

Q3 2012 Conference Call

November 14, 2012



Making People's Lives Better

Forward-Looking Statements and Non-IFRS Measures



This presentation 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 presentation 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 estimated 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 our 2011 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.

FFO, AFFO, NOI, EBITDA, Interest Coverage Ratio and Indebtedness 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. FFO, AFFO, NOI, EBITDA, Interest Coverage Ratio and Indebtedness Ratio as computed may differ from similar computations as reported by other issuers and may not be comparable to those reported by such issuers. Chartwell’s Q3 2012 MD&A contains a reconciliation of Net Income/Loss to EBITDA, Net Income/Loss to FFO and the calculation of AFFO for the three and nine months ended September 30, 2012. Detailed descriptions of these terms are contained in Chartwell’s 2011 MD&A, available at www.sedar.com.

Building Long Term Value



❑ Strategic priorities

1. Enhance the quality of cash flows and grow core property AFFO
2. Improve information management and operating processes
3. Build value of real estate portfolio
4. Maintain a strong financial position
5. Integrate Maestro acquisition



Maestro Acquisition – Integration to Transformation



□ Integration to Transformation

- Reflects a new phase of projects that affect both our legacy Chartwell homes as well as our C-HCN homes
- 14 transformation projects currently in various phases of implementation
 - Website refresh, CRM, rebranding and updated Value Match
 - Improved IT infrastructure, new Yardi Financial System
 - Standardized compensation for key managers, updated and accessible policies, building on-line best practice templates, improving employee intranet
 - Care and Ancillary revenue streams
 - Future – selecting HRIS vendor, introducing eCSO and eLease



Operating Initiatives

□ Focus on sales and operations in all Chartwell homes

- New Sales Profiling Tool and enhanced orientation for Sales Consultants
- Comprehensive Marketing Program for 2013
- Enhanced Buying Power
- Ancillary Care Services
- Service Improvement Strategies:
 - ❖ Food and Dining
 - ❖ Activation Programs

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FINANCIAL REVIEW



Making People's Lives Better



Solid Financial Performance

□ Q3 2012 highlights

- AFFO increased by 40.4%
- Same property portfolio NOI up 6.6%
- Same property portfolio occupancies growing to 90.3%
- All operating platforms delivering strong occupancy and NOI growth

| Key Performance Indicators | Q3 2012 | Q3 2011 | Increase/(Decrease) |
|--|---------|---------|---------------------|
| Average occupancy – same property | 90.3% | 89.5% | 0.8pp |
| NOI – same property (\$ millions) | \$53.8 | \$50.4 | \$3.4 |
| AFFO (\$ millions)* | \$31.4 | \$22.4 | \$9.0 |
| AFFO per unit diluted | \$0.18 | \$0.15 | \$0.03 |
| Distributions declared as a percentage of AFFO | 74.1% | 87.8% | (13.7pp) |

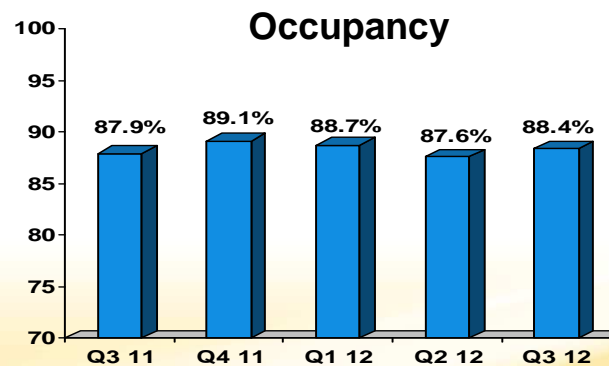
**Includes \$0.9 million of negative AFFO incurred in two properties in lease-up (\$0.1 million in Q3 2011)*



Strong Growth in Ontario

- Higher resident revenue from additional services provided to our residents
- Strong leasing activity
- Slower pace of new supply

| (\$ millions) | Q3 2012 | Q3 2011 | Increase/(Decrease) | |
|---------------------------|---------|---------|---------------------|-------|
| | | | \$ | % |
| Same property statistics: | | | | |
| Revenue | \$43.7 | \$42.4 | \$1.3 | 3.1% |
| NOI | \$17.7 | \$16.4 | \$1.3 | 7.7% |
| Occupancy | 88.4% | 87.9% | N/A | 0.5pp |

