NEWS RELEASE

Chartwell Announces Fourth Quarter & Year End 2015 Results and Distributions Increase

2016-02-25

MISSISSAUGA, ON --(Marketwired - February 25, 2016) - Chartwell Retirement Residences ("Chartwell") (TSX: CSH.UN) announced today its results for the fourth quarter and for the year ended December 31, 2015.

2015 Highlights

-- Adjusted funds from operations ("AFFO") from continuing operations up 36.1% in Q4 2015 and up 20.0% in 2015
-- Same property net operating income ("NOI") up 3.2% in Q4 2015 and up 1.9% in 2015
-- Same property occupancy at 93.1% in Q4 2015 and at 91.9% in 2015
-- Distributions increase 2.0% as of March 31, 2016

"We had a successful 2015, achieving significant operational improvements across our properties and in our management

Financial Highlights

($000s, except per unit amounts and number of units)	Three Months Ended December 31		Year Ended December 31	
	2015	2014	2015	2014

AFFO - continuing operations (1) (2)	$ 36,252	$ 26,627	$ 118,483	$ 98,765
AFFO per unit diluted - continuing operations (1) (2) (3)	$ 0.20	$ 0.15	$ 0.66	$ 0.56
Total AFFO (2)	$ 36,252	$ 32,667	$ 134,781	$ 128,473
Total AFFO per unit diluted (2) (3)	$ 0.20	$ 0.18	$ 0.75	$ 0.72
Funds from operations ("FFO") - continuing operations (1) (2)	$ 38,484	$ 29,405	$ 128,303	$ 110,100
FFO per unit diluted - continuing operations (1) (2) (3)	$ 0.21	$ 0.17	$ 0.71	$ 0.62
Total FFO (2)	$ 38,484	$ 36,173	$ 146,317	$ 143,040
Total FFO per unit diluted (2) (3)	$ 0.21	$ 0.20	$ 0.81	$ 0.80
Distributions declared	$ 24,735	$ 23,910	$ 97,917	$ 95,328
Distributions declared per unit	$ 0.14	$ 0.14	$ 0.55	$ 0.54
Distributions declared as a percentage of total AFFO (2)	68.2%	73.2%	72.6%	74.2%
Weighted average number of units outstanding, diluted (000s)	191,948	189,610	190,779	189,046

---

(1) Excludes results of Chartwell's U.S. operations.

(2) AFFO, AFFO per unit diluted, FFO, FFO per unit diluted and Distributions declared as a percentage of total 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.

(3) Includes dilutive effect of convertible debentures.

AFFO from continuing operations in the fourth quarter of 2015 was $36.3 million ($0.20 per unit diluted), an increase of $9.7 million or 36.1% compared to $26.6 million ($0.15 per unit diluted) in the fourth quarter of 2014. For the year ended December 31, 2015, AFFO from continuing operations was $118.5 million ($0.66 per unit diluted), an increase of $19.7 million or 20.0% compared to $98.8 million ($0.56 per unit diluted) in the same period of 2014. The increase in AFFO from continuing operations in the fourth quarter of 2015 compared to the same period in 2014 is primarily due to higher contribution from the property portfolio and lower interest costs partially offset by higher General Administrative and Trust expenses ("G&A expenses"). In addition 2014 annual AFFO included several items for which there were no equivalents in 2015, such as SIFT and commodity tax recoveries, the reversal of a previously-recorded provision for impairment of mezzanine loans, higher severance costs related to corporate restructuring and higher legal costs related to the settled litigation in the U.S.

For the year ended December 31, 2015, total AFFO, which includes the results of the U.S. operations sold on June 30, 2015, was $134.8 million ($0.75 per unit diluted) compared to $128.5 million ($0.72 per unit diluted) in the same period of 2014. In addition to the items discussed above, changes in total AFFO were impacted by the positive effect of foreign exchange on U.S. operations in the first half of 2015 and the proceeds of the settlement of litigation in the U.S. in 2014 for which there was no equivalent in 2015.

