NEWS RELEASE

Chartwell Announces First Quarter 2018 Results

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MISSISSAUGA, ON, May 10, 2018 /CNW/ - Chartwell Retirement Residences ("Chartwell") (TSX: CSH.UN) announced today its results for the first quarter ended March 31, 2018.

Q1 2018 Highlights

- Funds from operations ("FFO") up 1.7%
- Same property adjusted net operating income ("NOI") up 1.3%
- Same property occupancy 92.1%

"Our teams delivered solid operating results in the first quarter of 2018, despite some strong headwinds from increased competition in certain markets and another tough flu season," commented Brent Binions, President and CEO. "In April, we completed the previously-announced acquisition of four residences in Alberta and issued $150 million of a new series of unsecured debentures maturing in 2025, further strengthening our balance sheet and our foundation for continued success."

Financial Highlights

($000s, except per unit amounts and number of units)	Three Months Ended March 31 2018	2017

Resident revenue	$ 193,605	$ 180,279
Direct property operating expense	$ 135,347	$ 125,943
Net income/(loss)	$ 15,514	$ (4,167)
FFO (1)	$ 42,820	$ 42,106
FFO per unit (1)	$ 0.20	$ 0.22
Weighted average number of units outstanding (000s) (2)	213,674	194,385

(1) FFO and FFO per unit are measures used by management in evaluating operating performance. Please refer to the cautionary statements under the heading "Non-GAAP Financial Measures" in this press release.
(2) Includes Trust Units, Class B Units of Chartwell Master Care LP, and Trust Units issued under Executive Unit Purchase Plan and Deferred Trust Unit Plan.

In Q1 2018, resident revenue and direct property operating expenses increased 7.4% and 7.5%, respectively, primarily due to the growing contribution from developments and acquisitions and growth in resident revenue, primarily due to rental rate increases, and growth in direct operating expenses in the same property portfolio.

In Q1 2018, net income was $15.5 million compared to net loss of $4.2 million in Q1 2017. The increase in net income was primarily due to the gain on sale of properties, higher resident revenues and positive changes in fair values of financial instruments, partially offset by higher direct property operating, general administrative and Trust ("G&A"), depreciation and amortization expenses and finance costs.

In Q1 2018, FFO increased $0.7 million primarily due to higher adjusted NOI and management fees, partially offset by higher financing costs, G&A expenses and other items. In Q1 2018, FFO was reduced by $0.8 million (Q1 2017 – $1.4 million) of lease-up-losses related to properties in development. The per unit amounts were impacted by higher weighted average units outstanding from the public offering of Trust Units completed on November 24, 2017 to finance the acquisition of four properties in Alberta which did not close until Q2 2018.

Operating Performance

	Three Months Ended March 31		
($000s, except occupancy)	2018	2017	Change
Same property occupancy (1)	92.1%	92.7%	(0.6pp)
Same property adjusted NOI (2)	$ 66,048	$ 65,228	$ 820

G&A expenses	$ 12,530	$ 10,405	$ 2,125

(1) pp = percentage points
(2) Adjusted NOI is a measure used by management in evaluating operating performance and includes Chartwell's proportionate share of equity-accounted joint ventures. Please refer to the cautionary statements under the heading "Non-GAAP Financial Measures" in this press release.

In Q1 2018, same property occupancy declined by 0.6 percentage points due to short-term competitive pressures from new developments primarily in some Quebec markets.

In Q1 2018, same property adjusted NOI increased by $0.8 million or 1.3%, driven primarily by regular annual rental rate increases in line with competitive market conditions and lower utilities expenses, partially offset by lower occupancies, higher staffing and food costs and timing of certain expenses.

In Q1 2018, G&A expenses increased by $2.1 million, primarily due to higher staffing costs incurred to support the growing property portfolio and development activities, including management of Batimo projects as well as higher training and education expenses which were partially timing related.

Financial Position

At March 31, 2018, liquidity amounted to $369.8 million, which included $15.4 million of cash and cash equivalents and $354.4 million of available borrowing capacity on our credit facilities. In addition, Chartwell's share of cash and cash equivalents held in its equity-accounted joint ventures was $7.1 million.

The Interest Coverage Ratio on the rolling 12-month basis remained strong at 3.2 at March 31, 2018 compared to 3.5 at December 31, 2017. The Net Debt to Adjusted EBITDA ratio at March 31, 2018 was 7.7 compared to 6.9 at December 31, 2017.

Chartwell's financial statements, including its 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.

Recent Developments

On April 13, 2018, Chartwell entered into amending agreements with its banking syndicate to extend the maturity of its Credit Facilities by one year to May 29, 2021, reduce interest rates and amend certain covenants related to its unsecured credit facility.

On April 23, 2018, Chartwell completed the previously-announced acquisition of four retirement communities in Edmonton, Alberta comprising 775 suites, for a contractual purchase price of $297.4 million and entered into a forward purchase agreement to acquire an additional 256-suite residence upon completion of its development expected in Q4 2019, for a contractual purchase price of $120.0 million. The vendor will provide $7.5 million of income support to Chartwell for two years after opening.

On April 27, 2018, Chartwell issued $150 million of 4.211% Series B unsecured debentures (the "Series B Debentures") due on April 28, 2025. DBRS Limited ("DBRS") assigned a "BBB (low)" credit rating with a "stable" trend to the Series B Debentures. The net proceeds were used to partially repay amounts outstanding on its Credit Facilities.

On April 30, 2018, Chartwell entered into an agreement to acquire a 104-suite independent supportive living residence in Edmonton, Alberta for a contractual purchase price of $20.0 million. The closing is expected in Q2 2018.

Investor Conference Call

A conference call hosted by Chartwell's senior management team will be held Friday, May 11, 2018 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: 7105087#. 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 4757336#. 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 the largest operator in the Canadian seniors living sector with over 200 quality retirement communities in four provinces.

Chartwell is committed to its vision of Making People's Lives BETTER and to providing a happier, healthier and more fulfilling life experience for its residents. For more information, visit **www.chartwell.com**

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. 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. 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 more fully described in the "Risks and Uncertainties" section in Chartwell's 2017 MD&A and 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 Financial 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, Same Property Adjusted NOI, Interest Coverage Ratio, 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 financial 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 2017 MD&A available on Chartwell's website and at **www.sedar.com**.

SOURCE Chartwell Retirement Residences

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