NEWS RELEASE

Chartwell Announces First Quarter 2017 Results

2017-05-04

MISSISSAUGA, ON --(Marketwired - May 04, 2017) - Chartwell Retirement Residences ("Chartwell") (TSX: CSH.UN) announced today its results for the three months ended March 31, 2017.

Q1 2017 Highlights

- Same property net operating income ("NOI") up $2.2 million or 3.5%
- Same property occupancy strong at 93.0%
- Funds from operations ("FFO") up 4.4%; adjusted funds from operations ("AFFO") up 0.9%

"We are pleased with our operating results in the first quarter of 2017, with our platforms delivering strong same property NOI growth of 3.5%," commented Brent Binions, President and CEO. "Looking forward, we are confident that our investments in our people, our resident-centric programs, our investments in new development projects and our strong financial position will continue to support long-term sustainable value creation for our unitholders."

Financial Highlights

Three Months Ended March 31

($000s, except per unit amounts and number of units)	2017	2016
Net income/(loss) from continuing operations	$ (4,167)	$ (19,550)
Total comprehensive loss	$ (4,167)	$ (19,872)
AFFO (1)	$ 38,820	$ 38,477
AFFO per unit diluted (1)(2)	$ 0.20	$ 0.21
FFO (1)	$ 42,106	$ 40,344
FFO per unit diluted (1)(2)	$ 0.22	$ 0.22
Distributions declared	$ 27,521	$ 24,904
Distributions declared per unit	$ 0.14	$ 0.14
Weighted average number of units outstanding, diluted (000s)	194,385	192,898

(1) AFFO, AFFO per unit diluted, FFO, FFO per unit diluted are measures used by management in evaluating operating performance. Please refer to the cautionary statements under the heading "Non-GAAP Measures" in this press release.
(2) Includes dilutive effect of convertible debentures.

For the first quarter of 2017, net loss from continuing operations was $4.2 million compared to $19.6 million in the same period of 2016. Total comprehensive loss in the first quarter of 2017 was $4.2 million compared to $19.9 million in the same period of 2016. The decrease in net loss and total comprehensive loss was primarily due to higher revenues, net of direct operating and general, administrative and Trust ("G&A") expenses, and positive changes in fair value of financial instruments, partially offset by higher depreciation and amortization charges.

AFFO in the first quarter of 2017 was $38.8 million ($0.20 per unit diluted) compared to $38.5 million ($0.21 per unit diluted) in the first quarter of 2016. The change in AFFO is primarily due to higher NOI contributions from our same property portfolio, acquisitions and developments, higher management fees and lower interest expenses partially offset by higher G&A expenses, higher capital maintenance and financing fee reserves, lower capital funding receipts and amounts due under net operating income guarantees.

FFO in the first quarter of 2017 was $42.1 million ($0.22 per unit diluted) compared to $40.3 million ($0.22 per unit diluted)

Operating Performance

($000s, except occupancy rates and percentage of revenue)	Three Months Ended March 31 2017	2016	Change
Same property occupancy (1)	93.0%	93.5%	(0.5pp)
Same property NOI (2)	$ 63,171	$ 61,006	$ 2,165
G&A expenses	$ 10,405	$ 8,221	$ 2,184
G&A expenses as a percentage of revenue (1) (2)	4.8%	4.0%	0.8pp

(1) pp = percentage points
(2) NOI and G&A expenses as a percentage of revenue are measures used by management in evaluating operating performance. Please refer to the cautionary statements under the heading "Non-GAAP Measures" in this press release.

Same property occupancy in the first quarter of 2017 declined by 0.5 percentage points compared to the first quarter of 2016.

Same property NOI increased by $2.2 million or 3.5% in the first quarter of 2017, compared to the same period of 2016, driven primarily by regular annual rental rate increases in line with competitive market conditions and lower marketing costs, partially offset by inflationary staffing cost increases and higher utilities, repairs and maintenance and administrative expenses. In the first quarter of 2017, NOI was reduced by $1.4 million (Q1 2016 - Nil) in lease-up-losses related to our properties in development.

G&A expenses increased by $2.2 million in the first quarter of 2017 compared to the same period of 2016, primarily due to higher staffing costs. These investments were primarily required to support communities acquired in 2015 and 2016 as well as development activities, including management of Batimo projects. In addition, the increase was partly driven by higher severance and recruitment costs as well as the reversal of an accrual of certain employee benefit costs on settlement of a related claim in the first quarter of 2016.

Financial Position

At March 31, 2017, cash on hand amounted to $56.2 million and the available borrowing capacity on Chartwell's Credit Facilities was $24.8 million.

At March 31, 2017, the Indebtedness Ratio was 50.1% compared to 48.9% at December 31, 2016. The Interest Coverage Ratio for the three months ended March 31, 2017 improved to 3.49 from 3.27 in the same period of 2016. The Net Debt to Adjusted EBITDA ratio at March 31, 2017 was 7.5 compared to 7.7 at March 31, 2016. The contractual weighted average interest rate of Chartwell's mortgage portfolio was 3.81% at March 31, 2017 with the average term to maturity of 6.8 years.

Chartwell's financial statements, including its Management's Discussion and Analysis ("MD&A") are available at **www.chartwell.com**. 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 Friday, May 5, 2017 at 10:00 AM ET. The telephone numbers for the conference call are: Local: (416) 340-2217 or Toll Free: (866) 696-5910. The passcode for the conference call is: 5711099#. 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 4296569#. 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 supported living through assisted living to long term care. It is the largest owner and operator of seniors residences in Canada. 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", "scheduled", "estimates", "intends", "anticipates", "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 and other 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. 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-GAAP Measures

Chartwell's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Management uses certain financial measures to assess Chartwell's financial performance, which are measures not defined in generally accepted accounting principles ("GAAP") under IFRS. The following measures, FFO, FFO per unit diluted, AFFO, AFFO per unit diluted, NOI, Same Property NOI, G&A as a Percentage of Revenue, Interest Coverage Ratio, Indebtedness Ratio, Adjusted EBITDA, and Net Debt to Adjusted EBITDA Ratio, as well as other measures discussed elsewhere in this release, do not have a standardized definition prescribed by IFRS. They are presented because management believes these non-GAAP 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 similarly titled measures reported by such issuers. For a full definition of these measures, please refer to the "Non-GAAP Measures" section of the Q1 2017 MD&A available at **sedar.com**.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Source: Chartwell Retirement Residences