FFO from continuing operations in the fourth quarter of 2015 was $38.5 million ($0.21 per unit diluted), an increase of $9.1 million or 31.0% compared to $29.4 million ($0.17 per unit diluted) in the same period of 2014. For the year ended December 31, 2015, FFO from continuing operations was $128.3 million ($0.71 per unit diluted) compared to $110.1 million ($0.62 per unit diluted) in the same period of 2014. Total FFO in the fourth quarter of 2015 was $38.5 million ($0.21 per unit diluted), compared to total FFO of $36.2 million ($0.20 per unit diluted) in the fourth quarter of 2014. For the year ended December 31, 2015, total FFO was $146.3 million ($0.81 per unit diluted) compared to $143.0 million ($0.80 per unit diluted) in the same period of 2014. 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			Year Ended December 31		
	2015	2014	Change	2015	2014	Change

Same property occupancy (1)	93.1%	91.4%	1.7pp	91.9%	90.4%	1.5pp
Same property NOI (2)	$ 51,288$	49,719$	1,569$	200,162$	196,511$	3,651
G and A expenses	$(7,581)$	(6,950)$	(631)$	(30,771)$	(31,582)$	811
G and A expenses as a percentage of revenue (1)(2)	3.7%	3.7%	-	4.0%	4.3%	(0.3pp)
Net income/(loss) - continuing operations (3)	$(1,361)$	(12,715)$	11,354$	12,139$	(26,030)$	38,169
Net income/(loss)	$ 562$	(16,280)$	16,842$	362,233$	(8,279)$	370,512

(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 results of Chartwell's U.S. operations.

Same property occupancy in the three and twelve months ended December 31, 2015, improved by 1.7 percentage points and 1.5 percentage points respectively, compared to the same periods of 2014, reflecting strong occupancy improvements in all operating platforms.

Same property NOI increased by $1.6 million or 3.2% in the fourth quarter of 2015, and by $3.7 million or 1.9% in the year ended December 31, 2015, compared to the same periods of 2014, primarily due to higher occupancies, partially offset by lower ancillary revenues and higher expenses in the long-term care platform.

G&A expenses increased by $0.6 million in the fourth quarter of 2015, primarily due to higher staffing costs

incurred to provide enhanced support to our communities, including new acquisitions, and timing of certain other expenses. G&A expenses decreased by $0.8 million in the year ended December 31, 2015, primarily due to lower severance and legal costs, partially offset by higher staff compensation expenses.

In addition to the items discussed above, net income (loss) from continuing operations for the three and twelve months ended December 31, 2015 was impacted by gains on sale of assets, gains on re-measurement of previously-held interests as a result of step acquisitions, depreciation of properties, amortization of limited life intangibles, asset impairment provision, transaction costs arising on business acquisitions and dispositions and changes in fair value of financial instruments and foreign exchange gains and losses.

In addition to the items discussed above, net income for the twelve months ended December 31, 2015 includes the results of Chartwell's U.S. operations and the gain on sale thereof, net of tax.

Financial Position

At December 31, 2015, cash on hand amounted to $8.9 million and the available borrowing capacity on Chartwell's Credit Facility was $163.1 million.

At December 31, 2015, the Indebtedness Ratio was 46.0% (49.7% including convertible debentures), compared to 50.4% (55.0% including convertible debentures) at December 31, 2014. The Interest Coverage Ratio for the three months and year ended December 31, 2015 was 3.18 and 2.84 respectively, compared to 2.65 and 2.45 in the same periods of 2014. The Net Debt to Adjusted EBITDA ratio at December 31, 2015, was 7.6 compared to 8.5 at December 31, 2014. The contractual weighted average interest rate of Chartwell's mortgage portfolio was 4.13% at December 31, 2015 with an average term to maturity of 7.7 years. These metrics demonstrate meaningful improvement in Chartwell's financial position achieved in 2015.

Distributions

Chartwell announced today a 2.0% increase in distributions from $0.045900 per unit monthly ($0.550800 on an annual basis) to $0.046818 per unit monthly ($0.561816 on an annual basis) effective for the March 31, 2016 distributions payable on April 15, 2016; demonstrating Management and Trustees confidence in the future direction of Chartwell's business.

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, February 26, 2016 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: 6564427#. 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 7735483#. 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", "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 2015 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 Total 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 2015 MD&A available at **sedar.com**.

FOR FURTHER INFORMATION PLEASE CONTACT:

For more information, please contact:
Chartwell Retirement Residences
Vlad Volodarski
Chief Financial Officer and Chief Investment Officer
Tel: (905) 501-4709
Fax: (905) 501-4710
vvolodarski@chartwell.com

Source: Chartwell Retirement Residences