

Q2 2014 Conference Call

August 8, 2014



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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.

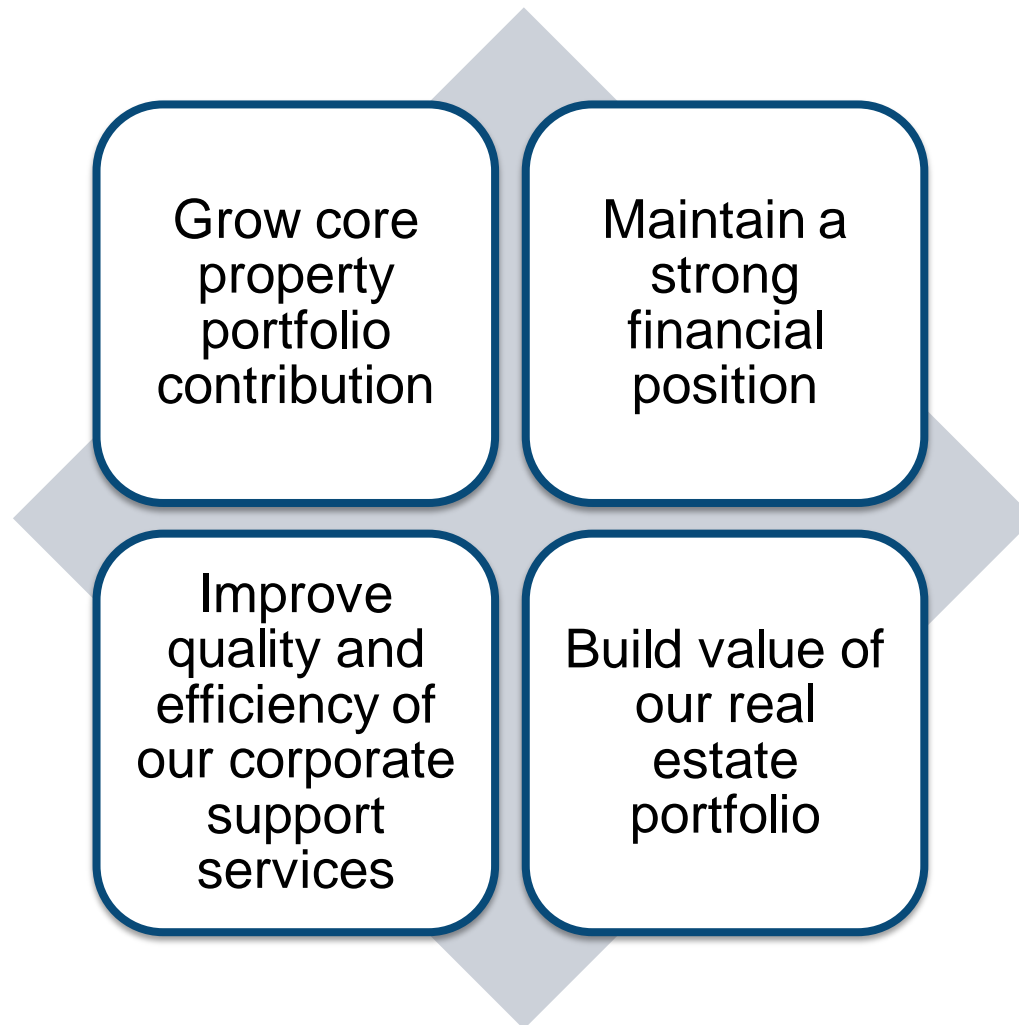
Non-GAAP Measures

In this document we use a number of performance measures that are not generally accepted accounting principles (“GAAP”) 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,” “G&A Expenses as a percentage of Revenue,” “Interest Coverage Ratio,” “Indebtedness Ratio,” “Net Debt to Adjusted EBITDA Ratio,” “Chartwell’s Interests” and any related per unit amounts to measure, compare and explain the operating results and financial performance of the Trust (collectively, the “Non-GAAP Measures”). These Non-GAAP Measures do not have any standardized meaning prescribed by International Financial Reporting Standards (“IFRS”) and, therefore, may not be comparable to similar measures presented by other publicly-traded entities. Please refer to the “Non-GAAP Measures” section of our Q2 2014 MD&A for details.

