

Q1 2014 Conference Call

May 9, 2014



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retirement residences

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Cautionary Statements



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.

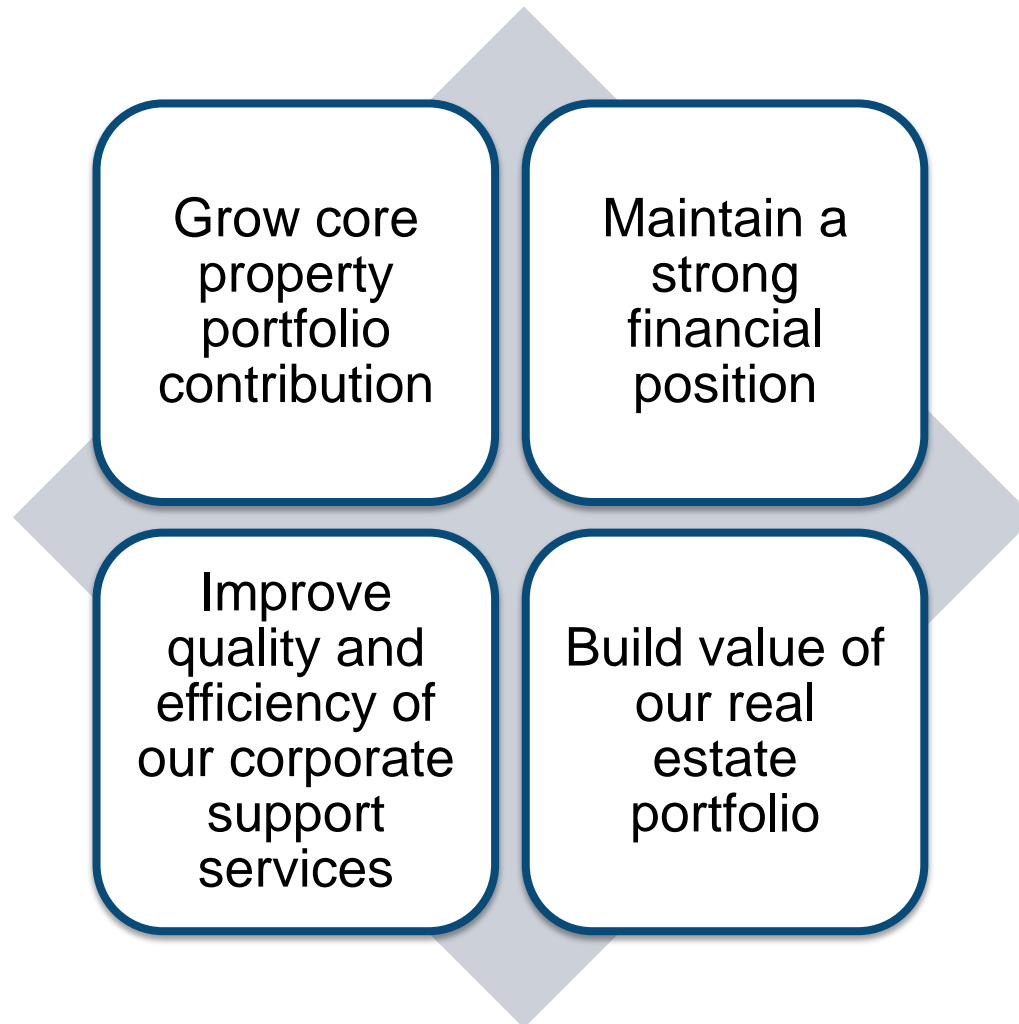
While we anticipate that subsequent events and developments may cause our views to change, we do not intend to update this forward-looking information, except as required by applicable securities laws. This forward-looking information represents our views as of the date of this presentation and such 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 2013 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.

Non-IFRS Measures

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 Q1 2014 MD&A, available at sedar.com.



Strategic Priorities





Sales

Focus on recruitment and training of Sales Consultants

Competencies have been clearly defined for Sales Consultants

Moving recruitment and performance management responsibilities from GMs to Directors of Regional Sales

Rolling out automated phone technology to forward calls to our Contact Centre in order to “never lose a lead”



Marketing

Hired an external creative ad company



Hosted our Spring Open House – 6,000 participants

Operations Initiatives



Driving additional care revenue



Trialing new Ancillary Services

Piloting our New Memory Living Program



Working on additional national purchasing contracts

Focusing on energy saving initiatives



Capital Renewal for Ontario LTC homes on the political agenda

Hosted a Chartwell Caribbean cruise



Financial Review



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Solid Financial Performance



Q1 2014 Highlights

- AFFO increased 8.7%
- Same property NOI increased 2.4%
- Same property portfolio occupancy 89.5%

