



Q4 & 2013

Results

Conference Call

February 19, 2014

10 am EST



Cautionary Statement

This presentation may contain forward-looking statements with respect to Killam Properties Inc. and its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward-looking words such as “may”, “will”, “expect”, “estimate”, “anticipate”, “intends”, “believe” or “continue” or the negative thereof or similar variations. The actual results and performance of Killam Properties Inc. discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulation and the factors described under “Risk Factors” in Killam' annual information form and other securities regulatory filings. The cautionary statements qualify all forward-looking statements attributable to Killam Properties Inc. and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date to which this presentation refers, and the parties have no obligation to update such statements.



Highlights from Q4 2013

- 3.4% dividend increase.
- FFO per share of \$0.18, a 5.9% increase over Q4 2012.
- 1.5% increase in same store revenue.
- 5.0% increase in same store total property operating expenses.
- 0.9% decrease in same store NOI.
- Completed \$15 million in acquisitions.
- Netted proceeds of \$42.6 million from the New Brunswick MHC sale.

Highlights from 2013

- FFO per share of \$0.72, consistent with \$0.72 earned in 2012.
- 1.8% increase in same store revenue.
- 5.0% increase in same store operating expense due to high natural gas costs in Atlantic Canada.
- 0.4% decrease in same store NOI.
- Weighted average interest rate on mortgage debt reduced to 4.05% compared to 4.48% at December 31, 2012.
- \$190.7 million in acquisitions and developments completed.

