NEWS RELEASE

Chartwell Announces Fourth Quarter & Year End 2016 Results and Increase to Distributions

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MISSISSAUGA, ON --(Marketwired - February 23, 2017) - Chartwell Retirement Residences ("Chartwell") (TSX: CSH.UN) announced today its results for the fourth quarter and for the year ended December 31, 2016.

2016 and Q4 2016 Highlights

- Total adjusted funds from operations ("AFFO") up 20.3% in 2016 and up 12.2% in Q4 2016
- Same property net operating income ("NOI") up 6.6% in 2016 and up 2.2% in Q4 2016
- Same property occupancy 93.6% in 2016 and 93.7% in Q4 2016
- Distributions increase 2.5% as of March 31, 2017

"Our ongoing focus on enhancing customer experience and providing quality care to our residents, supported by our innovative marketing and sales strategies, resulted in 2016 being one of the most successful years in Chartwell's history. Our operating platforms delivered exceptional operating and financial results with strong occupancy and NOI growth in the year," commented Brent Binions, President and CEO. "We are confident that our customer-centric focus, combined with the high quality of our real estate portfolio, our strong financial position and substantial development pipeline, will allow us to build long-term sustainable value for our unitholders in the years to come."

Financial Highlights

($000s, except per unit amounts and number of units)	Three Months Ended December 31 2016	2015	Year Ended December 31 2016	2015
Net income/(loss) from continuing operations	$ 12,826	$ (1,361)	$ (710)	$ 12,139
Total comprehensive income	$ 15,053	$ 562	$ 4,796	$ 357,579
AFFO - continuing operations (1)(2)	$ 40,660	$ 36,252	$ 162,206	$ 118,483
AFFO per unit diluted - continuing operations (1)(2)(3)	$ 0.21	$ 0.20	$ 0.85	$ 0.66
Total AFFO (2)	$ 40,660	$ 36,252	$ 162,206	$ 134,781
Total AFFO per unit diluted (2)(3)	$ 0.21	$ 0.20	$ 0.85	$ 0.75
Funds from operations ("FFO") - continuing operations (1)(2)	$ 43,767	$ 38,484	$ 172,637	$ 128,303
FFO per unit diluted - continuing operations (1)(2)(3)	$ 0.23	$ 0.21	$ 0.91	$ 0.71
Total FFO (2)	$ 43,767	$ 38,484	$ 172,637	$ 146,317
Total FFO per unit diluted (2)(3)	$ 0.23	$ 0.21	$ 0.91	$ 0.81
Distributions declared	$ 27,221	$ 24,735	$ 106,089	$ 97,917
Distributions declared per unit	$ 0.14	$ 0.14	$ 0.56	$ 0.55
Distributions declared as a percentage of total AFFO (2)	66.9%	68.2%	65.4%	72.6%
Weighted average number of units outstanding, diluted (000s)	193,971	191,948	193,434	190,779

(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.

For the fourth quarter of 2016, net income from continuing operations was $12.8 million compared to net loss of $1.4 million in the same period of 2015. Total comprehensive income in the fourth quarter of 2016 was $15.1 million compared to $0.6 million in the same period of 2015. The increase in net income and total comprehensive income 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.

For the year ended December 31, 2016, net loss from continuing operations was $0.7 million compared to net income from continuing operations of $12.1 million in the same period of 2015. The decline in net income is primarily due to higher depreciation and amortization expenses and revaluation charges on financial instruments, primarily due to appreciation in value of our Trust Units, lower deferred tax benefits, partially offset by higher revenues, net of direct operating and G&A expenses.

For the year ended December 31, 2016, total comprehensive income declined $352.8 million primarily as a result of a $350.1 million income from discontinued operations recorded in 2015, which included a gain on sale of the U.S. Portfolio, for which there were no comparable items in 2016.

AFFO from continuing operations and Total AFFO in the fourth quarter of 2016 was $40.7 million ($0.21 per unit diluted) compared to $36.3 million ($0.20 per unit diluted) in the fourth quarter of 2015. For the year ended December 31, 2016, AFFO from continuing operations was $162.2 million ($0.85 per unit diluted) compared to $118.5 million ($0.66 per unit diluted) in the same period of 2015. The increase in AFFO is primarily due to higher AFFO contributions from our same property portfolio, acquisitions and developments, partially offset by higher G&A expenses, as a result of higher staffing costs incurred to support newly acquired and development properties.

For the year ended December 31, 2016 Total AFFO was $162.2 million ($0.85 per unit diluted) a 20.3% increase from Total AFFO of $134.8 million ($0.75 per unit diluted) in 2015. Total AFFO includes results of our U.S. Operations that were sold on June 30, 2015.