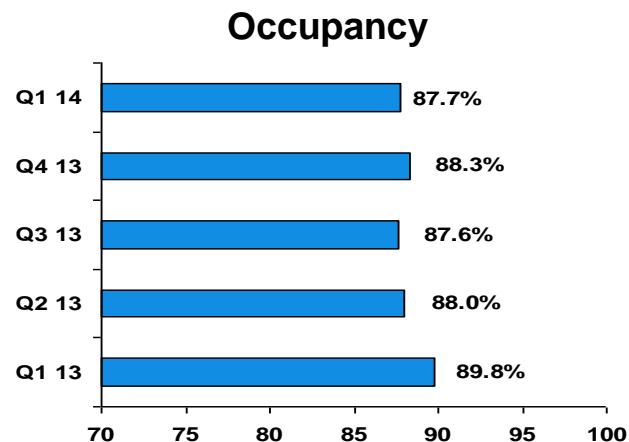
Key Performance Indicators	Q1 2014	Q1 2013	Increase/(Decrease)
Average occupancy – same property	89.5%	89.7%	(0.2pp)
NOI – same property (\$ millions)	\$57.2	\$55.8	\$1.4
AFFO (\$ millions)	\$30.0	\$27.6	\$2.4
AFFO per unit diluted	\$0.17	\$0.16	\$0.01
Distributions declared as a percentage of AFFO	78.8%	84.8%	(6.0pp)

Ontario Retirement Platform



- Higher revenue from additional services and lower short-term move-in incentives offset by higher staffing and utility costs
- Slower pace of new supply expected to support future occupancy growth

	Q1 2014	Q1 2013	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$17.3	\$17.3	-	-
Occupancy	87.7%	89.8%	N/A	(2.1pp)

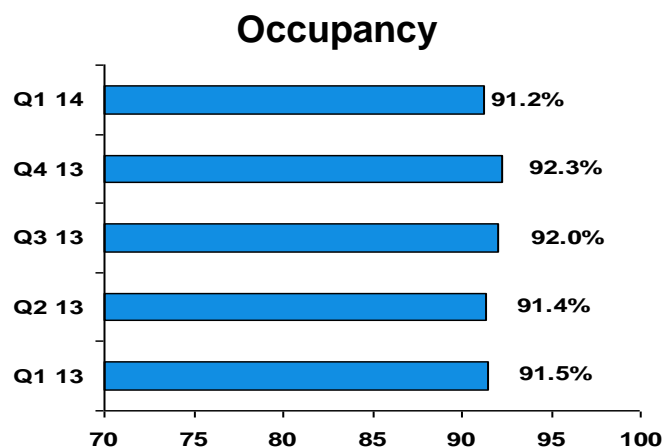


Western Canada Platform



- Lower short-term move-in incentives
- Positive conditions in most of our markets

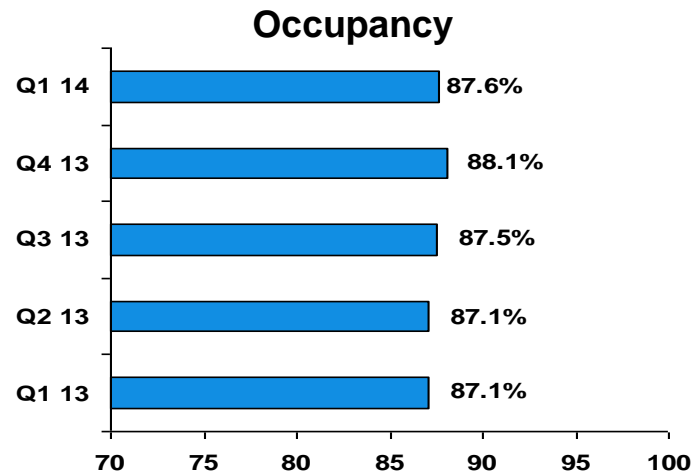
	Q1 2014	Q1 2013	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$8.9	\$8.6	\$0.3	3.7%
Occupancy	91.2%	91.5%	N/A	(0.3pp)





- Gradual occupancy growth, lower short-term move-in incentives
- Improving occupancy will support future NOI growth

	Q1 2014	Q1 2013	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$12.6	\$11.3	\$1.3	11.8%
Occupancy	87.6%	87.1%	N/A	0.5pp



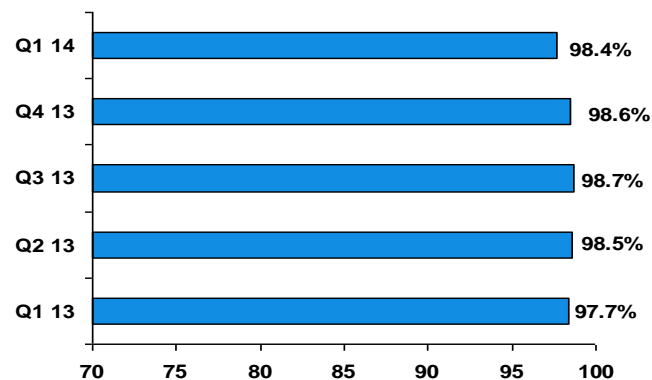
Ontario LTC Platform



- Increased funding and preferred accommodation rates
- High occupancy
- Disciplined expense management

