

Q1 2012 Conference Call

May 9, 2012



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.

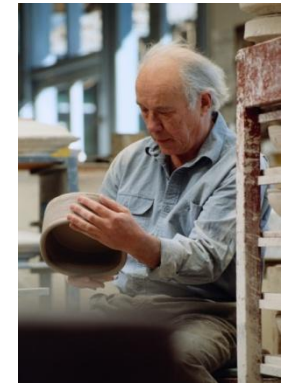
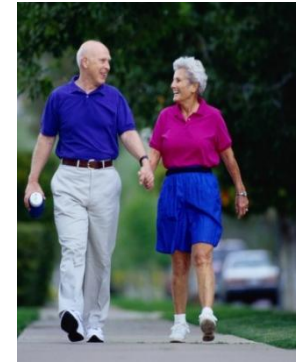
FFO, AFFO, EBITDA and NOI are not measures defined by International Financial Reporting Standards (“IFRS”). They are presented because management believes these non-IFRS measures are relevant and meaningful measures of Chartwell’s performance. FFO, AFFO, EBITDA and NOI as computed may differ from similar computations as reported by other issuers and may not be comparable to those reported by such issuers. Chartwell’s Q1 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 months ended March 31, 2012. Detailed descriptions of these terms are contained in Chartwell’s 2011 MD&A, available at www.sedar.com.

Q1 2012 Highlights



□ Strategic Priorities

1. Enhance the quality of cash flows and grow core property AFFO
2. Improve information management and operating processes
3. Build value through development program
4. Acquire newer properties in existing markets
5. Maintain a strong financial position
6. Integrate Maestro acquisition





Maestro Acquisition

□ Fully in line with stated strategic objectives

- Quality properties in our core Canadian markets
- Consolidated our position as dominant player in seniors housing market in Canada
- Immediately accretive with upside potential
- Enhanced economies of scale
- Opportunity to enhance accretion on debt refinancing
- Experienced and well capitalized co-owner





Maestro Acquisition – Integration

☐ Integration proceeding well

- Focus on:
 - ❖ Key transactional processes and systems
 - ❖ Limiting the amount of change
 - ❖ Making a good first impression
 - ❖ Meeting underwriting
- Month One:
 - ❖ Employee Welcome Packages
 - ❖ Day 1 Celebrations
 - ❖ Town Hall Meetings
 - ❖ GM Orientation
- Addition of Allegro's corporate office talent
- IT infrastructure, applications and processes
- Back office financial infrastructure



Making
People's Lives
BETTER

FINANCIAL REVIEW





Solid Financial Performance

□ Q1 2012 Highlights

- AFFO grew by 9.7%
- Same property NOI improved by 2.8 million or 5.8%
- Same property occupancy improved to 90.0%

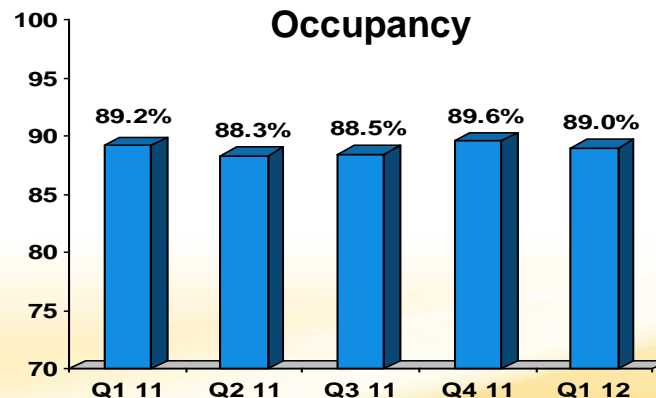
Key Performance Indicators	Q1 2012	Q1 2011	Increase/(Decrease)
Average occupancy – same property	90.0%	89.4%	0.6pp
NOI – same property (\$ millions)	\$50.9	\$48.1	\$2.8
AFFO (\$ millions)	\$22.2	\$20.3	\$2.0
AFFO per unit diluted	\$0.15	\$0.14	\$0.01
Distributions declared as a percentage of AFFO	89.0%	96.4%	(7.4pp)



Steady Performance in Ontario

- Higher ancillary revenues and rental rates
- Successful expense controls
- Strategies to grow occupancies are being implemented

(\$ millions)	Q1 2012	Q1 2011	Increase/(Decrease)	
			\$	%
Same property statistics:				
Revenue	\$43.4	\$42.0	\$1.4	3.5%
NOI	\$16.9	\$16.3	\$0.6	3.5%
Occupancy	89.0%	89.2%	N/A	(0.2pp)

