NEWS RELEASE

Chartwell Announces Fourth Quarter & Year End 2012 Results

2013-03-06

MISSISSAUGA, ONTARIO--(Marketwire - March 6, 2013) - Chartwell Retirement Residences ("Chartwell") (TSX:CSH.UN) announced today results for the fourth quarter and for the year ended December 31, 2012.

2012 Highlights

- Adjusted funds from operations ("AFFO") (i) increased 28.9 % (36.6% in Q4).
- Same property net operating income ("NOI") up 5.3% (3.6% in Q4) with occupancies growing to 90.3% (91.5% in Q4).
- Integration of the acquired Maestro portfolio is largely complete with financial results ahead of expectations.

"2012 was a very successful year for Chartwell. Each of our operating platforms delivered strong financial results with growing occupancies and NOI. We successfully entered into a strategic partnership with Health Care REIT, acquiring and integrating the 42-residence Maestro portfolio, which is performing ahead of expectations. We continued to make solid progress on a number of transformative initiatives in the areas of operations, sales, marketing and information technology that move us closer to the achievement of our strategic goals and support our vision of 'making people's lives BETTER'," commented Brent Binions, Chartwell's President and CEO. "Looking ahead, we are optimistic about 2013 as demand continues improving and our transformative initiatives enhance our operating efficiencies and brand recognition, better positioning us to take full advantage of market

opportunities."

Financial Highlights

	Three Months Ended December 31		Year Ended December 31	
	2012	2011	2012	2011
AFFO (000s) (1)(2)	$ 30,104	$ 22,036	$ 111,554	$ 86,530
AFFO per unit diluted (1)(3)	$ 0.17	$ 0.15	$ 0.66	$ 0.59
Funds from operations ("FFO") (000s) (1)(2)	$ 33,421	$ 24,792	$ 124,157	$ 96,447
FFO per unit diluted (1)(3)	$ 0.19	$ 0.17	$ 0.73	$ 0.66
Distributions declared (000s)	$ 23,329	$ 19,714	$ 90,700	$ 78,446
Distributions declared per unit	$ 0.14	$ 0.14	$ 0.54	$ 0.54
Distributions declared as a percentage of AFFO	77.5%	89.5%	81.3%	90.7%

(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) Excludes the reversal of provision for impairment of mezzanine loans and accounts receivable.
(3) Includes dilutive effect of convertible debentures.

AFFO in the fourth quarter of 2012 was $30.1 million ($0.17 per unit diluted) compared to $22.0 million ($0.15 per unit diluted) in the fourth quarter of 2011, representing an increase of 36.6%. For the year ended December 31, 2012, AFFO was $111.6 million ($0.66 per unit diluted) compared to $86.5 million ($0.59 per unit diluted) in the prior year, an increase of 28.9%. Incremental contribution from the property portfolio, due to acquisitions and same property NOI growth, new management fees from the Maestro portfolio and collection of amounts due from Spectrum on final settlement, were partially offset by higher interest expenses, higher general, administrative and trust expenses ("G&A") incurred to support the significant growth in the property portfolio and higher negative AFFO from properties in lease-up. Per unit amounts were impacted by the increases in the weighted average number of units outstanding and the dilutive effect of convertible debentures.

In the fourth quarter of 2012, FFO increased to $33.4 million ($0.19 per unit diluted) from $24.8 million ($0.17 per unit diluted) in the fourth quarter of 2011. For the year ended December 31, 2012, FFO increased to $124.2 million ($0.73 per unit diluted) from $96.4 million ($0.66 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 amortization of fair value adjustments on mortgages payable.

Operating Performance

	Three Months Ended December 31		
	2012	2011	Increase/ (Decrease)
Same property occupancy (1)	91.5%	90.3%	1.2pp
Same property NOI (000s) (2)(3)	$ 51,615	$ 49,809	$ 1,806
G&A expenses (000s) (4)	$ 6,385	$ 5,331	$ 1,054
G&A as a % of revenue (1)(4)	2.7%	2.7%	-
Net loss (000s)	$ (38,554)	$ (25,249)	$ (13,305)

	Year Ended December 31		
	2012	2011	Increase/ (Decrease)
Same property occupancy (1)	90.3%	89.5%	0.8pp
Same property NOI (000s) (2)(3)	$ 208,057	$ 197,625	$ 10,432
G&A expenses (000s) (4)	$ 25,361	$ 22,494	$ 2,867
G&A as a % of revenue (1)(4)	2.9%	3.0%	(0.1pp)
Net loss (000s)	$ (139,342)	$ (63,331)	$ (76,011)

(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.
(4) Excludes severance costs.

