

Q4 2012 Conference Call

March 7, 2013



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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 2012 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.

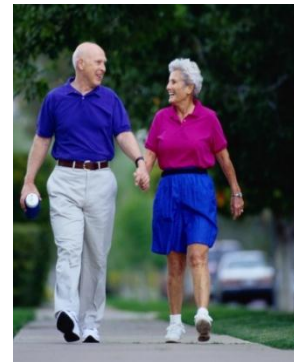
In this presentation we use a number of key performance indicators such as Funds from Operations (“FFO”), Adjusted Funds from Operations (“AFFO”), Net Operating Income (“NOI”) and others. These key performance indicators are not defined by International Financial Reporting Standards (“IFRS”) and may not be comparable to similar measures presented by other issuers; however, they are presented because management believes these non-IFRS measures are relevant and meaningful measures of Chartwell’s performance. For details of each of these performance indicators, please refer to the “Key Performance Indicators” section of Chartwell’s 2012 MD&A, available at www.sedar.com.

Building Sustainable Value



□ Strategic priorities

1. Grow core property AFFO
2. Improve information management and operating processes
3. Build value of our real estate portfolio
4. Maintain a strong financial position
5. Realize the benefits of the Maestro portfolio acquisition



Maestro Acquisition – Transformation



□ Transformation Projects



- Rebranding – Chartwell Retirement Residences
- Website – Search engine optimization
- Financial Reporting System – Final conversion complete
- Customer Relationship Management Module – Yardi Prospect rolled out



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Operating Initiatives



□ Focus on sales and operations in all Chartwell homes

- New programs rollout at our GM/Middle Managers Conferences
 - ❖ Food and Dining Program
 - ❖ Signature Lifestyle Programs
 - ❖ Energy Efficiency
 - ❖ Preventative Maintenance
- Health Care Assessments – Additional Care Services
- Results of Summer Sales promotion



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Financial Review



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Solid Financial Performance



□ 2012 highlights

- AFFO grew by 28.9%
- Same property portfolio NOI up 5.3%
- Same property portfolio occupancies growing to 90.3%

Key Performance Indicators	2012	2011	Increase/(Decrease)
Average occupancy – same property	90.3%	89.5%	0.8pp
NOI – same property (\$ millions)	\$208.1	\$197.6	\$10.4
AFFO* (\$ millions)	\$111.6	\$86.5	\$25.0
AFFO per unit diluted	\$0.66	\$0.59	\$0.07
Distributions declared as a percentage of AFFO	81.3%	90.7%	(9.4pp)

**Includes \$2.8 million of negative AFFO incurred on properties in lease-up (\$0.5 million in 2011)*

Solid Financial Performance



□ Q4 2012 highlights

- AFFO increased by 36.6%
- Same property portfolio NOI up 3.6%
- Same property portfolio occupancies growing to 91.5%

Key Performance Indicators	Q4 2012	Q4 2011	Increase/(Decrease)
Average occupancy – same property	91.5%	90.3%	1.2pp
NOI – same property (\$ millions)	\$51.6	\$49.8	\$1.8
AFFO* (\$ millions)	\$30.1	\$22.0	\$8.1
AFFO per unit diluted	\$0.17	\$0.15	\$0.02
Distributions declared as a percentage of AFFO	77.5%	89.5%	(12.0pp)

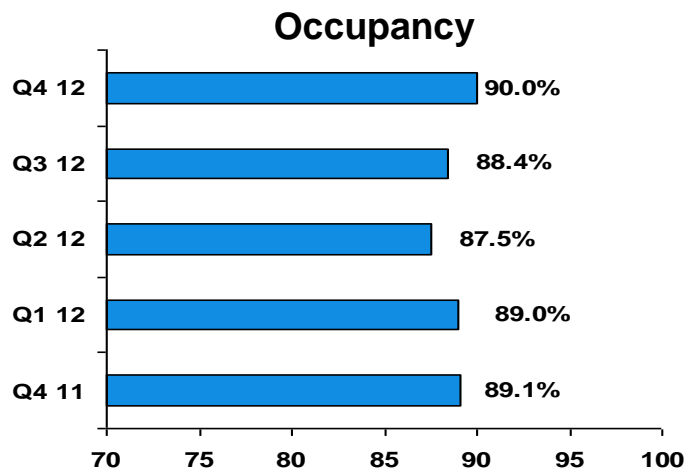
**Includes \$0.5 million of negative AFFO incurred on properties in lease-up (\$0.3 million in Q4 2011)*

Strong Growth in Ontario



- Higher resident revenue from additional services
- Successful promotional program
- Short-term discounts impact Q4 2012 growth
- Slower pace of new supply supports future occupancy growth