	Q1 2014	Q1 2013	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$6.6	\$6.4	\$0.2	2.7%
Occupancy	98.4%	97.7%	N/A	0.7pp

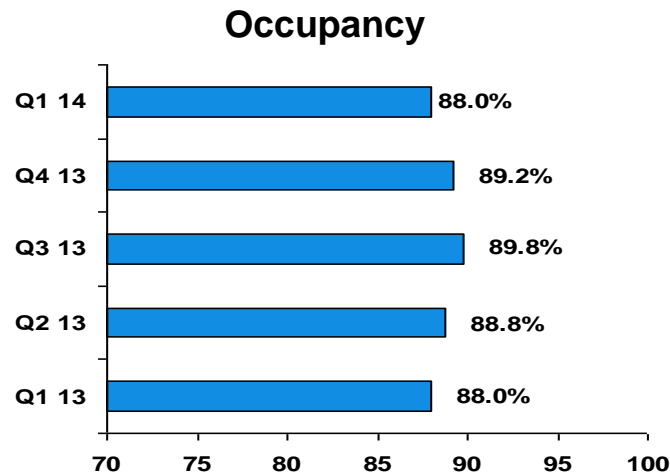
Occupancy





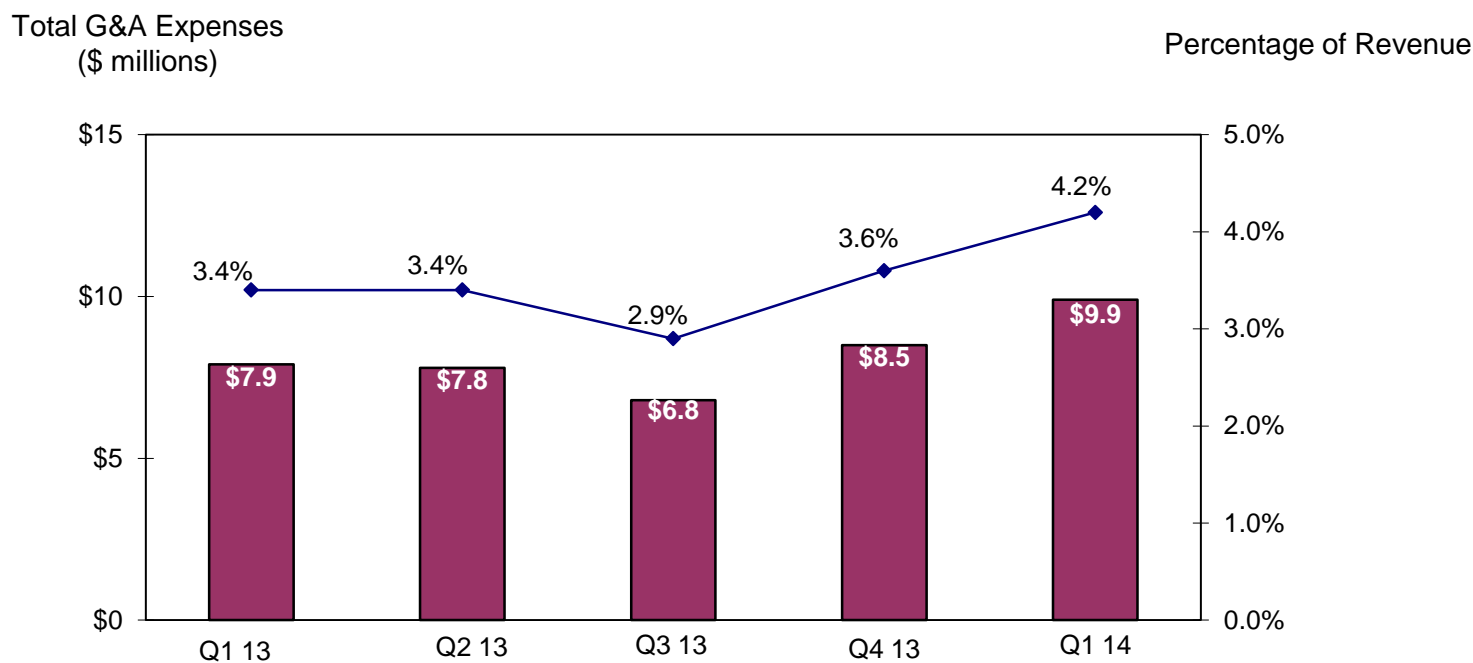
- Short-term move-in incentives, higher staffing and utility costs
- Expect improving performance in the remainder of 2014

	Q1 2014	Q1 2013	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$11.8	\$12.3	(\$0.5)	(4.1%)
Occupancy	88.0%	88.0%	N/A	-





Managing G&A Expenses



- Severance costs related to corporate restructuring.
- Investments in improved service delivery to our operating platforms.

Outlook



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Strategic Priorities



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