Building Sustainable Value



Strategic Priorities





Effectiveness of marketing and sales processes

Sales

Strategies to increase leads:

- ❖ Website
- ❖ Call centre
- ❖ Phone system

Strategies to increase permanent move-ins:

- ❖ Sales training focused on purposeful follow-up
- ❖ DRS ability to listen to sales calls and coach Sales Consultants
- ❖ Enhanced hiring and performance management of Sales Consultants

Marketing

Affinity programs and Partners Day
National resident referral program
Fall national advertising campaign
Enhanced social media presence

Operations Initiatives



To provide a happier, healthier and more fulfilled life experience for seniors



Driving additional care revenue

Enhanced ancillary care services

National purchasing contracts

New resident satisfaction survey with comparative benchmarks

Final pieces of operational reorganization in place

Financial Review



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Q2 2014 Highlights

- AFFO of 18 cents per unit diluted
- Same property NOI decreased 1.3%
- Same property portfolio occupancy decreased 0.3pp
- Expect improving performance in the second half of 2014 driven by stronger leasing activities and realization of the benefits of centralized procurement initiatives and lower utility costs

Key Performance Indicators	Q2 2014	Q2 2013	Increase/(Decrease)
Average occupancy – same property	89.3%	89.6%	(0.3pp)
NOI – same property (\$ millions)	\$62.4	\$63.3	(\$0.9)
AFFO (\$ millions)	\$31.9	\$32.3	(\$0.4)
AFFO per unit diluted	\$0.18	\$0.18	-
Distributions declared as a percentage of AFFO	74.9%	72.6%	2.3pp

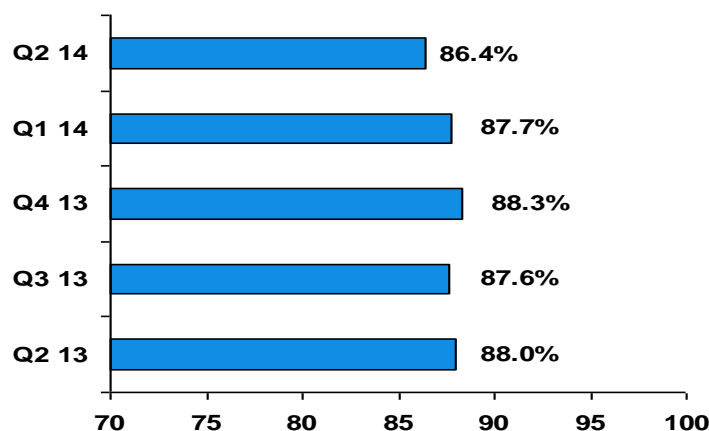
Ontario Retirement Platform



- Continued competitive pressures, utility and real estate taxes impacted results
- Slower pace of new supply and stronger leasing activity expected to support improving occupancy and NOI growth

	Q2 2014	Q2 2013	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$17.7	\$18.7	(\$1.0)	(5.1%)
Occupancy	86.4%	88.0%	N/A	(1.6pp)

Occupancy



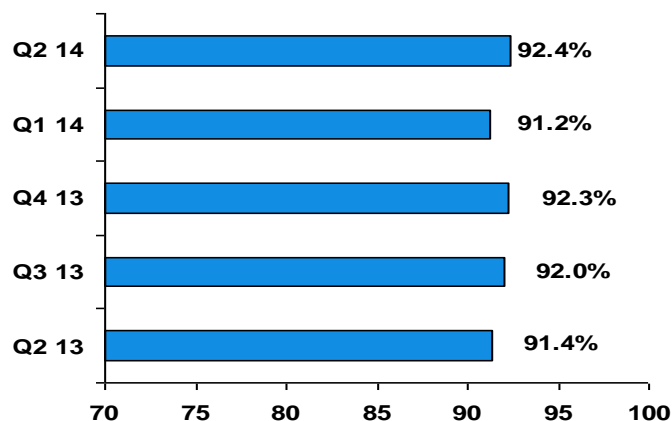
Western Canada Platform



- Continuing occupancy and rental rate growth contributed to the results
- Positive conditions in most of our markets