	2012	2011	Increase/(Decrease)			Q4 2012	Q4 2011	Increase/(Decrease)	
			\$	%				\$	%
Same property statistics:					Same property statistics:				
NOI (\$ millions)	\$67.5	\$66.0	\$1.5	2.2%	NOI (\$ millions)	\$16.0	\$16.5	(\$0.5)	(2.9%)
Occupancy	88.7%	88.4%	N/A	0.3pp	Occupancy	90.0%	89.1%	N/A	0.9pp



Strong Growth in Western Canada

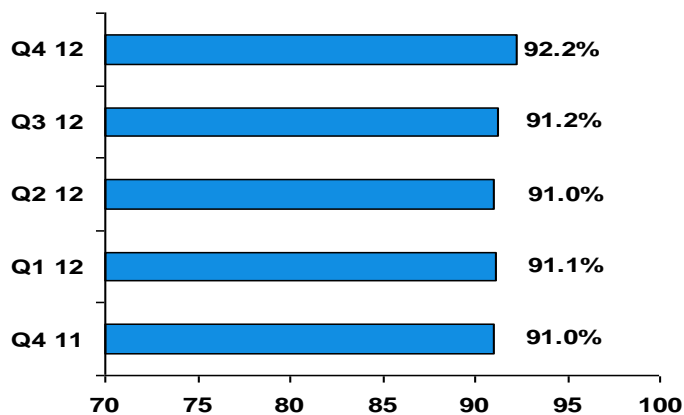


- Improving occupancies

	2012	2011	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$28.7	\$26.7	\$2.0	7.4%
Occupancy	91.4%	90.3%	N/A	1.1pp

	Q4 2012	Q4 2011	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$7.3	\$6.6	\$0.7	10.8%
Occupancy	92.2%	91.0%	N/A	1.2pp

Occupancy



Quebec Growth Continues

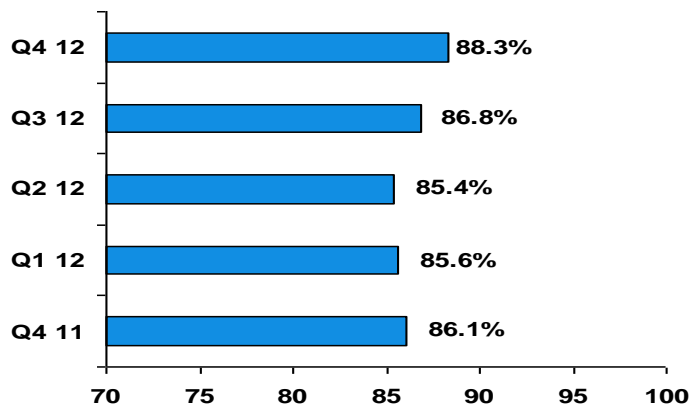


- Improving occupancies
- Short-term discounts impact Q4 2012 growth

	2012	2011	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$31.9	\$30.9	\$1.0	3.2%
Occupancy	86.5%	85.4%	N/A	1.1pp

	Q4 2012	Q4 2011	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$7.8	\$7.9	(\$0.1)	(1.0%)
Occupancy	88.3%	86.1%	N/A	2.2pp

Occupancy



Canadian LTC

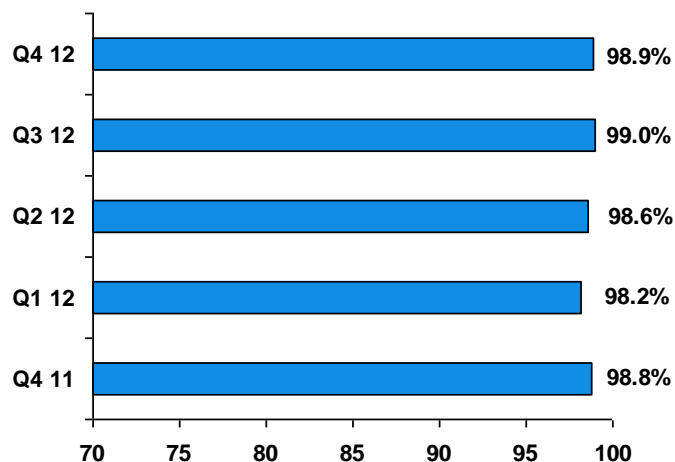


- High occupancy
- Increased funding and preferred accommodation rates

	2012	2011	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$25.4	\$24.4	\$1.1	4.4%
Occupancy	98.6%	98.5%	N/A	0.1pp

	Q4 2012	Q4 2011	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$6.6	\$6.2	\$0.4	5.9%
Occupancy	98.9%	98.8%	N/A	0.1pp

