NEWS RELEASE

Chartwell Announces Second Quarter 2015 Results

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MISSISSAUGA, ON --(Marketwired - August 06, 2015) - Chartwell Retirement Residences ("Chartwell") (TSX: CSH.UN) announced today its results for the three and six months ended June 30, 2015.

Q2 2015 Highlights

- Adjusted funds from operations ("AFFO") from continuing operations up 21.8%
- Same property net operating income ("NOI") up 0.6%, affected by timing of certain expenses
- Same property occupancy increased 1.5 percentage points to 90.3%

"Our ongoing focus on delivering exceptional services and quality care to our residents and our sales and marketing initiatives have resulted in strong growth in occupancy, customer inquiries and personal visits in the quarter, well positioning us for a successful second half of 2015," commented Brent Binions, President and CEO. "With the closing of the sale of our U.S. business on June 30, 2015, we now have ample resources to execute on our growth strategies in Canada as we continue to work through our extensive acquisition and development pipelines."

Financial Highlights

($000s, except per unit amounts and number of units)	Three Months Ended June 30 2015	2014	Six Months Ended June 30 2015	2014
AFFO - continuing operations (1) (2)	$ 25,903	$ 21,270	$ 49,190	$ 44,221
AFFO per unit diluted - continuing operations (1) (2) (3)	$ 0.15	$ 0.12	$ 0.28	$ 0.25
Total AFFO (2)	$ 34,152	$ 31,899	$ 65,488	$ 61,918
Total AFFO per unit diluted (2) (3)	$ 0.19	$ 0.18	$ 0.36	$ 0.35
Funds from operations ("FFO") - continuing operations (1) (2)	$ 28,477	$ 24,269	$ 54,260	$ 50,084
FFO per unit diluted - continuing operations (1) (2) (3)	$ 0.16	$ 0.14	$ 0.31	$ 0.29
Total FFO (2)	$ 37,679	$ 35,818	$ 72,274	$ 69,506
Total FFO per unit diluted (2) (3)	$ 0.21	$ 0.20	$ 0.40	$ 0.39
Distributions declared	$ 24,500	$ 23,893	$ 48,615	$ 47,559
Distributions declared per unit	$ 0.14	$ 0.14	$ 0.27	$ 0.27
Distributions declared as a percentage of total AFFO (2)	71.7%	74.9%	74.2%	76.8%
Weighted average number of units outstanding, diluted (000s)	190,361	188,958	190,142	188,785

(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 second quarter of 2015 was $25.9 million ($0.15 per unit diluted), an increase of $4.6 million or 21.8% compared to $21.3 million ($0.12 per unit diluted) in the second quarter of 2014. For the six-month period ended June 30, 2015, AFFO from continuing operations was $49.2 million ($0.28 per unit diluted), an increase of $5.0 million or 11.2% compared to $44.2 million ($0.25 per unit diluted) in the same period of 2014. The change in AFFO from continuing operations is primarily due to the increased contribution from the Canadian same property and acquisition portfolios and lower general and administrative ("G&A") expenses. In addition 2014 AFFO from continuing operations included one-time items such as SIFT and commodity tax recoveries, the reversal of a previously-recorded provision for impairment of mezzanine loans and early mortgage repayment costs for which there were no equivalents in 2015.

Total AFFO in the second quarter of 2015 was $34.2 million ($0.19 per unit diluted), an increase of $2.3 million or 7.1% compared to $31.9 million ($0.18 per unit diluted) in the second quarter of 2014. For the six-month period ended June 30, 2015, total AFFO was $65.5 million ($0.36 per unit diluted) compared to $61.9 million ($0.35 per unit diluted) in the same period of 2014. In addition to the items discussed above, the change in total AFFO included the positive effect of foreign exchange on U.S. operations 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 second quarter of 2015 was $28.5 million ($0.16 per unit diluted), an increase of $4.2 million or 17.3% compared to $24.3 million ($0.14 per unit diluted) in the same period of 2014. For the six-month period ended June 30, 2015, FFO from continuing operations was $54.3 million ($0.31 per unit diluted) compared to $50.1 million ($0.29 per unit diluted) in the same period of 2014. Total FFO in the second quarter of 2015 was $37.7 million ($0.21 per unit diluted), compared to total FFO of $35.8 million ($0.20 per unit diluted) in the second quarter of 2014. For the six-month period ended June 30, 2015, total FFO was $72.3 million ($0.40 per unit diluted) compared to $69.5 million ($0.39 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