Same property weighted average occupancy for the three months and the year ended December 31, 2012, improved by 1.2 and 0.8 percentage points, respectively, compared to the same periods of 2011, as all operating platforms delivered strong occupancy growth.

Same property NOI improved by $1.8 million or 3.6% and $10.4 million or 5.3% for the three months and the year ended December 31, 2012, respectively, compared to the same periods of 2011. All operating platforms delivered strong growth in 2012 compared to prior year, with the Canadian retirement portfolio same property NOI growing by 3.6%, the Canadian LTC portfolio same property NOI growing by 4.4% and the U.S. portfolio same property NOI growing by 10.0%. The growth in the Canadian retirement portfolio NOI in the fourth quarter of 2012 has been partially offset by larger promotional discounts. Although these discounts impacted results in the fourth quarter of 2012 and are expected to impact the first quarter of 2013, the benefits of higher occupancies are expected to be realized over the average length of resident stay.

G&A expenses, excluding severance costs, increased by $1.1 million and $2.9 million in the three months and the year ended December 31, 2012, respectively, compared to the same periods of 2011. The increases are primarily due to higher staffing costs to support the significant growth in the portfolio under management.

In addition to the items discussed above, the net loss for the three months and the year December 31, 2012 was impacted by higher depreciation and amortization charges resulting from acquisitions, impairment of property, plant and equipment, acquisition- and disposition-related costs, convertible debenture issuance costs and changes in fair values of certain financial instruments.

Financial Position

At December 31, 2012, cash on hand was $5.3 million and the unused borrowing capacity on Chartwell's credit facility was $5.2 million. Subsequent to December 31, 2012, Chartwell completed mortgage financings on six of its properties for $37.8 million and completed the previously-announced sale of five properties in the United States. A portion of these proceeds were used to repay amounts outstanding on the credit facility.

At December 31, 2012, the Interest Coverage Ratio for the three months and the year ended December 31, 2012 was 2.07 and 2.00, respectively, compared to Interest Coverage Ratios of 1.89 and 1.91 in the same periods of 2011. The Indebtedness Ratio, excluding assets held for sale and related debt, was 54.3% (57.9% including convertible

debentures), compared to 57.0% (59.3% including convertible debentures) at December 31, 2011. The average term to maturity of the mortgage portfolio was 6.0 years with a contractual weighted average interest rate of 5.23%.

Recent Developments

On February 13, 2013, Chartwell completed the previously-announced sale of its 50% interest in a five-property portfolio in New York State (the "Bristal portfolio"). The sale price was U.S. $290.0 million (100%) and was satisfied by the purchasers assuming mortgages in the amount of U.S. $197.7 million, with the balance of the purchase price, subject to closing adjustments and escrow requirements paid in cash.

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 Thursday, March 7, 2013 at 10:00 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.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 - (416) 915-1035 or Toll Free - (866) 245-6755. The Passcode for the Instant Replay is 232713#. 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 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 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 the MD&A, "Risk Factors" in the Prospectus 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, NOI, Interest Coverage Ratio and Indebtedness 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 and Indebtedness 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's 2012 MD&A contains a reconciliation of net loss to FFO and the calculation of AFFO for the three months and year ended December 31, 2012. Detailed descriptions of

these terms are contained in Chartwell's 2012 MD&A, available at **www.sedar.com**.

(i) Excludes the reversal of provision for impairment of mezzanine loans and accounts receivable.

FOR FURTHER INFORMATION PLEASE CONTACT:
Chartwell Retirement ResidencesVlad Volodarski
Chief Financial Officer
(905) 501-4709
(905) 501-4710 (FAX)
vvolodarski@chartwellreit.ca

Source: Chartwell Retirement Residences