NEWS RELEASE

Chartwell Announces Third Quarter 2017 Results

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MISSISSAUGA, ON, Nov. 9, 2017 /CNW/ - Chartwell Retirement Residences ("Chartwell") (TSX: CSH.UN) announced today its results for the three and nine months ended September 30, 2017.

Q3 2017 Highlights

- Funds from operations ("FFO") up $4.3 million or 9.3%
- Same property adjusted net operating income ("NOI") up $3.2 million or 4.9%
- Same property occupancy at 93.0%

"Our operating teams delivered strong results in Q3 2017, with occupancies improving on a sequential-quarter basis in all our platforms," commented Brent Binions, President and CEO. "With the continuing focus on enhancing resident experience through our offering of excellent services and quality care, strategic investments in upgrading our assets and growing our portfolio with high-quality developments and acquisitions, we are confident that we will continue to build long-term, sustainable value for our unitholders."

Financial Highlights

($000s, except per unit amounts and number of units)	Three Months Ended September 30 2017	2016	Nine Months Ended September 30 2017	2016

Resident revenue	$ 193,029	$ 179,688	$ 555,013	$ 531,728
Direct property operating expense	$ 130,774	$ 122,883	$ 383,410	$ 367,050
Net income (loss) from continuing operations	$ 10,226	$ 2,425	$ 12,368	$ (13,536)
Total comprehensive income (loss)	$ 10,226	$ 2,430	$ 12,368	$ (10,257)
FFO (1)	$ 50,517	$ 46,222	$ 134,480	$ 128,870
FFO per unit diluted (1)(2)	$ 0.26	$ 0.24	$ 0.69	$ 0.68
Distributions declared	$ 28,083	$ 27,167	$ 83,632	$ 78,869
Distributions declared per unit	$ 0.14	$ 0.14	$ 0.43	$ 0.42
Weighted average number of units outstanding, diluted (000s)	195,162	193,591	194,798	193,252

(1) 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 Financial Measures" in this press release.
(2) Includes dilutive effect of convertible debentures in the nine months ended September 30, 2016.

For the third quarter of 2017, resident revenue increased $13.3 million or 7.4% and $23.3 million or 4.4% in the nine-month period ended September 30, 2017, primarily due to acquisitions and developments and revenue growth in Chartwell's existing property portfolio.

For the third quarter of 2017, direct property operating expenses increased $7.9 million or 6.4% and $16.4 million or 4.5% in the nine-month period ended September 30, 2017, primarily due to acquisitions and developments and increased expenses in Chartwell's existing property portfolio.

Net income from continuing operations and total comprehensive income was $10.2 million in the third quarter of 2017 compared to $2.4 million in the same period of 2016, primarily due to higher resident revenues and positive changes in fair values of financial instruments, partially offset by higher direct property operating expense and higher finance and transaction costs.

For the nine-month period ended September 30, 2017, net income from continuing operations was $12.4 million compared to net loss from continuing operations of $13.5 million in the same period of 2016. The change in net income was primarily due to higher resident revenues and lower revaluation charges on financial instruments primarily due to the redemption of Chartwell's 5.7% convertible debentures in the second quarter of 2016, partially offset by higher direct property operating expenses, higher G&A expenses, and higher depreciation and amortization expenses.

For the nine-month period ended September 30, 2017, total comprehensive income increased $22.6 million. In addition to the items discussed above, the year-to-date change in 2016 includes $3.3 million income from discontinued operations primarily related to tax recoveries.

For the third quarter of 2017, FFO was $50.5 million ($0.26 per unit diluted) compared to $46.2 million ($0.24 per unit diluted) in the same period of 2016, primarily due to higher adjusted NOI from the property portfolio partially offset by higher interest costs primarily due to the Series A Unsecured Debentures issued in the second quarter of 2017, and higher lease-up-losses related to development projects.

For the nine-month period ended September 30, 2017, FFO was $134.5 million ($0.69 per unit diluted) compared to $128.9 million ($0.68 per unit diluted) in the same period of 2016, primarily due to higher adjusted NOI from the property portfolio partially offset by higher G&A expenses and higher lease-up-losses related to development projects.

