



Chartwell Announces Second Quarter 2022 Results

MISSISSAUGA, ONTARIO – August 11, 2022 – Chartwell Retirement Residences (“Chartwell”) (TSX: CSH.UN) announced today its results for the second quarter ended June 30, 2022.

Highlights

- Same property Retirement Operations occupancy increased 100 basis points from April to June 2022 with all platforms showing improvements.
- Employee engagement score increased 500 basis points, achieving pre-pandemic levels.
- In Q2 2022, net income was \$1.1 million compared to net loss \$4.6 million in Q2 2021 primarily due to higher resident revenue, positive changes in fair values of financial instruments, higher net income from discontinued operations offset by higher pandemic-related expenses due to Omicron Waves and higher General and Administrative (“G&A”) expenses.

“We are pleased to see occupancy growth in May, June, and July exceeding our previous expectations. While occupancy is forecasted to decline slightly in August, the recent trends in needs-driven mid-month move ins, particularly in Ontario, if continued, may help to offset this forecasted occupancy decline,” commented Vlad Volodarski, CEO. “The new wave of the pandemic resulted in an increase in outbreaks in our residences. The number of affected residents and staff is usually low, and the symptoms are generally mild. Unfortunately, these outbreaks have impacted our leasing efforts in the short term. Our teams are focused on recovery and continue to implement innovative marketing, sales, and operating initiatives, which combined with strong demographic trends are expected to drive occupancy growth in the remainder of 2022 and beyond.”

Operating Performance Trends

- For Q2 2022 compared to Q2 2021, same property adjusted NOI decreased \$4.3 million or 7.5% primarily due to lower same property adjusted NOI from our retirement operations as a result of higher net pandemic expense of \$5.1 million, primarily due to Omicron waves, higher agency staffing, utilities and food and supplies costs partially offset by higher revenue from regular annual and market-based rental and service rate increases.
- Same property retirement leasing activity and permanent move-ins exceeded Q2 2021 by 25% and 41% respectively.
- Same property retirement operations occupancy increased 0.1 percentage points in July.
- Same property retirement operations occupancy is forecast to decline 0.3 percentage points in August and remain flat in September, based on known leases and notices as at July 31, 2022.
- We have consistently experienced mid-month move ins, particularly in our Ontario platform. These mid-month move-ins are not accounted for in our forecasts.
- Omicron waves are continuing to cause outbreaks resulting in residence specific restrictions which impact sales activities and general operations.

Financial Results

For Q2 2022, net income was \$1.1 million compared to net loss of \$4.6 million in Q2 2021 primarily due to:

- higher resident revenue
- positive changes in fair values of financial instruments,
- higher net income from discontinued operations, and
- deferred tax benefit in Q2 2022 as compared to a deferred tax expense in Q2 2021

partially offset by:

- higher direct operating expenses,
- lower gain on disposal of assets, and
- higher G&A expenses.

For Q2 2022, FFO from continuing operations was \$25.7 million or \$0.11 per unit compared to \$30.7 million or \$0.14 per unit for Q2 2021. The following items impacted the change in FFO from continuing operations:

- lower adjusted NOI of \$1.8 million as a result of lower same property adjusted NOI of \$4.3 million partially offset by higher contribution from our acquisitions, development and other portfolio. Lower same property adjusted NOI is primarily due to:
 - higher same property retirement operations net pandemic expense of \$2.0 million in Q2 2022 compared to net pandemic expense recoveries of \$3.1 million in Q2 2021, or \$5.1 million higher net pandemic expense primarily due to the continued Omicron Waves,
 - higher agency and staffing, utilities, food and supplies costs,partially offset by
 - higher revenue from regular annual and market-based rental and service rate increases.
 - higher G&A expenses of \$3.0 million primarily due to higher cloud-based information technology system implementations, severance, education and travel expenses, and lower government subsidies
 - higher finance costs of \$0.4 million, and
 - lower management fee revenue of \$0.1 million,
- partially offset by:
- lower depreciation of PP&E and amortization of intangible assets used for administrative purposes of \$0.2 million, and
 - other items combined of \$0.1 million.

