NEWS RELEASE

Chartwell Announces Fourth Quarter & Year End 2014 Results and Distributions Increase

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MISSISSAUGA, ON -- (Marketwired) -- 02/26/15 -- Chartwell Retirement Residences ("Chartwell") (TSX: CSH.UN) announced today results for the fourth quarter and for the year ended December 31, 2014.

2014 Highlights

- Adjusted funds from operations ("AFFO") up 7.9% in 2014 and up 22.8% in Q4 2014
- Same property net operating income ("NOI") up 1.3% in 2014 and up 1.3% in Q4 2014
- Same property occupancy at 89.8% in 2014 and at 90.7% in Q4 2014
- Distributions increase 2.0% as of March 31, 2015

"In 2014 we made important progress in enhancing the efficiency and sophistication of our operations, improving the quality of our real estate portfolio and strengthening our financial position, while delivering strong operating and financial results which support our 2.0% increase in cash distributions," commented Brent Binions, President and CEO. "Looking forward, we are confident that the investments we are making in our branding, online presence, operating, sales and marketing processes and information management systems, together with the growing contribution from our newly-acquired and developed properties, will continue to deliver long-term value and growing distributions for our investors."

Financial Highlights

	Three Months Ended	Year Ended

($000s, except per unit amounts and number of units)	December 31 2014	December 31 2013	2014	2013
AFFO (1)	$ 32,695	$ 26,635	$ 128,499	$ 119,085
AFFO per unit diluted (1) (2)	$ 0.18	$ 0.15	$ 0.72	$ 0.68
Funds from operations ("FFO") (1)	$ 36,171	$ 30,459	$ 143,041	$ 133,487
FFO per unit diluted (1) (2)	$ 0.20	$ 0.17	$ 0.80	$ 0.75
Distributions declared	$ 23,910	$ 23,586	$ 95,328	$ 93,964
Distributions declared per unit	$ 0.14	$ 0.14	$ 0.54	$ 0.54
Distributions declared as a percentage of AFFO (1)	73.1%	88.6%	74.2%	78.9%
Weighted average number of units outstanding, diluted (000s)	189,610	187,743	189,046	187,117

1. AFFO, AFFO per unit diluted, FFO, FFO per unit diluted and Distributions declared as a percentage of AFFO 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.

AFFO in the fourth quarter of 2014 was $32.7 million ($0.18 per unit diluted) compared to $26.6 million ($0.15 per unit diluted) in the fourth quarter of 2013. For the year ended December 31, 2014, AFFO was $128.5 million ($0.72 per unit diluted) compared to $119.1 million ($0.68 per unit diluted) in the same period of 2013. Growth in AFFO in the fourth quarter of 2014 was primarily driven by higher NOI and interest cost savings in the same property portfolio, the positive impact of foreign exchange on the U.S. dollar, lower G&A costs and lower early mortgage repayment costs. The AFFO increase in the year ended December 31, 2014, was also driven by higher NOI and lower interest expense in the same property portfolio, the positive impact of foreign exchange on the U.S. dollar as well as by the proceeds from the settlement of litigation in the U.S., net of related legal costs, certain tax refunds and the reversal of the previously-recorded provision for impairment of mezzanine loans on repayment of such mezzanine loan. These increases were partially offset by the impact of non-core asset sales, net of the increased contribution from new acquisitions and developments, lower management fee income and higher G&A expenses.

In the fourth quarter of 2014, FFO was $36.2 million ($0.20 per unit diluted) compared to $30.5 million ($0.17 per unit diluted) in the fourth quarter of 2013. For the year ended December 31, 2014, FFO was $143.0 million ($0.80 per unit diluted) compared to $133.5 million ($0.75 per unit diluted) in the same period of 2013. In addition to the

items discussed above, FFO has been 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 December 31 2014	2013	Increase/ (Decrease)	Year Ended December 31 2014	2013	Increase/ (Decrease)
Same property occupancy (1)	90.7%	90.1%	0.6pp	89.8%	89.8%	-
Same property NOI (2) (3)	$ 62,540	$ 61,766	$ 774	$ 243,824	$ 240,720	$ 3,104
General, administrative and Trust ("G&A") expenses	$ 6,950	$ 8,547	$ (1,597)	$ 31,582	$ 31,016	$ 566
G&A expenses as a percentage of revenue (1) (2)	2.9%	3.6%	(0.7pp)	3.3%	3.3%	-
Net income/(loss)	$(16,280)	$(12,577)	$ (3,703)	$ (8,279)	$ 23,884	$ (32,163)

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.
3. Excludes the effects of foreign exchange on the U.S. dollar.

Same property occupancy in the fourth quarter of 2014 improved by 0.6 percentage points compared to the fourth

quarter of 2013, reflecting occupancy improvements in Western Canada, Quebec and in the U.S., offset by lower occupancies in Ontario. For the year ended December 31, 2014, same property occupancy was 89.8%, consistent with the same period of 2013.

Same property NOI increased by $0.8 million or 1.3% and by $3.1 million or 1.3% for the three months and year ended December 31, 2014, respectively, compared to the same periods of 2013, driven primarily by rental rate growth in line with competitive market conditions, higher revenues from ancillary services provided to our residents and strong expense controls, partially offset by higher staffing, food, marketing and utilities expenses.

G&A expenses decreased by $1.6 million in the fourth quarter of 2014 compared to the same period of last year primarily due to a reduction in legal costs following the settlement of litigation in the U.S. and timing of certain other expenses. For the year ended December 31, 2014, G&A costs increased by $0.6 million or 1.8% compared to the same period of 2013 as higher compensation costs and information technology expenses were partially offset by lower professional and consulting costs.

In addition to the items discussed above, net loss for the three months and year ended December 31, 2014 was impacted by depreciation of properties, amortization of limited life intangibles, transaction costs arising on business acquisitions and dispositions, gains on sale of assets, changes in fair value of financial instruments, unrealized foreign exchange translation gains and deferred income taxes.

Financial Position

At December 31, 2014, cash on hand amounted to $14.6 million and the available borrowing capacity on Chartwell's credit facilities was $82.0 million.

At December 31, 2014, the Indebtedness Ratio was 51.9% (55.4% including convertible debentures), compared to 53.1% (56.6% including convertible debentures) at December 31, 2013. The Interest Coverage Ratio for the three months and year ended December 31, 2014 improved to 2.37 and 2.26, respectively, from 2.02 and 2.16, respectively, in the same periods of 2013. The Net Debt to Adjusted EBITDA ratio at December 31, 2014 was 8.4 compared to 8.6 at December 31, 2013. The contractual weighted average interest rate of Chartwell's mortgage portfolio declined to 4.85% at December 31, 2014 from 5.02% at December 31, 2013 with the average term to maturity of the mortgage portfolio at 6.7 years at December 31, 2014 consistent with December 31, 2013.

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.

Distributions

Chartwell announced today a 2.0% increase in distributions from $0.0450 per unit monthly ($0.5400 on an annual basis) to $0.0459 per unit monthly ($0.5508 on an annual basis) effective for the March 31, 2015 distributions payable on April 15, 2015.

Investor Conference Call

A conference call hosted by Chartwell's senior management team will be held Friday, February 27, 2015 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: 2202074#. 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 1057278#. 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 manages a portfolio of seniors housing communities across the complete continuum of 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-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, Net Debt to Adjusted EBITDA Ratio and Distributions declared as a percentage of AFFO, 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 2014 MD&A available at **sedar.com**.

For more information, please contact:
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