

Q2 2013 Conference Call

August 14, 2013



CHARTwell
retirement residences

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 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 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”), “Same Property NOI”, “Same Property Revenue”, “Same Property Direct Operating Expenses”, General, Administrative and Trust (“G&A”) Expenses as a percentage of Revenue, “Interest Coverage Ratio”, “Indebtedness Ratio”, “Net Debt to Adjusted EBITDA Ratio” and others. These key performance indicators do not have any standardized meaning prescribed by International Financial Reporting Standards (“IFRS”) and therefore are unlikely to be comparable to similar measures presented by other trusts or other companies. Chartwell monitors its operations on a line-by-line consolidated basis and as such, includes its share of amounts from joint ventures. Detailed descriptions of these non-IFRS measures are contained in Chartwell’s Q2 2013 MD&A, available at sedar.com.

Building Sustainable Value



□ Strategic priorities

1. Grow core property portfolio contribution
2. Maintain a strong financial position
3. Improve quality and efficiency of our corporate support services
4. Build value of our real estate portfolio



Customer Satisfaction



□ The Data

- Resident Referrals have a positive affect on occupancy
- 'Very Satisfied' Residents are more likely to refer their friends

□ The Plan

- Customer Commitment Team established
- New Service Philosophy and Service Standards Developed
- Long-term plan to integrate our new customer service approach into:
 - Hiring Practices
 - Orientation and Training
 - Recognition
 - Accountability Processes

Sales and Quality Care Initiatives



❑ Sales/Marketing

- Recruitment, Orientation and Training of Sales Consultants
- Utilization of Customer Relationship Management data
- Click-to-Connect

❑ Quality of Care and Services

- Resident Assessments
- Support for our homes from Nursing Consultants
- Memory Care Program



Financial Review



CHARTwell
retirement residences

making people's
lives **BETTER**

Solid Financial Performance



□ Q2 2013 highlights

- AFFO increased by 15.9%
- Same property NOI up 4.2% with occupancy improving to 89.4%
- All balance sheet debt metrics continue to improve

Key Performance Indicators	Q2 2013	Q2 2012	Increase/(Decrease)
Average occupancy – same property	89.4%	88.5%	0.9pp
NOI – same property (\$ millions)	\$58.7	\$56.3	\$2.4
AFFO* (\$ millions)	\$32.3	\$27.8	\$4.4
AFFO per unit diluted	\$0.18	\$0.16	\$0.02
Distributions declared as a percentage of AFFO	72.6%	87.4%	(14.8pp)

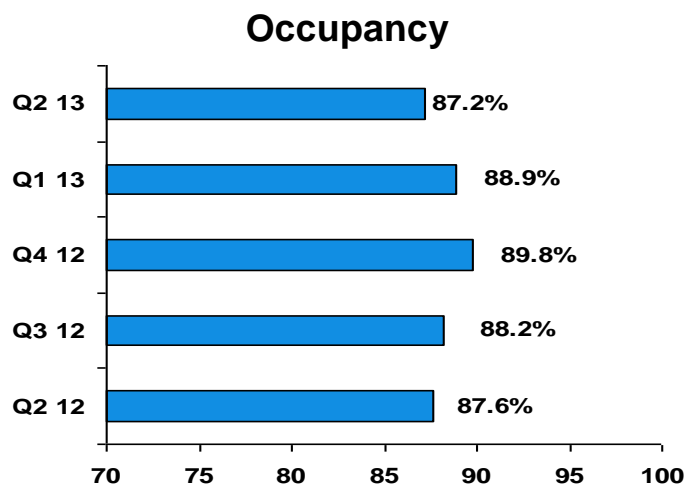
**Includes \$0.4 million of negative AFFO incurred on properties in lease-up in Q2 2013 (\$0.8 million in Q2 2012)*

Ontario Retirement Platform



- Higher revenue from additional services
- Short-term discounts impact NOI performance
- Slower pace of new supply supports future occupancy growth

	Q2 2013	Q2 2012	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$17.4	\$16.9	\$0.5	3.2%
Occupancy	87.2%	87.6%	N/A	(0.4pp)



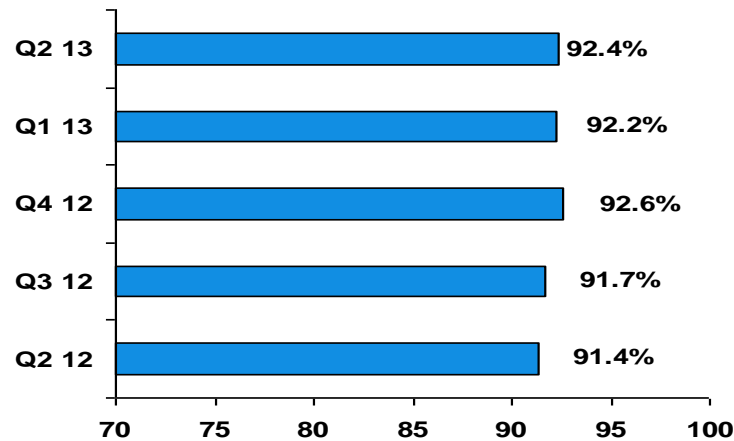
Western Canada Platform



- Improving occupancy
- Solid NOI growth

	Q2 2013	Q2 2012	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$8.1	\$7.6	\$0.5	6.3%
Occupancy	92.4%	91.4%	N/A	1.0pp

