NEWS RELEASE

Chartwell Announces Second Quarter 2013 Results

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MISSISSAUGA, ONTARIO--(Marketwired - Aug. 13, 2013) - Chartwell Retirement Residences ("Chartwell") (TSX:CSH.UN) announced today results for the three and six months ended June 30, 2013.

Q2 2013 Highlights

- Adjusted funds from operations ("AFFO") up 15.9%
- Same property net operating income ("NOI") up 4.2% with occupancy improving to 89.4%
- All balance sheet debt metrics improved in the quarter

"We are pleased with the strong performance of each of our operating platforms and the progress we are making on our strategic priorities," commented Brent Binions, Chartwell's President and CEO. "Our focus on customer service and operating effectiveness shows in the improved financial performance of our property portfolio. Our focus on maintaining a strong financial position has resulted in the steady improvement of our balance sheet debt metrics. We continue to invest in our future by implementing new information management systems and by focusing on select value-creating development and acquisition opportunities."

Financial Highlights

	Three Months Ended June 30	Six Months Ended June 30

	2013	2012	2013	2012
AFFO (1) ($000s)	$ 32,254	$ 27,825	$ 59,879	$ 50,046
AFFO per unit diluted (1)	$ 0.18	$ 0.16	$ 0.34	$ 0.31
Funds from operations ("FFO") (1) ($000s)	$ 35,302	$ 29,793	$ 66,449	$ 55,306
FFO per unit diluted (1)	$ 0.20	$ 0.17	$ 0.38	$ 0.34
Distributions declared ($000s)	$ 23,429	$ 24,331	$ 46,862	$ 44,105
Distributions declared per unit	$ 0.14	$ 0.14	$ 0.27	$ 0.27
Distributions declared as a percentage of AFFO	72.6%	87.4%	78.3%	88.1%
Weighted average number of units outstanding, diluted (000s)	186,915	184,867	186,631	170,560

(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.

AFFO in the second quarter of 2013 was $32.3 million ($0.18 per unit diluted) compared to $27.8 million ($0.16 per unit diluted) in the second quarter of 2012, representing an increase of 15.9%. For the six-month period ended June 30, 2013, AFFO was $59.9 million ($0.34 per unit diluted) compared to $50.0 million ($0.31 per unit diluted) in the same period of 2012, an increase of 19.6%. Incremental contribution from the property portfolio due to acquisitions and same property NOI growth, and new management fees from the Maestro portfolio acquired in 2012, were partially offset by higher general and administrative ("G&A") expenses incurred to support the significant growth in the property portfolio. Per unit amounts were impacted by the increases in the weighted average number of units outstanding compared to the prior year.

In the second quarter of 2013, FFO increased to $35.3 million ($0.20 per unit diluted) from $29.8 million ($0.17 per unit diluted) in the second quarter of 2012. For the six-month period ended June 30, 2013, FFO increased to $66.4 million ($0.38 per unit diluted) from $55.3 million ($0.34 per unit diluted) in the same period of 2012. In addition to the items discussed above, FFO has also been impacted by changes in the amortization of financing costs and the amortization of debt mark-to-market adjustments.

Operating Performance

	Three Months Ended June 30			Six Months Ended June 30		
	2013	2012	Increase/ (Decrease)	2013	2012	Increase/ (Decrease)
Same property occupancy (1)	89.4%	88.5%	0.9pp	89.5%	88.8%	0.7pp
Same property NOI (2) (3) ($000s)	$58,703	$ 56,333	$ 2,370	$114,202	$111,522	$ 2,680
G&A expenses ($000s)	$ 7,793	$ 6,766	$ 1,027	$ 15,669	$ 13,130	$ 2,539
G&A expenses as a percentage of revenue (1) (2)	3.4%	3.1%	0.3pp	3.4%	3.1%	0.3pp
Net income/(loss) ($000s)	$ 3,777	$(33,887)	$ 37,664	$ 40,922	$(82,249)	$ 123,171

(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-IFRS Measures" in this press release.
(3) Excludes the effects of foreign exchange on the U.S. dollar.

Same property weighted average occupancy in the three and six months ended June 30, 2013, improved by 0.9 and 0.7 percentage points, respectively, compared to the same periods of 2012, primarily due to strong occupancy growth in the United States, Quebec and Western Canada.

Same property NOI improved by $2.4 million or 4.2% and $2.7 million or 2.4% for the three and six months ended June 30, 2013, respectively, compared to the same periods of 2012. All operating platforms delivered same property NOI growth in the second quarter of 2013 compared to the second quarter of 2012.

G&A expenses increased by $1.0 million and $2.5 million in the three and six months ended June 30, 2013, respectively, compared to the same periods of 2012. The increases are primarily due to higher staffing costs to support the significant growth in the portfolio under management and higher investments in employee development and information systems.

In addition to the items discussed above, the net income for the three and six months ended June 30, 2013 was impacted by depreciation of properties and amortization of limited life intangibles, changes in fair value of financial instruments and unrealized foreign exchange and changes in deferred income taxes. In addition, net income in the six-month period ending June 30, 2013 increased due to a $48.9 million gain on the sale of the Bristal portfolio in the United States.

Financial Position

At June 30, 2013, cash on hand amounted to $21.9 million and the unused borrowing capacity on the Credit Facility was $46.5 million.

At June 30, 2013, the Indebtedness Ratio, excluding assets held for sale and related debt, was 53.3% (56.9% including convertible debentures), compared to 54.3% (57.9% including convertible debentures) at December 31, 2012. The Interest Coverage Ratio for the three and six months ended June 30, 2013 was 2.26 and 2.17, respectively, compared to 1.95 and 1.93 in the same periods of 2012. The Net Debt to Adjusted EBITDA ratio at June 30, 2013 was 8.5 compared to 8.9 at June 30, 2012. The contractual weighted average interest rate of Chartwell's mortgage portfolio declined to 5.11% at June 30, 2013 from 5.23% at December 31, 2012 with the average term to maturity of the mortgage portfolio declining slightly to 5.9 years at June 30, 2013 from 6.0 years at December 31, 2012.

In the second quarter of 2013, Chartwell renewed its Credit Facility for a two-year period expiring on June 22, 2015, and increased its size to $95.0 million. Under the terms of the renewal, the interest rate on outstanding balances was reduced by 30 basis points to bank prime plus 0.95% or the applicable bankers' acceptance rate plus 1.95%.

Recent Developments

In June 2013, Chartwell completed the previously-announced acquisition of a 171-suite retirement residence and a 65-bed long term care residence located at the Cite Jardin complex in Gatineau, Quebec. Chartwell now owns 100% interest in this six-tower complex with a total of 863 suites. The purchase price was $19.0 million and was fully financed by a two year mortgage loan bearing interest at 4.5%.

During Q2 2013, Chartwell entered into an agreement to sell seven non-core communities (comprising 613 suites), located in the U.S. The sale price is U.S.$80.9 million and is expected to be partially settled by the assumption of debt with an outstanding balance of approximately U.S.$60.4 million at June 30, 2013. This transaction, subject to regulatory and lender approvals and certain other closing conditions, is expected to close in Q3 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.

Investor Conference Call

A conference call hosted by Chartwell's senior management team will be held Wednesday, August 14, 2013 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: 8727097#. 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 4280557#. 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 residences 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 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-IFRS 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 and Net Debt to Adjusted EBITDA 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 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. Chartwell monitors its operations on a line-by-line consolidated basis and as such, includes its share of amounts from joint ventures. Detailed descriptions of these non-IFRS measures are contained in Chartwell's Q2 2013 MD&A, available at **sedar.com**.

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