	Q2 2014	Q2 2013	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$9.1	\$8.8	\$0.3	4.3%
Occupancy	92.4%	91.4%	N/A	1.0pp

Occupancy

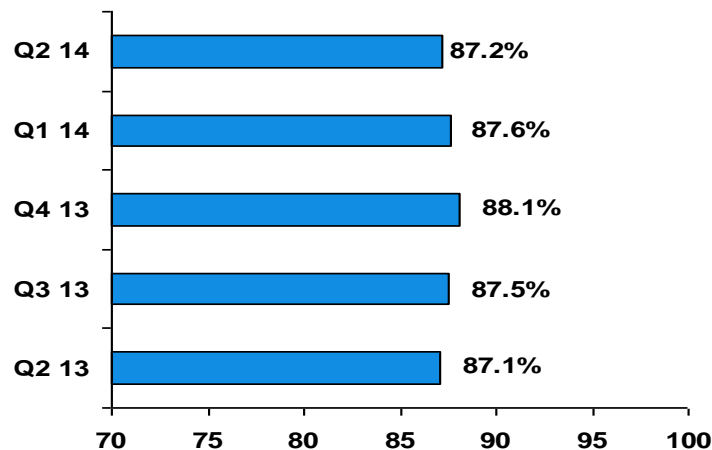




- Higher utilities and real estate taxes impacted results
- Strong leasing expected to support improving occupancy and NOI growth in the second half of 2014

	Q2 2014	Q2 2013	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$12.9	\$13.1	(\$0.2)	(1.4%)
Occupancy	87.2%	87.1%	N/A	0.1pp

Occupancy



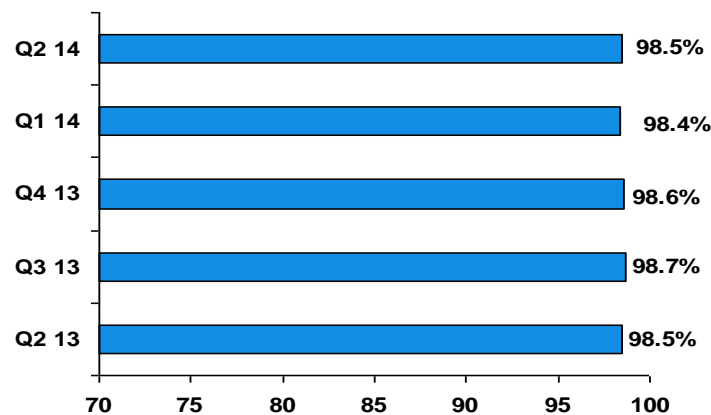
Ontario LTC Platform



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

	Q2 2014	Q2 2013	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (\$ millions)	\$7.3	\$7.2	\$0.1	1.3%
Occupancy	98.5%	98.5%	N/A	-

Occupancy

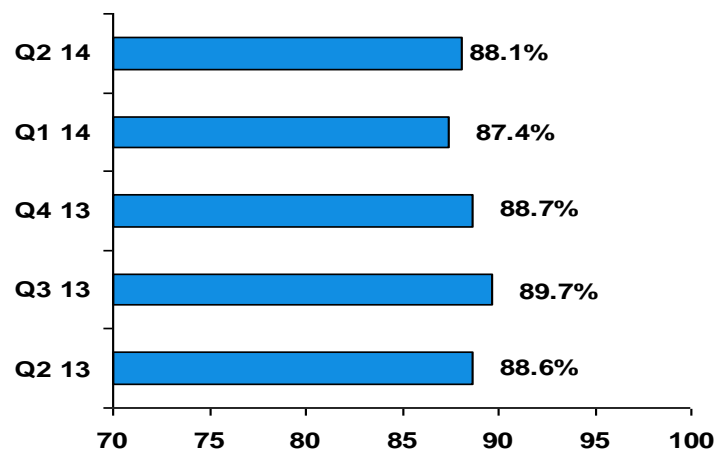




- Short-term move-in incentives, higher staffing costs and lower occupancies impacted results
- Expect improving performance in the remainder of 2014