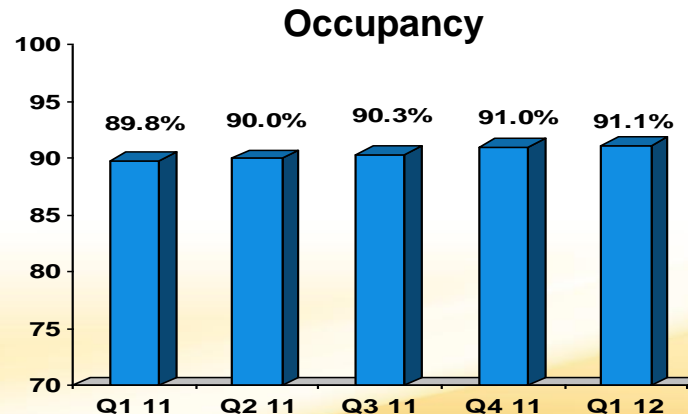




Strong Growth in Western Canada

- Improving occupancies and growing rental rates
- Adding new services for our residents
- Majority of properties are at stabilized occupancy

(\$ millions)	Q1 2012	Q1 2011	Increase/(Decrease)	
			\$	%
Same property statistics:				
Revenue	\$18.6	\$17.5	\$1.1	6.1%
NOI	\$7.0	\$6.7	\$0.3	4.6%
Occupancy	91.1%	89.8%	N/A	1.3pp

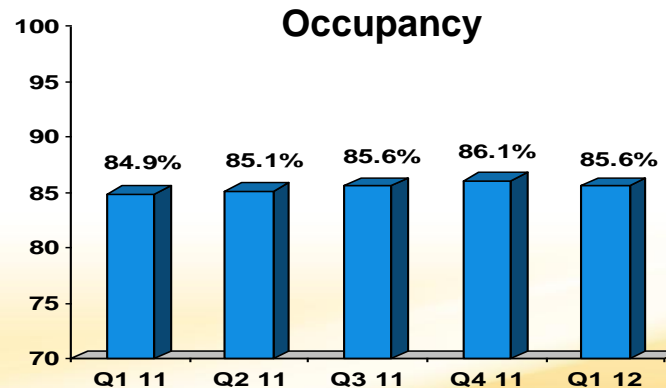




Quebec Growth Continues

- Revenue growth from occupancy and ancillary services
- Continued strong leasing activity

(\$ millions)	Q1 2012	Q1 2011	Increase/(Decrease)	
			\$	%
Same property statistics:				
Revenue	\$23.6	\$22.7	\$0.9	4.1%
NOI	\$7.5	\$7.0	\$0.5	6.5%
Occupancy	85.6%	84.9%	N/A	0.7pp



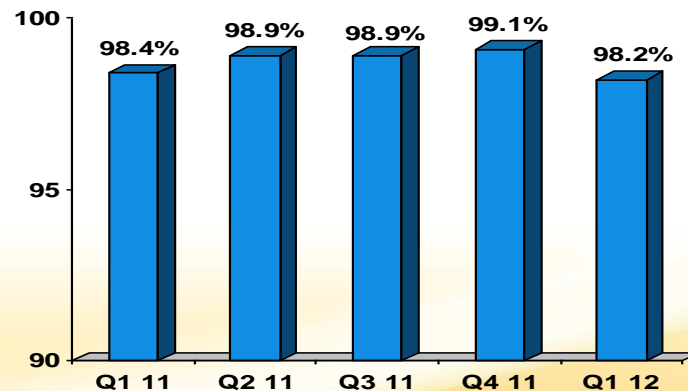


Canadian LTC Strong

- Higher government funding provided for direct resident care and services
- Strong expense controls

(\$ millions)	Q1 2012	Q1 2011	Increase/(Decrease)	
			\$	%
Same property statistics:				
Revenue	\$47.0	\$44.7	\$2.3	5.2%
NOI	\$5.9	\$5.6	\$0.2	4.1%
Occupancy	98.2%	98.4%	N/A	(0.2pp)