Occupancy



U.S. Portfolio Strengthening

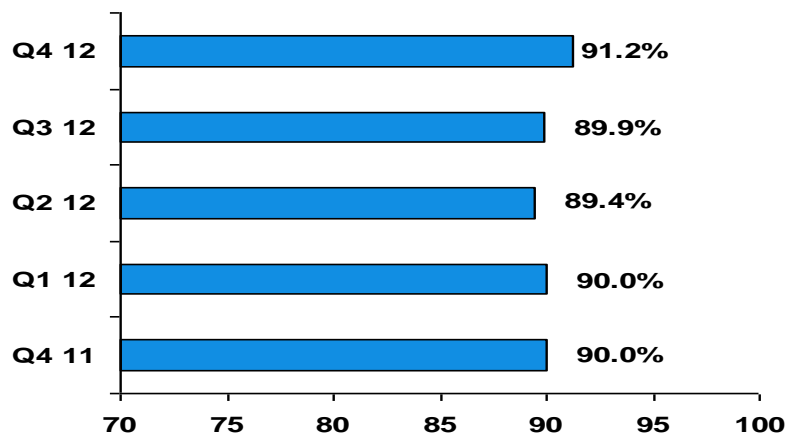


- Improving occupancies
- Controllable expense savings

	2012	2011	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (U.S. \$ millions)	\$54.5	\$49.6	\$4.9	10.0%
Occupancy	90.1%	88.5%	N/A	1.6pp

	Q4 2012	Q4 2011	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (U.S. \$ millions)	\$13.9	\$12.6	\$1.3	10.0%
Occupancy	91.2%	90.0%	N/A	1.2pp

Occupancy

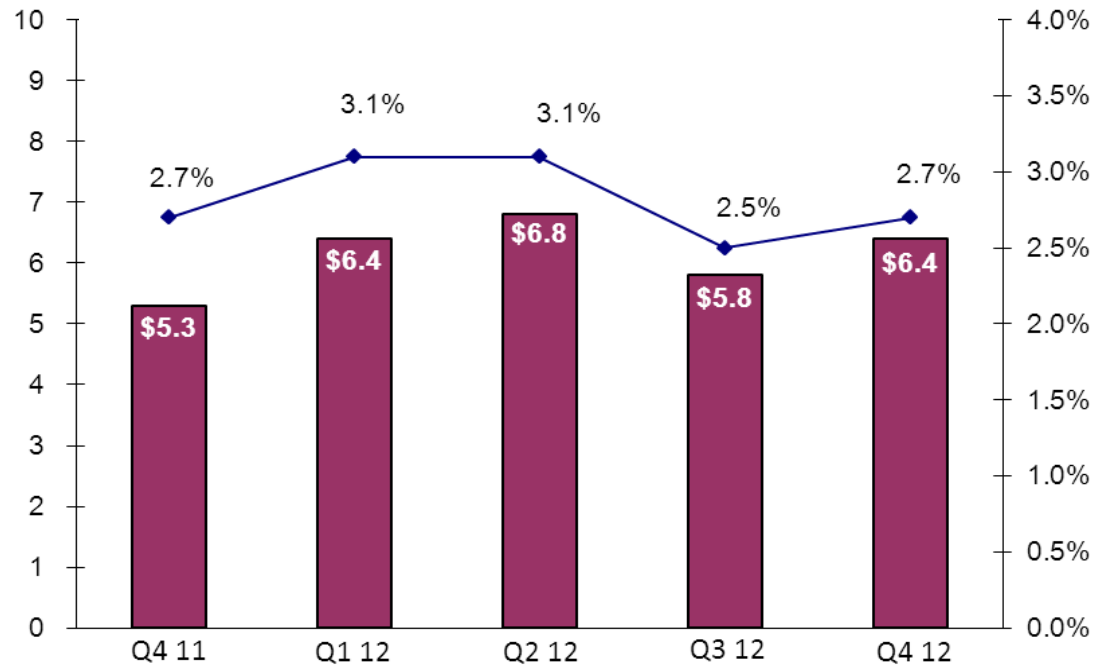


Managing G&A Expenses



Total G&A Expenses*
(\$ millions)

Percentage of
Revenue



- Costs incurred to support significant growth in assets under management more than offset by management fees

Outlook



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Our Strategic Priorities



- **Grow core property AFFO**
 - ❖ New brand rollout
 - ❖ 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
 - ❖ Streamlining of supply chain management processes
 - ❖ IT infrastructure rollout
 - ❖ Website update

Our Strategic Priorities



- **Building value of our real estate portfolio**
 - ❖ Acquisitions pipeline
 - ❖ Two to three new development project starts in 2013
 - ❖ Divesting non-core assets
 - ❖ Ongoing asset management programs
- **Maintain a strong financial position**
 - ❖ Gradually reduce debt leverage over time



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