FFO from continuing operations for Q2 2022 includes \$1.1 million of Lease-up-Losses and Imputed Cost of Debt related to our development projects (Q2 2021 – \$1.2 million).

Total FFO for Q2 2022 was \$30.4 million or \$0.13 per unit, compared to \$34.8 million or \$0.16 per unit in Q2 2021. As previously announced, on March 31, 2022, we entered into definitive agreements to substantially exit our Long Term Care Operations in Ontario, including all operations for owned and managed Ontario Long Term Care properties, together, the “LTC Transactions” and as a result, effective March 31, 2022, our Long Term Care Operations segment was reclassified as discontinued operations the “LTC Discontinued Operations”. Total FFO per unit for Q2 2022 and Q2 2021 includes \$0.02 per unit from LTC Discontinued Operations.

For Q2 2022, resident revenue increased \$9.2 million or 6.0% primarily due to revenue growth in our same property portfolio and contributions from our acquisitions, development and other portfolio.

For Q2 2022, direct property operating expense increased \$10.0 million or 9.8% primarily due to higher expenses in our same property portfolio and our acquisitions, development and other portfolio.

For Q2 2022, same property occupancy was lower than Q2 2021 by 0.3 percentage points due to lower move-in activity through the pandemic partially offset by lower move out activity.

In 2022 YTD, net loss was \$2.2 million compared to \$9.5 million in 2021 YTD primarily due to:

- higher resident revenue,
- positive changes in fair values of financial instruments,
- higher net income from LTC Discontinued Operations, and
- lower net loss from joint ventures,

partially offset by:

- higher direct operating expenses,
- lower gain on disposal of assets, and
- higher G&A expenses.

For 2022 YTD, FFO from continuing operations was \$46.0 million or \$0.19 per unit compared to \$65.2 million or \$0.30 per unit for 2021 YTD. The following items impacted the change in FFO from continuing operations:

- lower adjusted NOI of \$15.5 million as a result of lower same property adjusted NOI of \$17.5 million, partially offset by higher contributions from our acquisitions, development and other portfolio. Lower same property adjusted NOI is primarily due to:
 - higher same property retirement operations net pandemic expense of \$7.8 million in 2022 YTD compared to net pandemic expense recoveries of \$6.1 million in 2021 YTD, or \$13.9 million higher net pandemic expense primarily due to the continued Omicron Waves,
 - lower same property retirement operations occupancy, and
 - higher agency and staffing, utilities, food and supplies costs,
- partially offset by:
 - increased revenue from regular market-based rental and service rate increases.
- higher G&A expenses of \$4.0 million primarily due to higher cloud-based information technology system implementations, severance, education, and travel expenses and lower government subsidies,
- lower management fee revenue of \$0.5 million, and
- lower interest income of \$0.3 million,

partially offset by:

- lower finance costs of \$0.8 million,
- lower depreciation of PP&E and amortization of intangible assets used for administrative purposes of \$0.2 million, and
- other items combined of \$0.1 million.

FFO from continuing operations for 2022 YTD includes \$2.1 million of Lease-up-Losses and Imputed Cost of Debt related to our development projects (2021 YTD – \$2.2 million).

Total FFO for 2022 YTD was \$61.7 million or \$0.26 per unit, compared to \$69.9 million or \$0.32 per unit in 2021 YTD. Total FFO per unit for 2022 YTD includes \$0.07 per unit from LTC Discontinued Operations compared to \$0.02 per unit in 2021 YTD, due to higher adjusted NOI from Long Term Care Operations primarily as a result of government reimbursements for prior years direct operating expenses and higher ancillary, preferred and retirement accommodation revenues.

For 2022 YTD, resident revenue increased \$10.0 million or 3.2% primarily due to revenue growth in our same property portfolio and contributions from our acquisitions, development and other portfolio.

For 2022 YTD, direct property operating expense increased \$22.6 million or 11.1% primarily due to higher expenses in our same property portfolio and our acquisitions, development and other portfolio.

For 2022 YTD, same property occupancy was lower than 2021 YTD by 1.3 percentage points due to lower move-in activity through the pandemic partially offset by lower move out activity.