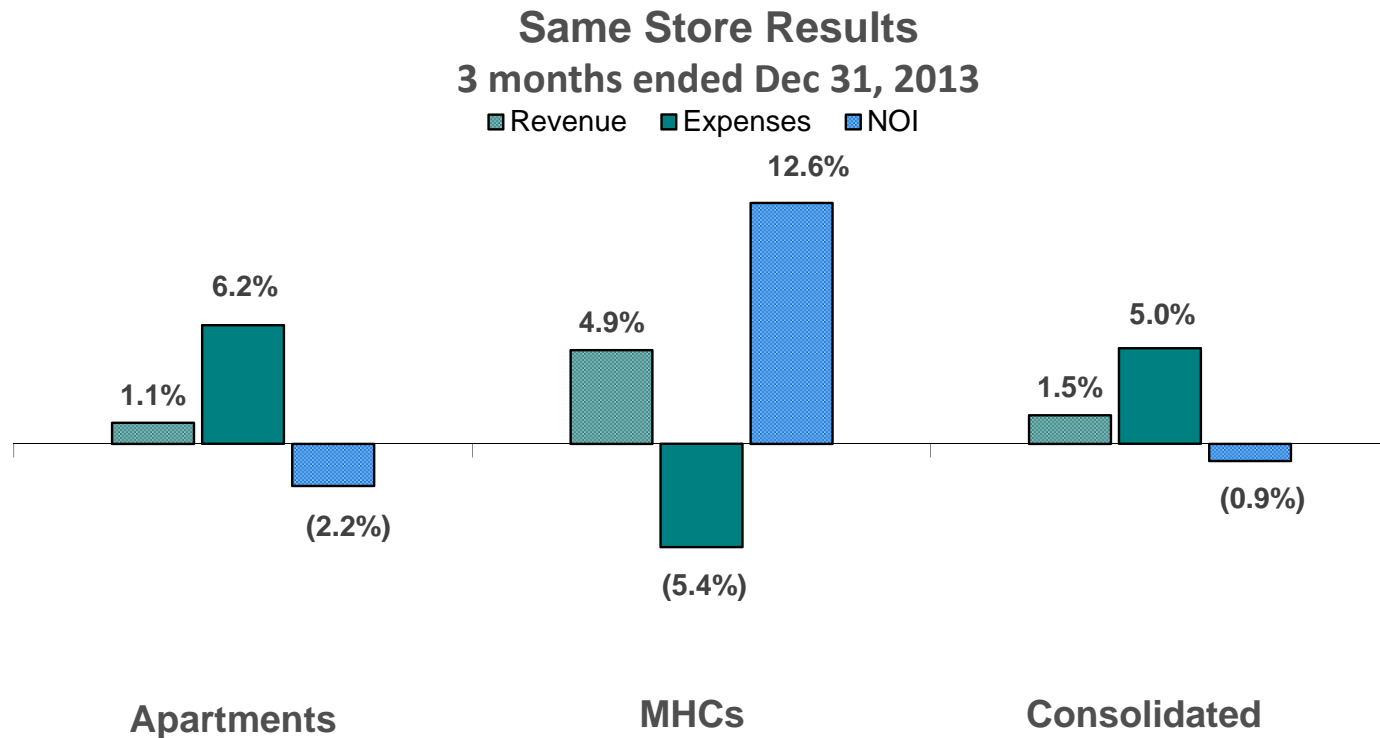
FFO of \$0.18 in Q4 2013

Three months ended, (\$ thousands, except per share information)	Dec 31, 2013	Dec 31, 2012	Change
Property Revenue	\$36,262	\$33,360	8.7%
Net Operating Income	\$21,399	\$19,559	9.4%
Equity, Homes Sales & Corporate Income	\$231	\$628	(63.2%)
Income Before Fair Value Gains or Losses, Gain or Loss on Disposition and Income Taxes	\$9,804	\$8,946	9.6%
Fair Value (Losses) Gains	(\$13,827)	\$10,057	n/a
Net Income and Comprehensive Income Attributable to Common Shareholders	(\$4,543)	\$10,425	n/a
Funds From Operations (FFO)	\$9,812	\$8,732	12.4%
FFO/Share	\$0.18	\$0.17	5.9%
Shares Outstanding (weighted average)	54,395	51,528	5.6%

FFO of \$0.72 in 2013

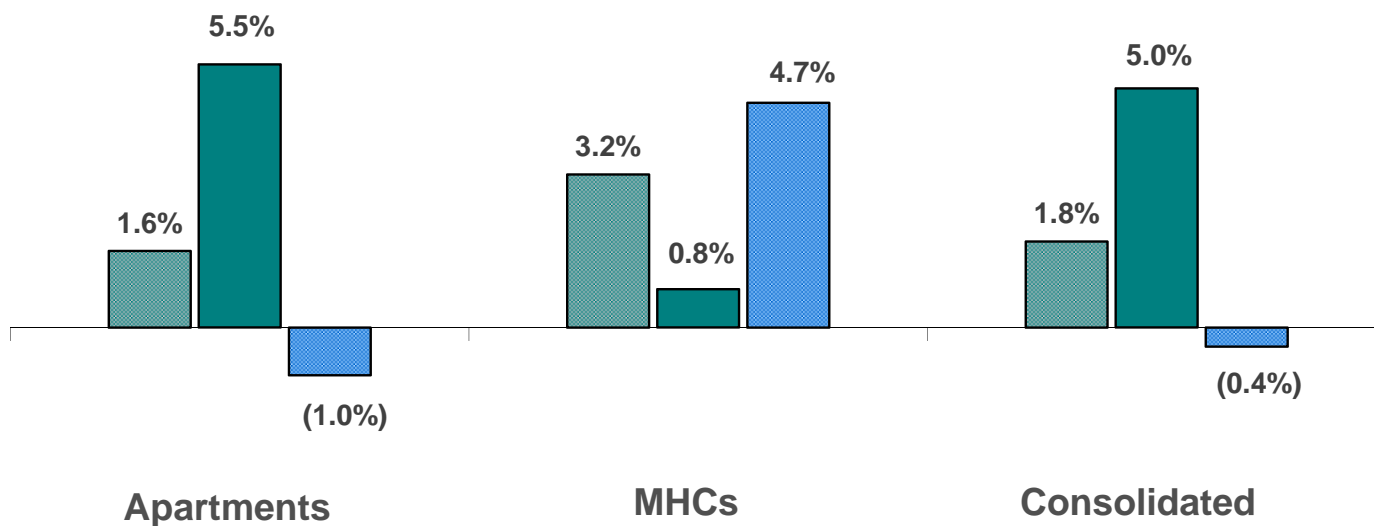
Year ended (\$ thousands, except per share information)	Dec 31, 2013	Dec 31, 2012	Change
Property Revenue	\$141,112	\$133,641	5.6%
Net Operating Income	\$83,040	\$80,444	3.2%
Equity, Homes Sales & Corporate Income	\$2,365	\$2,189	8.0%
Income Before Fair Value Gains, Loss on Disposition and Income Taxes	\$40,064	\$37,023	8.2%
Fair Value Gains	\$13,070	\$37,726	(65.4%)
Net Income and Comprehensive Income Attributable to Common Shareholders	\$39,779	\$51,727	(23.1%)
Funds From Operations (FFO)	\$38,770	\$36,096	7.4%
FFO/Share	\$0.72	\$0.72	0.0%
Shares Outstanding (weighted average)	54,143	50,227	7.8%