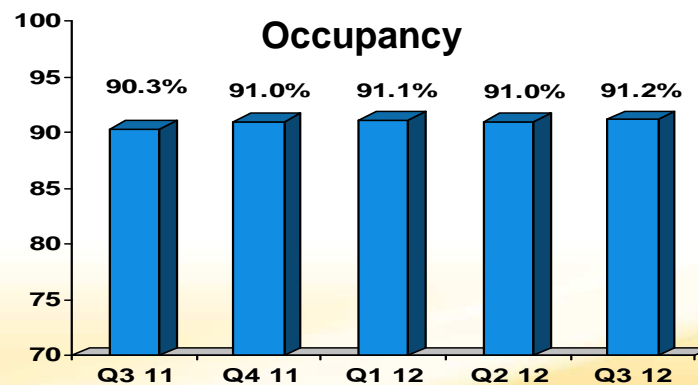




Strong Growth in Western Canada

- Higher revenues as a result of improved occupancy

| (\$ millions) | Q3 2012 | Q3 2011 | Increase/(Decrease) | |
|---------------------------|---------|---------|---------------------|-------|
| | | | \$ | % |
| Same property statistics: | | | | |
| Revenue | \$18.8 | \$18.2 | \$0.6 | 3.5% |
| NOI | \$7.4 | \$6.8 | \$0.6 | 8.2% |
| Occupancy | 91.2% | 90.3% | N/A | 0.9pp |

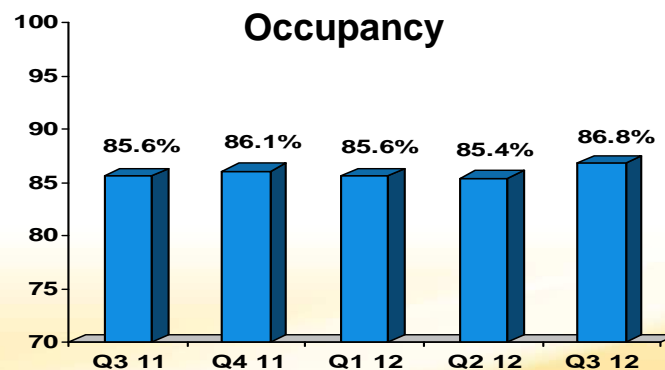




Quebec Growth Continues

- Higher revenue from occupancy improvements

| (\$ millions) | Q3 2012 | Q3 2011 | Increase/(Decrease) | |
|---------------------------|---------|---------|---------------------|-------|
| | | | \$ | % |
| Same property statistics: | | | | |
| Revenue | \$24.4 | \$23.7 | \$0.7 | 2.9% |
| NOI | \$8.9 | \$8.5 | \$0.4 | 5.0% |
| Occupancy | 86.8% | 85.6% | N/A | 1.2pp |



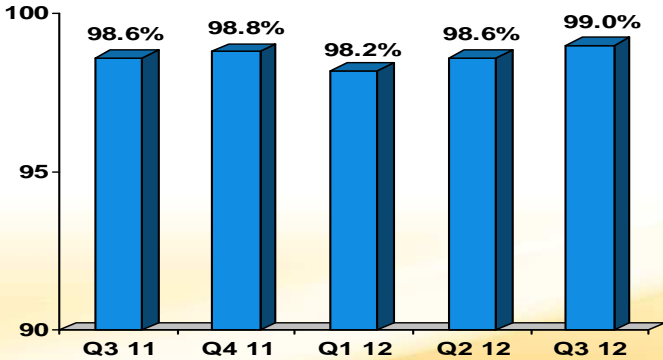


Canadian LTC

- High occupancy
- Increased funding and preferred accommodation rates

| (\$ millions) | Q3 2012 | Q3 2011 | Increase/(Decrease) | |
|---------------------------|---------|---------|---------------------|-------|
| | | | \$ | % |
| Same property statistics: | | | | |
| Revenue | \$47.9 | \$47.0 | \$0.9 | 1.9% |
| NOI | \$6.6 | \$6.2 | \$0.4 | 7.5% |
| Occupancy | 99.0% | 98.6% | N/A | 0.4pp |