The following table summarizes select financial and operating performance measures:

(\$000s, except per unit amounts, number of units, and occupancy)	Three Months Ended June 30			Six Months Ended June 30		
	2022	2021	Change	2022	2021	Change
Resident revenue	164,136	154,903	9,233	321,804	311,830	9,974
Direct property operating expense	112,434	102,432	10,002	226,221	203,643	22,578
Net income/(loss)	1,106	(4,584)	5,690	(2,210)	(9,517)	7,307
FFO ⁽¹⁾						
Continuing operations	25,719	30,737	(5,018)	45,979	65,199	(19,220)
Total	30,355	34,756	(4,401)	61,680	69,891	(8,211)
FFO per unit ⁽¹⁾						
Continuing operations	0.11	0.14	(0.03)	0.19	0.30	(0.11)
Total	0.13	0.16	(0.03)	0.26	0.32	(0.06)
Weighted average number of units outstanding (000s) ⁽²⁾	236,859	218,541	18,318	236,456	218,437	18,019
Same property occupancy ⁽³⁾	76.4%	76.7%	(0.3pp)	76.4%	77.7%	(1.3pp)
Same property adjusted NOI ⁽¹⁾	52,880	57,169	(4,289)	99,634	117,099	(17,465)
G&A expenses	15,264	12,251	3,013	29,092	25,043	4,049

Financial Position

At June 30, 2022, liquidity ⁽¹⁾ amounted to \$198.7 million, which included \$21.3 million of cash and cash equivalents and \$177.4 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 \$2.3 million.

The interest coverage ratio ⁽¹⁾ on a rolling 12-month basis was 2.7 at June 30, 2022 compared to 2.8 at June 30, 2021. The net debt to adjusted EBITDA ratio ⁽¹⁾ at June 30, 2022 was 11.2 compared to 10.2 at June 30, 2021.

Additionally, our unencumbered asset pool value was \$1.1 billion at June 30, 2022, and our unencumbered asset value to unsecured indebtedness ratio was 2.2 at June 30, 2022.

Acquisitions

On April 1, 2022, we acquired three recently developed retirement residences in Ontario with 467 suites for a purchase price of \$228.0 million which includes a deferred payment of \$3.0 million to be paid on the earlier of the completion of a 132-suite condominium development at one location, currently in construction, or June 30, 2024. The owners of these condominium units will enjoy access to the amenities of the retirement residence for a monthly fee. In addition, \$3.0 million of the purchase price has been allocated to 1.8 acres of excess land at one location where approximately 112 suites could be developed over time. The purchase price was settled by the assumption of in place mortgages on two of the acquired properties with a principal balance of \$85.6 million, bearing a weighted average interest rate of 3.7% and maturing in November 2023. The remainder of the purchase price was settled with cash on hand and borrowings on our secured credit facility, which we expect to repay with the proceeds from the LTC Transactions.

Outlook

Our same property retirement operations portfolio occupancy improved each month through Q2 2022, with all platforms contributing to growth. Our July 2022 occupancy increased 0.1 percentage point to 77.1%. In July 2022 same property retirement leasing activity and permanent move-ins were lower than July 2021 by 12% and 4%, respectively. Our August 2022 same property retirement operations occupancy (based on leases and notices on hand as at July 31, 2022) is forecast to decrease 0.3 percentage points compared to July 2022. Our September 2022 same property retirement operations occupancy is forecast to remain stable at 76.8%. We have consistently experienced mid-month move ins, particularly in our Ontario platform, which are not accounted for in our forecasts.

We believe that there is a pent-up demand for retirement accommodation and services, driven by the increased ageing population, disruptions of community-based support services for seniors during the pandemic and a persistent shortage of long term care beds. Accelerated growth in the population of seniors over the age of 75 over the next 20 plus years, as well as the slowdown of construction activity in the last two years should support occupancy recovery in the short term and growth from pre-pandemic levels over the long term. Pandemic-related restrictions have significantly eased, and assuming this continues, we expect our occupancy to continue to recover in 2022 and 2023 across all platforms.

Our 2021 MD&A provided our expected combined rental and services rate growth for 2022. In light of the current inflationary conditions, beginning in August 2022 we are increasing our combined rental and services rates by approximately 75 basis points higher than previously expected.