	Three Months Ended June 30		Six Months Ended June 30	
($000s, except occupancy rates and percentage of		Increase/		Increase/

revenue)	2015	2014	(Decrease)	2015	2014	(Decrease)
Same property occupancy (1)	90.3%	88.8%	1.5pp	90.4%	89.0%	1.4pp
Same property NOI (2)	$ 48,657	$ 48,364	$ 293	$ 95,974	$ 94,900	$ 1,074
G&A expenses	$ 7,519	$ 8,255	$ (736)	$ 16,187	$ 18,190	$ (2,003)
G&A expenses as a percentage of revenue (1) (2)	4.1%	4.6%	(0.5pp)	4.4%	5.1%	(0.7pp)
Net income/(loss) - continuing operations (3)	$ 28,965	$ (9,513)	$ 38,469	$ 17,810	$(17,096)	$ 34,906
Net income/(loss)	$355,310	$ (6,975)	$ 362,285	$366,439	$(23,845)	$ 390,284

(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 six months ended June 30, 2015 improved by 1.5 percentage points and 1.4 percentage points respectively, compared to the second quarter of 2014, reflecting strong occupancy improvements in all operating platforms.

Same property NOI increased by $0.3 million or 0.6% in the second quarter of 2015, and by $1.1 million or 1.1% in the six-month period ended June 30, 2015, compared to the same periods of 2014. Occupancy related revenue

growth was partially offset by increased expenses, primarily due to the acceleration of our marketing investments in the first half of 2015, higher staffing, insurance expenses, utilities and bad debt expenses.

G&A expenses decreased by $0.7 million in the first quarter of 2015 and by $2.0 million in the six-month period ended June 30, 2015, compared to the same periods of 2014, primarily due to lower severance, legal and professional costs, partially offset by higher staff compensation expenses.

In addition to the items discussed above, net income from continuing operations for the three and six months ended June 30, 2015 was impacted by gains on sale of assets, gains on re-measurement of the previously held interests as a result of step acquisitions, depreciation of properties, amortization of limited life intangibles, transaction costs arising on business acquisitions and dispositions and changes in fair value of financial instruments.

In addition to the items discussed above, net income for the three and six months ended June 30, 2015, includes the results of Chartwell's U.S. operations and the gain on sale thereof, net of tax.

Financial Position

At June 30, 2015, cash on hand amounted to $423.7 million and the available borrowing capacity on its Credit Facility was $31.1 million.

At June 30, 2015, the Indebtedness Ratio was 45.3% (49.2% including convertible debentures), compared to 50.4% (55.0% including convertible debentures) at December 31, 2014. The Interest Coverage Ratio for the three and six months ended June 30, 2015 was 2.60 and 2.54 respectively, a strong improvement from 2.23 and 2.23 in the same periods of 2014. The Net Debt to Adjusted EBITDA ratio at June 30, 2015, was 6.4 compared to 8.8 at June 30, 2014. The contractual weighted average interest rate of Chartwell's mortgage portfolio was 4.44% at June 30, 2015 with the average term to maturity of 8.1 years (9.0 years for fix-rate mortgages.)

Recent developments

On July 13, 2015, Chartwell advanced a $5.9 million mezzanine loan to Batimo Inc. ("Batimo") for the development of Chartwell Le Teasedale, a 347-suite retirement residence in Quebec. The mezzanine loan is for a five-year term with a two-year extension option, subject to certain conditions, and bears interest at 10% per annum. Chartwell will manage operations and lease-up of this property and intends to acquire an 85% interest in this project upon stabilization which is expected to be achieved in the third quarter of 2018.

On July 31, 2015, Chartwell completed the previously-announced acquisition of the 257-suite The Grenadier

Retirement Residence in Ontario. The purchase price, before transaction costs, was $85.0 million and was settled in cash.

On August 5, 2015, Chartwell completed the acquisition of an 85% interest in a 90-suite addition ("Phase II") to the existing 169-suite residence in Ste. Eustache, Quebec. The existing property is co-owned by Chartwell and Batimo. Batimo will retain a 15% interest in Phase II. Phase II was valued at $18.1 million at 100% ownership. The purchase price was settled by Chartwell assuming its share of the existing construction loan of $10.9 million, settling its mezzanine loan to Batimo of $1.5 million, with the remainder paid in cash. Phase II opened in April 2015 and is currently 70% occupied. Batimo has provided Chartwell with a 12-month NOI guarantee up to a maximum amount of $0.2 million. The first year unlevered yield, including NOI guarantee, is estimated at 7.0%.

Chartwell expects to proceed with the development of 41 independent supportive living suites and 14 townhomes on the excess lands at its Chartwell Meadowbrook Retirement Village in Lively, Ontario. The existing residence contains 162 retirement and apartment suites and is fully occupied. Total development costs are estimated at $17.4 million and Chartwell expects to achieve unlevered cash yield on its first year stabilized NOI of approximately 8.9%. The construction is expected to start in the fall of 2015 with the completion expected in the fall of 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, August 7, 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: 3608211#. 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 9974310#. 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 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 Q2 2015 MD&A available at **sedar.com**.

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