Occupancy

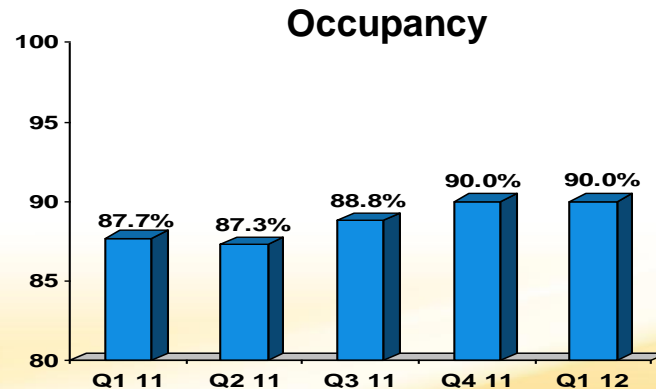




U.S. Portfolio Strengthening

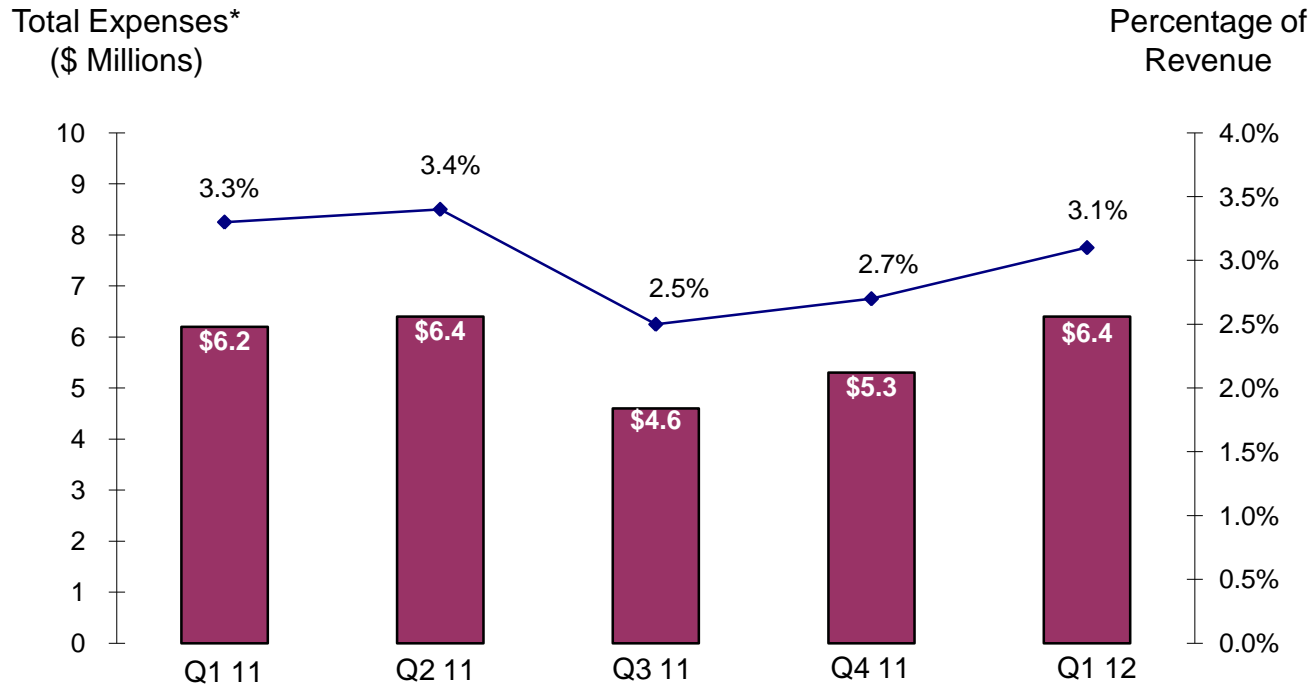
- Improved occupancies
- Successful expense controls

(\$ millions)	Q1 2012	Q1 2011	Increase/(Decrease)	
			\$	%
Same property statistics:				
Revenue	\$37.9	\$36.3	\$1.6	4.5%
NOI	\$13.7	\$12.4	\$1.2	9.9%
Occupancy	90.0%	87.7%	N/A	2.3pp





Managing G&A Expenses



* Excludes severance costs

- Process improvement reviews generating benefits

OUTLOOK



Our Strategic Priorities



- **Grow Core Property AFFO**
 - ❖ Continued focus on occupancy and 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**
 - ❖ Review of operating processes
 - ❖ Hyperion Financial Management System
 - ❖ Increase scope of customer and market research

Our Strategic Priorities



- **Development program**
 - ❖ Moderate pace of development on balance sheet
- **Portfolio Growth & Repositioning**
 - ❖ Optimize U.S. portfolio
 - ❖ Proactively sourcing third-party acquisitions
- **Maintain a strong financial position**
 - ❖ Gradually reduce debt levels over time



Q1 2012 Conference Call

May 9, 2012