We expect the elevation in direct operating expenses in our retirement residences experienced through the Omicron Waves of the pandemic to continue due to higher-than-normal staffing costs as a result of increased agency staffing used to augment vacancies resulting from more staff being required to self-isolate. As the first Omicron wave receded, costs began to decline. However, with the resurgence continuing through Q2 2022 and into Q3 2022, we anticipate that incremental net pandemic related expenses will continue and estimate the range from \$3.0 to \$6.0 million in Q3 2022.

In addition, in 2021 and to date in 2022, excluding pandemic-related agency staffing utilization, we have experienced an increase in agency staffing costs, particularly in Quebec. In Q2 2022, agency staffing costs increased \$2.5 million compared to Q2 2021 in our same property retirement operations and we expect expenses to remain elevated for Q3 2022. As the pandemic wanes, labour markets move towards normalization and our staffing levels are optimized, we expect to bring these costs down gradually through Q4 2022 and into 2023. We are also investing in prioritized technology initiatives to support both improved speed

to hire and filling shifts more quickly and frequently with our own staff. These initiatives are in the pilot stage and we expect will yield benefits in 2023 when they are fully implemented.

In our 2022 Outlook included in our 2021 MD&A, we expected G&A expenses, excluding information technology systems implementation costs, to increase by approximately 5% from 2021 levels, as some of our 2021 costs were offset by government subsidies. Under IFRS the majority of the costs of cloud-based system implementation are required to be expensed. In prior years most of our information technology system implementation costs were capitalized. We had previously expected additional costs of information technology system implementations in 2022 to be approximately \$4.0 to \$7.0 million. With ongoing pandemic-related outbreaks, our focus continues to be on ensuring appropriate support to our residences and several new technology initiatives continue to be deferred. In addition, we are implementing further cost savings opportunities to streamline our support to our residences, particularly in the context of the LTC Transactions. We expect that G&A expenses for Q3 2022 and Q4 2022 to be approximately \$11.0 to \$12.0 million per quarter. In 2022 48% of our employees indicated high engagement in their survey responses (“strongly agreed”), compared to 43% in 2021. Our combined score of employees who agreed and strongly agreed with the survey questions was 81% in 2022 compared to 77% in 2021. Our 2022 Employee Engagement score of 48% is encouraging, achieving growth year over year of 5.0 percentage points and returning to pre-pandemic levels. In our Retirement Operations 49% of employees indicated high engagement with the combined agreed and strongly agreed score of 81%.

We believe highly engaged employees will deliver exceptional personalized experiences resulting in high resident satisfaction rates, which in turn would drive higher resident referrals and contribute to higher occupancies.

We continue to focus on employee recognition, creation of more full-time positions, training, development, succession planning, diversity and inclusion and investments in employee wellness initiatives, to further increase employee engagement scores and achieve our 2025 target of 55% of highly engaged employees.

Liquidity Update

As at August 11, 2022 liquidity amounted to \$205.1 million, which included \$30.7 million of cash and cash equivalents and \$174.4million 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 \$9.3 million.

Additionally, our unencumbered asset pool value was \$1.1 billion at August 11, 2022, and our unencumbered property asset value to unsecured indebtedness ratio increased to 2.2 at August 11, 2022. As at August 11, 2022, our remaining maturities in 2022 are \$30.6 million and are expected to be refinanced in the normal course. As at August 11, 2022 10-year CMHC insured mortgage rates are estimated at approximately 3.75% and five-year conventional mortgage financing is available at 4.9%.

Quarterly Investor Materials and Conference Call

We invite you to review our Q2 2022 investor materials on our website at investors.chartwell.com

Q2 2022 Financial Statements

Q2 2022 Management’s Discussion and Analysis

Second Quarter 2022 Investor Presentation

A conference call hosted by Chartwell’s senior management team will be held **Friday, August 12, 2022, at 10:00 AM ET**. The telephone numbers for the conference call are: **Local: (416) 340-2217** or **Toll Free: 1-800-898-3989**. **The passcode for the conference call is: 7181269#**. 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: 1-800-408-3053. The Passcode for the Instant Replay is 4396629#. These numbers will be available for 30 days following the call. An audio file recording of the call, along with the accompanying slides, will also be archived on the Chartwell website at www.chartwell.com.

