with occupancy declines in our Ontario and Western Canada platforms being partially offset by gains in our Quebec and U.S. platforms.

Same property NOI increased by 2.4% compared to the first quarter of 2013. The Canadian retirement portfolio same property NOI increased 4.5% compared to the same period last year as regular annual rental rate increases, higher ancillary revenues from enhanced services, lower short-term move-in incentives and lower bad debt expense were offset by higher staffing costs incurred to deliver enhanced services to our residents and higher utilities, marketing and food costs. The Canadian long term care portfolio generated a 2.7% increase in same property NOI primarily due to higher government funding, increased retirement and other revenues and increased preferred accommodation rates. The U.S. portfolio same property NOI decreased 4.1% in the first quarter of 2014 primarily due to higher short-term move-in incentives and higher staffing and utility costs.

G&A expenses increased by $2.1 million for the three months ended March 31, 2014 compared to the same period last year primarily due to severance costs related to corporate reorganization to improve support services to our operating platforms and timing of certain expenses and investments in information technology and online presence.

In addition to the items discussed above, the net loss for the three months ended March 31, 2014 was impacted by the gain realized on the sale of non-core U.S. properties in the first quarter of 2013, the depreciation of properties, the amortization of limited life intangibles, changes in fair value of financial instruments, unrealized foreign exchange gains and transaction related costs.

Financial position

At March 31, 2014 cash on hand was $4.7 million, and the available borrowing capacity on Chartwell's credit

facilities was $29.8 million. Interest coverage ratio for the three months ended March 31, 2014 declined slightly to 2.07 compared to 2.08 in the same period of last year. As of March 31, 2014, Net Debt to Adjusted EBITDA Ratio was 9.0 compared to 8.6 at March 31, 2013, and Indebtedness Ratio was 54.3% (57.8% including convertible debentures) compared to 53.1% (56.6% including convertible debentures) at December 31, 2013. The average term to maturity of the mortgage portfolio was 6.5 years with a contractual weighted average interest rate of 5.05%.

Recent developments

During the first quarter of 2014, Chartwell entered into an agreement to sell 14 non-core properties (945 suites) in Ontario for $66.0 million. This transaction closed on May 1, 2014, and was settled by the purchaser's assumption of $19.3 million of debt, vendor take-back mortgages of $6.0 million bearing interest at 8.0% per annum with a three-year term to maturity and secured by charges against certain properties in the portfolio, the corporate guarantee of the purchaser and certain cross-collateralization and cross-default provisions, with the balance, net of working capital adjustments, received in cash.

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 9, 2014 at 10:00 AM ET. The telephone numbers for the conference call are: Local: (416) 340-2217 or Toll Free: (866) 696-5910. 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: (905) 694-9451 or Toll Free: (800) 408-3053. The Passcode for the Instant Replay is 6590194#. The call, along with the accompanying slides, will also be archived on the Chartwell website at **www.chartwell.com**.

About Chartwell

Chartwell is an unincorporated, open-ended 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.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 and, 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 2014 MD&A, available at **sedar.com**.

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Source: Chartwell Retirement Residences