NEWS RELEASE

Chartwell Announces Third Quarter 2014 Results

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MISSISSAUGA, ON --(Marketwired - November 06, 2014) - Chartwell Retirement Residences ("Chartwell") (TSX: CSH.UN) announced today results for the three and nine months ended September 30, 2014.

Q3 2014 Highlights

- Adjusted funds from operations ("AFFO") up 4%
- Same property net operating income ("NOI") up 2.6%
- Same property occupancy increases to 90.2%

"We are pleased with the strong results that our operating teams delivered in the third quarter of 2014 and with the progress that we continue to make in strengthening our financial position," 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 deliver long-term value for our investors."

Financial Highlights

	Three Months Ended September 30	Nine Months Ended September 30
($000s, except per unit amounts		

and number of units)	2014	2013	2014	2013
AFFO (1)	$ 33,886	$ 32,569	$ 95,804	$ 92,448
AFFO per unit diluted (1) (2)	$ 0.19	$ 0.18	$ 0.54	$ 0.53
Funds from operations ("FFO") (1)	$ 37,364	$ 36,577	$ 106,870	$ 103,026
FFO per unit diluted (1) (2)	$ 0.21	$ 0.21	$ 0.60	$ 0.58
Distributions declared	$ 23,859	$ 23,516	$ 71,418	$ 70,378
Distributions declared per unit	$ 0.14	$ 0.14	$ 0.41	$ 0.41
Distributions declared as a percentage of AFFO	70.4%	72.2%	74.5%	76.1%
Weighted average number of units outstanding, diluted (000s)	189,271	187,255	188,914	186,841

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-GAAP Measures" in this press release.
2. Includes dilutive effect of convertible debentures.

AFFO in the third quarter of 2014 was $33.9 million ($0.19 per unit diluted) compared to $32.6 million ($0.18 per unit diluted) in the third quarter of 2013. For the nine-month period ended September 30, 2014, AFFO was $95.8 million ($0.54 per unit diluted) compared to $92.4 million ($0.53 per unit diluted) in the same period of 2013. Growth in AFFO in the third 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 and lower G&A costs, partially offset by the impact of non-core asset sales, net of the increased contribution from new acquisitions and developments, and lower management fee income. In addition to the items above, the AFFO increase in the nine-month period ended September 30, 2014, was impacted 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 costs incurred on early mortgage repayments and severance costs related to a corporate reorganization to improve support services to our operating platforms.

In the third quarter of 2014, FFO was $37.4 million ($0.21 per unit diluted) compared to $36.6 million ($0.21 per unit diluted) in the third quarter of 2013. For the nine-month period ended September 30, 2014, FFO was $106.9 million ($0.60 per unit diluted) compared to $103.0 million ($0.58 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 September 30			Nine Months Ended September 30		
	2014	2013	Increase/ (Decrease)	2014	2013	Increase/ (Decrease)
Same property occupancy (1)	90.2%	89.9%	0.3pp	89.6%	89.7%	(0.1pp)
Same property NOI (2) (3)	$ 64,337	$ 62,720	$ 1,617	$ 182,082	$ 179,881	$ 2,201
General, administrative and Trust ("G&A") expenses	$ 6,442	$ 6,800	$ (358)	$ 24,632	$ 22,469	$ 2,163
G&A expenses as a percentage of revenue (1) (2)	2.8%	2.9%	(0.1pp)	3.5%	3.2%	0.3pp
Net income/(loss)	$ 31,846	$ (1,524)	$ 33,370	$ 8,001	$ 36,461	$(28,460)

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 weighted average occupancy in the three and nine months ended September 30, 2014, improved by 0.3 percentage points and declined by 0.1 percentage points, respectively, compared to the same periods of 2013, reflecting strong occupancy improvements in Quebec and Western Canada and lower occupancies in Ontario and the U.S.

Same property NOI increased by $1.6 million or 2.6% and by $2.2 million or 1.2% for the three and nine months ended September 30, 2014, respectively, compared to the same periods of 2013. All our operating platforms delivered same property NOI growth in the third quarter of 2014 compared to the third quarter 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 insurance, utilities and property tax expenses.

G&A expenses decreased by $0.4 million in the third 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. In the nine-month period ended September 30, 2014, G&A costs increased by $2.2 million compared to the same period of 2013 primarily due to severance costs of $1.4 million related to a corporate reorganization to improve support services provided to our operating platforms, higher legal costs related to the above-noted litigation and inflationary increases in other costs.

In addition to the items discussed above, net income for the three and nine months ended September 30, 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, property tax accounted for under IFRIC 21, changes in fair value of financial instruments, unrealized foreign exchange translation gains and losses, deferred income taxes and current income taxes primarily due to capital gains tax resulting from the sales of the non-core Ontario and U.S. properties in 2014.

Financial Position

At September 30, 2014, cash on hand amounted to $14.3 million and the available borrowing capacity on Chartwell's credit facilities was $77.6 million.

At September 30, 2014, the Indebtedness Ratio was 51.7% (55.2% including convertible debentures), compared to 53.1% (56.6% including convertible debentures) at December 31, 2013. The Interest Coverage Ratio for the three

and nine months ended September 30, 2014 improved to 2.40 and 2.22, respectively, from 2.27 and 2.20, respectively, in the same periods of 2013. The Net Debt to Adjusted EBITDA ratio at September 30, 2014 was 8.5 compared to 8.6 at September 30, 2013. The contractual weighted average interest rate of Chartwell's mortgage portfolio declined to 4.89% at September 30, 2014 from 5.02% at December 31, 2013 with the average term to maturity of the mortgage portfolio increasing to 6.9 years at September 30, 2014 from 6.7 years at December 31, 2013.

Recent Developments

Subsequent to September 30, 2014, Chartwell advanced a mezzanine loan of $1.5 million to Batimo Inc. ("Batimo") for the development of a 90-suite retirement residence. This loan bears interest at 10% and is secured by first and second charges on Batimo's interests in certain operating and development seniors' housing projects and vacant land, as well as by Batimo's corporate guarantee. The loan has a five-year term to maturity which can be extended by an additional two years subject to satisfaction of certain conditions. Chartwell intends to acquire an 85% ownership interest in this project upon stabilization. In addition, Chartwell advanced two other loans to Batimo totalling $2.4 million. These loans have five-year terms to maturity, bear interest at 8% and carry security packages similar to the one described above. All loans to Batimo contain certain cross-collateralization and cross-default provisions.

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, November 7, 2014 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: 8898044#. 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 1598901#. 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 not 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 and Net Debt to Adjusted EBITDA Ratio, 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 Q3 2014 MD&A available at **sedar.com**.

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