Occupancy

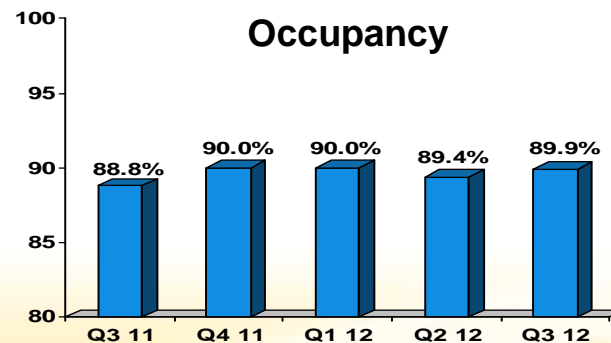




U.S. Portfolio Strengthening

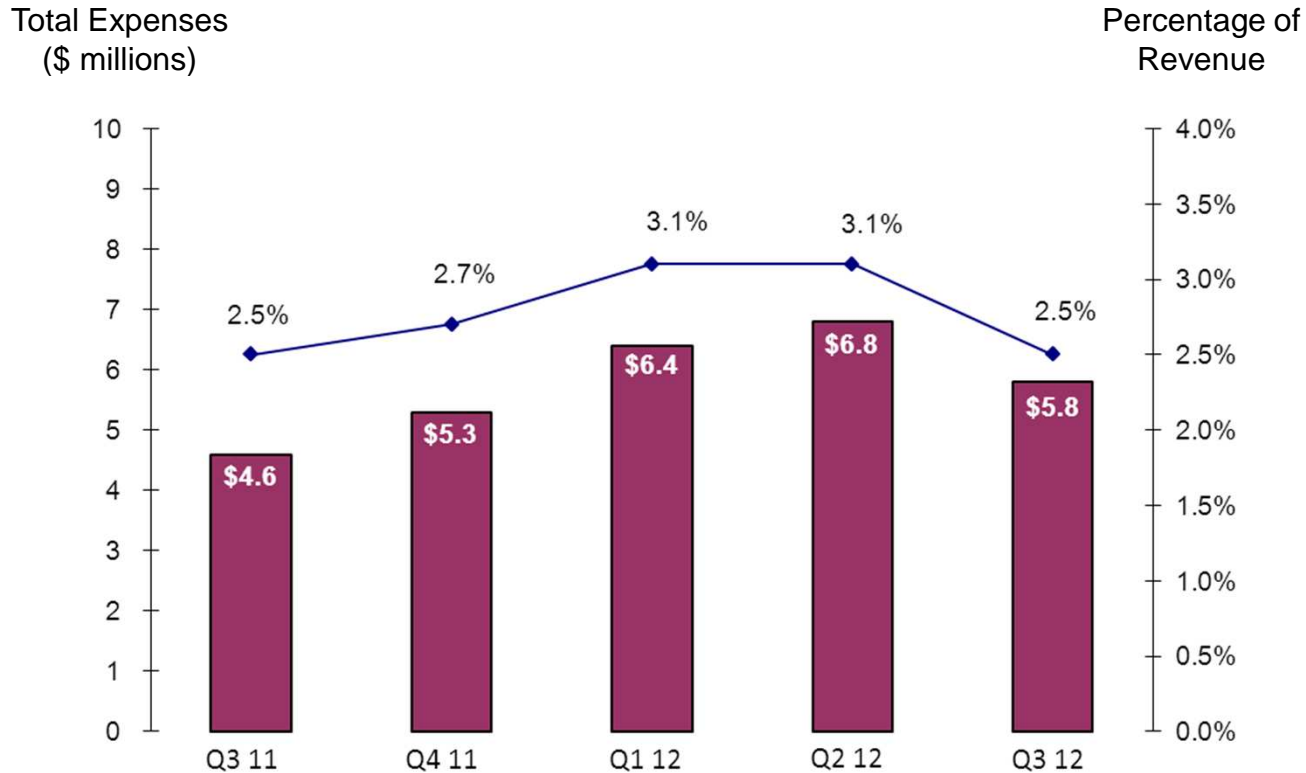
- Improved occupancy and rental rate increases
- Controllable expense savings

| (\$ millions) | Q3 2012 | Q3 2011 | Increase/(Decrease) | |
|---------------------------|---------|---------|---------------------|-------|
| | | | \$ | % |
| Same property statistics: | | | | |
| Revenue | \$38.2 | \$37.0 | \$1.2 | 3.3% |
| NOI | \$13.2 | \$12.6 | \$0.6 | 5.1% |
| Occupancy | 89.9% | 88.8% | N/A | 1.1pp |





Managing G&A Expenses



- Costs incurred to support significant growth in assets under management more than offset by management fees
- Q3 2012 G&A expenses include \$0.7 million of one time cost reductions and rebates

Spectrum Settlement



- Final settlement with Spectrum in October 2012
- \$16.6 million settlement payment to be recorded in Q4
- As a result SIFT taxes expected in 2012, 2013 and 2014
- Not to exceed \$0.02 per unit in each of these years



OUTLOOK



Making People's Lives Better

Our Strategic Priorities



- **Grow Core Property AFFO**
 - ❖ Continued focus on occupancy, ancillary revenue growth and cost control
 - ❖ New resident services, including assisted living
 - ❖ Growing contribution from lease-up properties
- **Invest in process improvements, research and information management**
 - ❖ Continuous improvements of operating processes – Lean Six Sigma specialists
 - ❖ New core financial system
 - ❖ Integrated leasing and prospect and management systems
 - ❖ Streamlining of supply chain management processes

Our Strategic Priorities



- **Building value of real estate portfolio**
 - ❖ Acquisitions pipeline
 - ❖ Up to five new development project starts per year
 - ❖ Divesting non-core assets
 - ❖ Ongoing asset management programs
- **Maintain a strong financial position**
 - ❖ Gradually reduce debt ratios over time



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