Occupancy

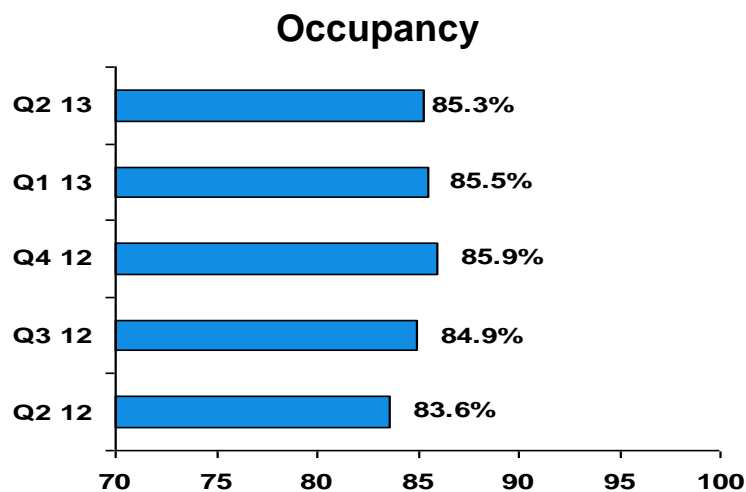


Quebec Platform



- Improving occupancy
- Short-term discounts and higher staffing costs in response to new regulations impact NOI growth

	Q2 2013	Q2 2012	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$8.1	\$7.8	\$0.3	3.4%
Occupancy	85.3%	83.6%	N/A	1.7pp

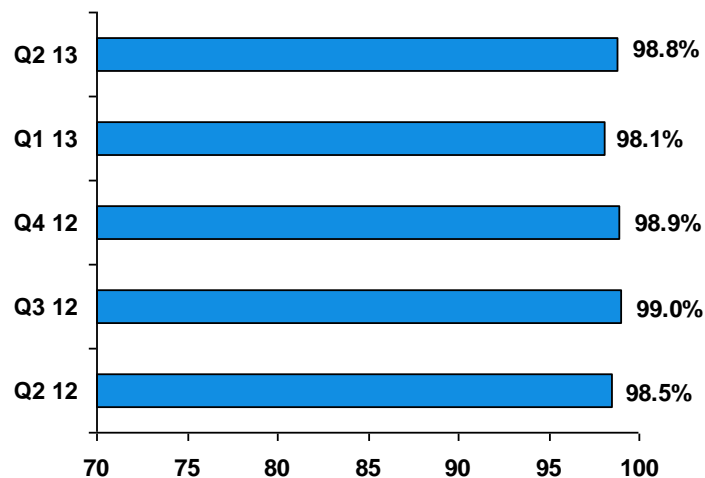




- High occupancy
- Increased funding and preferred accommodation rates

	Q2 2013	Q2 2012	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$6.9	\$6.4	\$0.5	8.9%
Occupancy	98.8%	98.5%	N/A	0.3pp

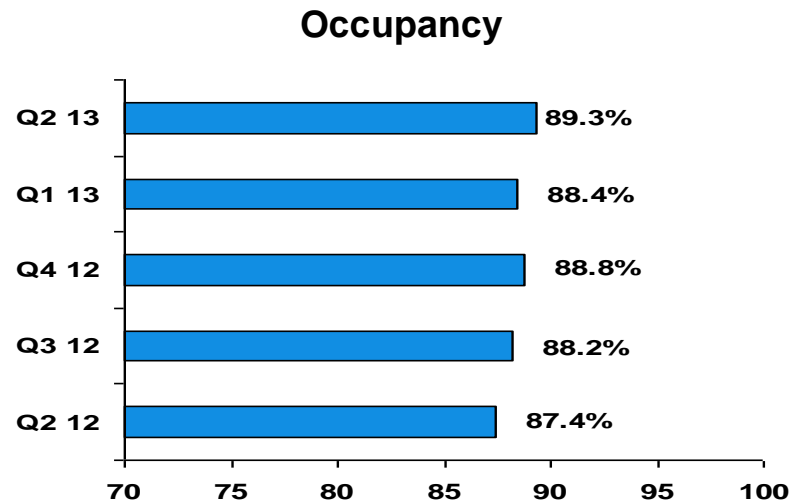
Occupancy





- Improving occupancy and ancillary revenue growth

	Q2 2013	Q2 2012	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$18.2	\$17.7	\$0.5	3.0%
Occupancy	89.3%	87.4%	N/A	1.9pp



Financial Performance



➤ Maintain a strong financial position

	2013	2012
Net Debt to Adjusted EBITDA ratio ⁽¹⁾	8.5	8.9
Interest coverage ratio ⁽²⁾	2.17	1.93
Indebtedness ratio ⁽³⁾	56.9%	57.9%
Weighted average interest rate ⁽⁴⁾	5.11%	5.22%
Average term to maturity ⁽⁴⁾	5.9 yrs	6.3 yrs

(1) Based on June 30, 2013 and 2012 Net Debt balances and Adjusted EBITDA for the twelve-month period ended June 30, 2013 and 2012

(2) For the six-month period ended June 30, 2013 and 2012

(3) As at June 30, 2013 and December 31, 2012, including convertible debentures

(4) Mortgage portfolio as at June 30, 2013 and 2012

- Renewed Credit Facility for 2 years on competitive terms and increased the borrowing capacity to \$95 million.

Outlook



CHARTwell
retirement residences

making people's
lives **BETTER**



- **Grow core property portfolio contribution**
 - ❖ 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
- **Maintain a strong financial position**
 - ❖ Gradually reduce debt leverage over time
- **Improvements in quality and efficiency of corporate support services**
 - ❖ Continuous improvements of operating processes – Lean Six Sigma specialists
 - ❖ Streamlining of supply chain management processes
 - ❖ Improved information management systems
 - ❖ Capital budgeting and procurement systems
 - ❖ IT infrastructure rollout
 - ❖ Website update



- **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 in Canada and the U.S.



Q2 2013 Conference Call

August 14, 2013



CHARTwell
retirement residences

making people's
lives **BETTER**