FFO from continuing operations and Total FFO in the fourth quarter of 2016 was $43.8 million ($0.23 per unit diluted) compared to $38.5 million ($0.21 per unit diluted) in the fourth quarter of 2015. For the year ended December 31, 2016, FFO from continuing operations was $172.6 million ($0.91 per unit diluted) compared to $128.3 million ($0.71 per unit diluted) in the same period of 2015.

For the year ended December 31, 2016, Total FFO was $172.6 million ($0.91 per unit diluted) compared to $146.3 million ($

Operating Performance

($000s, except occupancy rates and percentage of revenue)	Three Months Ended December 31 2016	2015	Change	Year Ended December 31 2016	2015	Change
Same property occupancy (1)	93.7%	93.7%	-	93.6%	92.5%	1.1pp
Same property NOI (2)	$ 52,702$	51,568$	1,134$	214,160$	200,871$	13,289
G&A expenses	$ 8,227$	7,581$	646$	33,838$	30,771$	3,067
G&A expenses as a percentage of revenue (1) (2)	3.8%	3.7%	0.1pp	4.0%	4.0%	-

(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 NOI increased by $1.1 million or 2.2% in the fourth quarter of 2016, and by $13.3 million or 6.6% in the year ended December 31, 2016, compared to the same periods of 2015, driven primarily by higher occupancies, regular annual rental rate increases in line with competitive market conditions, partially offset by higher staffing costs incurred to improve services delivered to our residents, as well as higher food, supply and administrative

expenses primarily related to occupancy growth and lower ancillary revenues.

G&A expenses increased by $0.6 million in the fourth quarter of 2016 and by $3.1 million in the year ended December 31, 2016, compared to the same periods of 2015, primarily due to higher staffing costs incurred to provide enhanced support to our residences including new acquisitions and developments, and for the year ended December 31, 2016, higher unit-based compensation costs resulting from the appreciation in value of Chartwell's Trust Units.

In addition to the items discussed above, net income from continuing operations for the year ended December 31, 2016 was impacted by depreciation of properties, amortization of limited life intangibles, transaction costs arising on business acquisitions and dispositions, changes in fair value of financial instruments, asset impairment provisions, gain on sale of assets and re-measurements of previously-held interests in joint arrangements as a result of step acquisitions.

Financial Position

At December 31, 2016, cash on hand, including cash from Chartwell's interests in equity-accounted investments amounted to $38.3 million and the available borrowing capacity under Chartwell's credit facilities was $73.8 million.

At December 31, 2016, the Indebtedness Ratio was 48.9%, compared to 49.7% at December 31, 2015. The Interest Coverage Ratio for the three months and year ended December 31, 2016 was 3.60 and 3.51 respectively, a strong improvement from 3.18 and 2.84 in the same periods of 2015. The Net Debt to Adjusted EBITDA ratio at December 31, 2016 was 7.2 compared to 7.6 at December 31, 2015. The contractual weighted average interest rate of Chartwell's mortgage portfolio was 3.84% at December 31, 2016 with an average term to maturity of 6.9 years.

Recent Developments

On January 9, 2017, Chartwell entered into a definitive agreement to acquire the 66-suite Hilldale Gardens Retirement Residence in Thunder Bay, Ontario (which will be rebranded as 'Chartwell Hilldale Retirement Residence' post acquisition). The purchase price before closing costs is $6.9 million and will be settled in cash with closing expected in March 2017.

On January 19, 2017, Chartwell entered into an agreement to sell one property in Quebec. The sale price is $23.5 million, of which $2.5 million will be held in escrow for two years after closing to support purchaser's rental income and certain renovation costs. The closing is expected in Q2 2017. One of Chartwell's Directors is also an officer and director of the purchaser and was not involved in any discussions or decision making related to this sale.

On February 1, 2017, Chartwell acquired a 100% interest in the 107-suite The Orchards Retirement Residence located in Vineland, Ontario (rebranded as 'Chartwell Orchards Retirement Residence' post acquisition). The purchase price before closing costs was $22.0 million and was settled in cash.

Distributions

Chartwell announced today its third consecutive annual increase in monthly distributions. Monthly cash distributions will increase by 2.5% from $0.046818 per unit ($0.561816 on an annualized basis) to $0.048 per unit ($0.5760 on an annualized basis) effective for the March 31, 2017 distribution payable on April 17, 2017.

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 24, 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: 3376567#. 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 6970712#. 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 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 2016 MD&A available at **sedar.com**.

FOR FURTHER INFORMATION PLEASE CONTACT:

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