Operating Performance

	Three Months Ended September 30			Nine Months Ended September 30		
($000s, except occupancy)	2017	2016	Change	2017	2016	Change
Same property occupancy (1)	93.0%	93.6%	(0.6pp)	92.8%	93.4%	(0.6pp)
Same property adjusted NOI (2)	$ 68,524	$ 65,312	$ 3,212	$ 194,985	$ 188,916	$ 6,069
G&A expenses	$ 8,260	$ 8,264	$ (4)	$ 28,786	$ 25,611	$ 3,175

(1) pp = percentage points
(2) Adjusted NOI is a measure used by management in evaluating operating performance and includes Chartwell's proportionate share of equity-accounted joint ventures. Please refer to the cautionary statements under the heading "Non-GAAP Financial Measures" in this press release.

Same property occupancy in the third quarter of 2017 declined by 0.6 percentage points compared to the third

quarter of 2016, due to higher-than-normal resident turnover in the winter months of 2017 and short-term competitive pressures from new developments primarily in some Quebec markets.

Same property adjusted NOI increased by $3.2 million or 4.9% in the third quarter of 2017, and by $6.1 million or 3.2% in the nine-month period ended September 30, 2017, compared to the same periods of 2016, driven primarily by regular annual rental rate increases in line with competitive market conditions and lower utility and property tax expenses, partially offset by lower occupancies and inflationary staffing cost increases.

For the third quarter of 2017, G&A expenses were flat to those in the same period of 2016, as higher staffing and other costs were offset by refunds of certain previously-recorded expenses, and timing of other expenses including a reduction in mark-to-market adjustments of certain stock-based compensation due to the decline in the trading prices of Chartwell's Trust Units.

For the nine-month period ended September 30, 2017, G&A expenses increased $3.2 million primarily due to higher staffing costs. These investments were primarily required to support Chartwell's growing development activities, including management of Batimo projects, and properties acquired in 2015, 2016 and year to date in 2017. In addition, the increase was partly driven by higher severance and recruitment costs and the reversal of an accrual of certain employee benefits costs on settlement of a related claim in the first quarter of 2016. These were partially offset by refunds of certain previously-recorded expenses and timing of other expenses including a reduction in mark-to-market adjustments of certain stock-based compensation due to the decline in the trading prices of Chartwell's Trust Units

Financial Position

At September 30, 2017, liquidity amounted to $95.6 million, which included $12.5 million of cash and cash equivalents and $83.1 million of available borrowing capacity on our credit facilities. In addition, Chartwell's share of cash and cash equivalents held in its equity-accounted joint ventures was $5.1 million.

The Interest Coverage Ratio on the rolling 12-month basis was 3.4 at September 30, 2017 compared to 3.66 at December 31, 2016. The Net Debt to Adjusted EBITDA ratio at September 30, 2017 was 7.9 compared to 7.3 at September 30, 2016.

Recent Developments

On October 25, 2017, Chartwell and Batimo Inc. ("Batimo") entered into a definitive agreement with a third party to sell Chartwell Les Monarques résidence pour rétraites in St. Eustache, Quebec. Chartwell owns an 85% interest in the 98-suite Phase I of the residence which it acquired from Batimo in 2014 for $12.4 million, and Batimo owns the

remaining 15% interest in Phase I and 100% of the 98-suite Phase II. The property provides assisted living and memory care services and contains 80 funded and 118 private-pay beds. Chartwell's share of the sale price, before closing costs and other adjustments, is $13.5 million payable in cash, and the closing, subject to regulatory and other approvals, is expected to occur in the first quarter of 2018.

Prior-Period Management's Discussion and Analysis ("MD&A") Restatement of Certain Disclosure

In connection with a continuous disclosure review by the Ontario Securities Commission, Chartwell has revised its approach with respect to its disclosure of non-GAAP financial measures in order to give greater prominence to GAAP financial measures. As part of this revised approach, in its MD&A for the three and nine-month periods ended September 30, 2017, Chartwell has restated certain historical disclosure in its MD&As for each of the year ended December 31, 2016, the three-month period ended March 31, 2017, and the three and six-month periods ended June 30, 2017, in order to provide greater prominence to Chartwell's GAAP measures for those periods. The restated information relates only to Chartwell's MD&A for the relevant periods, and no changes were made to Chartwell's financial statements for the same periods. There were no changes to reported Net Income or FFO figures resulting from these restatements.

Chartwell's financial statements, including its 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 10, 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: 5253614#. 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 6101951#. 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 Financial 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, Same Property Adjusted NOI, Interest Coverage 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 financial 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 Q3 2017 MD&A available on Chartwell's website and at **www.sedar.com**.

SOURCE Chartwell Retirement Residences (IR)

Chartwell Retirement Residences: Vlad Volodarski, Chief Financial Officer and Chief Investment Officer, tel: (905) 501-4709, fax: (905) 501-9107, email: vvolodarski@chartwell.com