Footnotes

- (1) FFO, FFO per unit, same property adjusted NOI, adjusted NOI, liquidity, interest coverage ratio, and net debt to adjusted EBITDA ratio are non-GAAP measures. These measures do not have standardized meanings prescribed by GAAP and, therefore, may not be comparable to similar measures used by other issuers. These measures are used by management in evaluating operating and financial performance. Please refer to the heading "Non-GAAP Measures" on page 6 of this press release. Full definitions of FFO & FFO per unit can be found on page 17, same property adjusted NOI on page 19, adjusted NOI on page 19, liquidity on page 29, interest coverage ratio on page 37 and net debt to adjusted EBITDA ratio on page 53 of the Q2 2022 MD&A available on Chartwell's website and at www.sedar.com. The definition of these measures have been incorporated by reference.
- (2) Includes Trust Units, Class B Units of Chartwell Master Care LP, and Trust Units issued under Executive Unit Purchase Plan and Deferred Trust Unit Plan.
- (3) 'pp' means percentage points.
- (4) Non- GAAP; Share of resident revenue and direct property operating expense from joint ventures represents Chartwell's proportionate share of the resident revenue and direct property operating expense of our Equity-Accounted JVs.
- (5) Resident revenue and direct property operating expense reported in LTC Discontinued Operations represents the resident revenue and direct property operating expense related to LTC Discontinued Operations.

COVID-19 Risk Factors

Please refer to the 2021 MD&A to review risk factors to Chartwell relating to COVID-19.

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. 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. 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 more fully described in the "COVID-19 Business Impacts and Related Risks" section, and the "Risks and Uncertainties and Forward-Looking Information" section in Chartwell's 2021 MD&A, and 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 condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Management uses certain financial measures to assess Chartwell's operating and financial performance, which are measures not defined in generally accepted accounting principles ("GAAP") under IFRS. The following measures: FFO, FFO per unit, same property adjusted NOI, adjusted NOI, liquidity, 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 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 2021 MD&A available on Chartwell's website and at www.sedar.com.

The following table reconciles resident revenue and direct property operating expense from our financial statements to adjusted resident revenue and adjusted direct property operating expense and identifies contributions from our same property portfolio and our acquisition, development and other portfolio:

(\$000s, except occupancy rates)	Q2 2022	Q2 2021	Change	2022 YTD	2021 YTD	Change
Resident revenue	164,136	154,903	9,233	321,804	311,830	9,974
Add:						
Share of resident revenue from joint ventures ⁽⁴⁾	28,584	27,128	1,456	56,664	54,871	1,793
Resident revenue from LTC Discontinued Operations ⁽⁵⁾	60,373	55,352	5,021	128,328	116,100	12,228
Adjusted resident revenue	253,093	237,383	15,710	506,796	482,801	23,995
Comprised of:						
Same property	171,357	166,727	4,630	342,064	335,798	6,266
Acquisitions, development, and other	81,736	70,656	11,080	164,732	147,003	17,729
Adjusted resident revenue	253,093	237,383	15,710	506,796	482,801	23,995
Direct property operating expense	112,434	102,432	10,002	226,221	203,643	22,578
Add:						
Share of direct property operating expenses from joint ventures ⁽⁴⁾	20,240	17,723	2,517	40,983	36,305	4,678
Direct property operating expense from LTC Discontinued Operations ⁽⁵⁾	53,914	49,544	4,370	109,114	107,837	1,277
Adjusted direct property operating expense	186,588	169,699	16,889	376,318	347,785	28,533
Comprised of:						
Same property	118,477	109,558	8,919	242,430	218,699	23,731
Acquisitions, development, and other	68,111	60,141	7,970	133,888	129,086	4,802
Adjusted direct property operating expense	186,588	169,699	16,889	376,318	347,785	28,533
NOI	51,702	52,471	(769)	95,583	108,187	(12,604)
Add:						
Share of NOI from joint ventures	8,344	9,405	(1,061)	15,681	18,566	(2,885)
Adjusted NOI from continuing operations	60,046	61,876	(1,830)	111,264	126,753	(15,489)
Add:						
NOI from LTC Discontinued Operations	6,459	5,808	651	19,214	8,263	10,951
Adjusted NOI	66,505	67,684	(1,179)	130,478	135,016	(4,538)
Comprised of:						
Same property	52,880	57,169	(4,289)	99,634	117,099	(17,465)
Acquisitions, development, and other	13,625	10,515	3,110	30,844	17,917	12,927
Adjusted NOI	66,505	67,684	(1,179)	130,478	135,016	(4,538)
Weighted average occupancy rate - same property portfolio	76.4%	76.7%	(0.3pp)	76.4%	77.7%	(1.3pp)
Weighted average occupancy rate - total portfolio	77.6%	76.7%	0.9pp	77.5%	77.3%	0.2pp