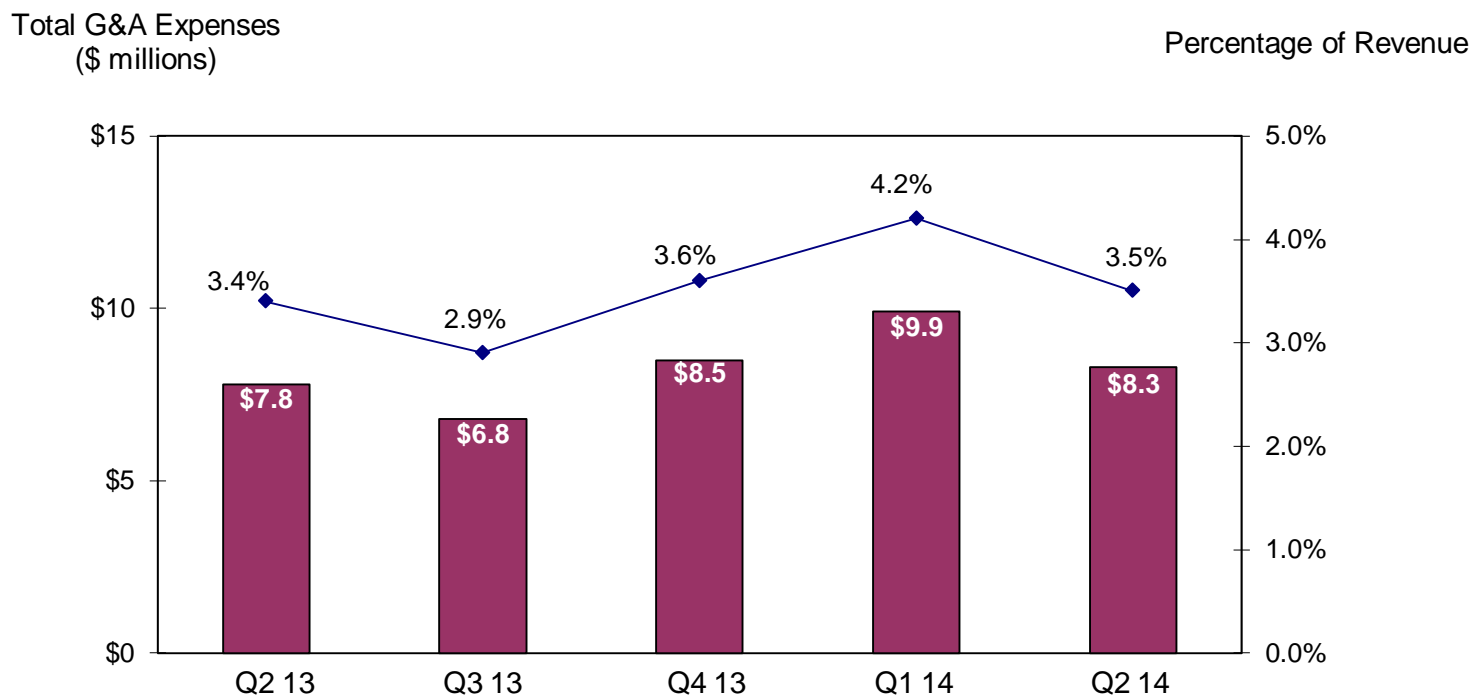
	Q2 2014	Q2 2013	Increase/(Decrease)	
			\$	%
Same property statistics:				
NOI (U.S. \$ millions)	\$15.3	\$15.5	(\$0.2)	(1.2%)
Occupancy	88.1%	88.6%	N/A	(0.5pp)

Occupancy





Managing G&A Expenses



- Higher legal fees related to the settled litigation in the U.S. added \$0.4 million of G&A expense in Q2 2014

Outlook



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Strategic Priorities



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