The following table provides a reconciliation of net income/(loss) to FFO for continuing operations:

(\$000s, except per unit amounts and number of units)	Q2 2022	Q2 2021	Change	2022 YTD	2021 YTD	Change
Net income/(loss)	(3,404)	(6,420)	3,016	(15,266)	(9,095)	(6,171)
Add (Subtract):						
B Depreciation of PP&E	37,927	37,833	94	74,548	75,512	(964)
D Amortization of limited life intangible assets	822	819	3	1,566	1,605	(39)
B Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(1,203)	(1,380)	177	(2,424)	(2,644)	220
E Loss/(gain) on disposal of assets	(425)	(6,471)	6,046	(970)	(6,832)	5,862
J Transaction costs arising on dispositions	23	32	(9)	78	96	(18)
G Deferred income tax	(1,111)	550	(1,661)	(470)	(638)	168
O Distributions on Class B Units recorded as interest expense	234	234	-	468	468	-
M Changes in fair value of financial instruments and foreign exchange loss/(gain)	(7,161)	4,792	(11,953)	(9,802)	5,227	(15,029)
Q FFO adjustments for Equity-Accounted JVs	17	748	(731)	(1,749)	1,500	(3,249)
FFO	25,719	30,737	(5,018)	45,979	65,199	(19,220)
Weighted average number of units	236,859	218,541	18,318	236,456	218,437	18,019
FFOPU	0.11	0.14	(0.03)	0.19	0.30	(0.11)

The following table provides a reconciliation of net income/(loss) to FFO for total operations:

(\$000s, except per unit amounts and number of units)	Q2 2022	Q2 2021	Change	2022 YTD	2021 YTD	Change
Net income/(loss)	1,106	(4,584)	5,690	(2,210)	(9,517)	7,307
<i>Add (Subtract):</i>						
B Depreciation of PP&E	37,927	39,806	(1,879)	76,364	80,207	(3,843)
D Amortization of limited life intangible assets	822	1,029	(207)	1,768	2,024	(256)
B Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(1,203)	(1,380)	177	(2,424)	(2,644)	220
E Loss/(gain) on disposal of assets	(423)	(6,471)	6,048	(968)	(6,832)	5,864
J Transaction costs arising on dispositions	147	32	115	703	96	607
G Deferred income tax	(1,111)	550	(1,661)	(470)	(638)	168
O Distributions on Class B Units recorded as interest expense	234	234	-	468	468	-
M Changes in fair value of financial instruments and foreign exchange loss/(gain)	(7,161)	4,792	(11,953)	(9,802)	5,227	(15,029)
Q FFO adjustments for Equity-Accounted JVs	17	748	(731)	(1,749)	1,500	(3,249)
FFO	30,355	34,756	(4,401)	61,680	69,891	(8,211)
Weighted average number of units	236,859	218,541	18,318	236,456	218,437	18,019
FFOPU	0.13	0.16	(0.03)	0.26	0.32	(0.06)

About Chartwell

Chartwell is an unincorporated, open-ended real estate trust which indirectly owns and operates a complete range of seniors housing communities, from independent supportive living through assisted living to long term care. It is the largest operator in the Canadian seniors living sector with over 200 quality retirement communities in four provinces including properties under development. Chartwell is committed to its vision of Making People's Lives BETTER and to providing a happier, healthier, and more fulfilling life experience for its residents. For more information, visit www.chartwell.com

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