High Energy Costs Impacted Q4 NOI Growth



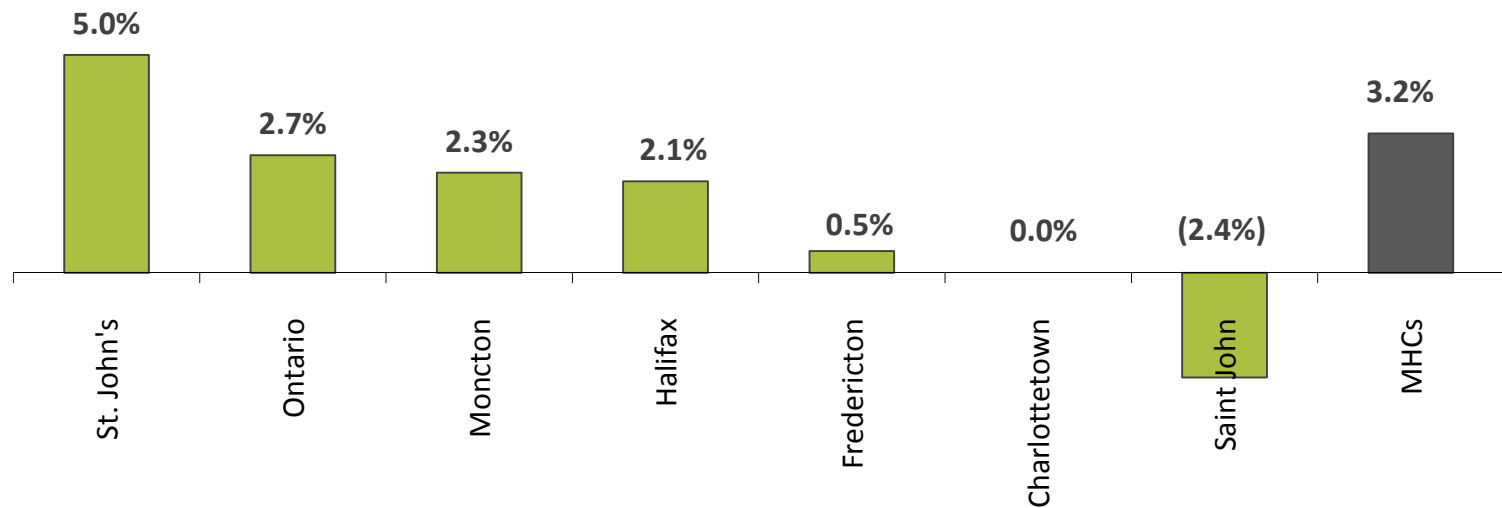
High Natural Gas Prices Impacted Same Store Earnings in 2013

Same Store Results
Year ended December 31, 2013
■ Revenue ■ Expenses ■ NOI



Consolidated Same Store Revenue Growth of 1.8%

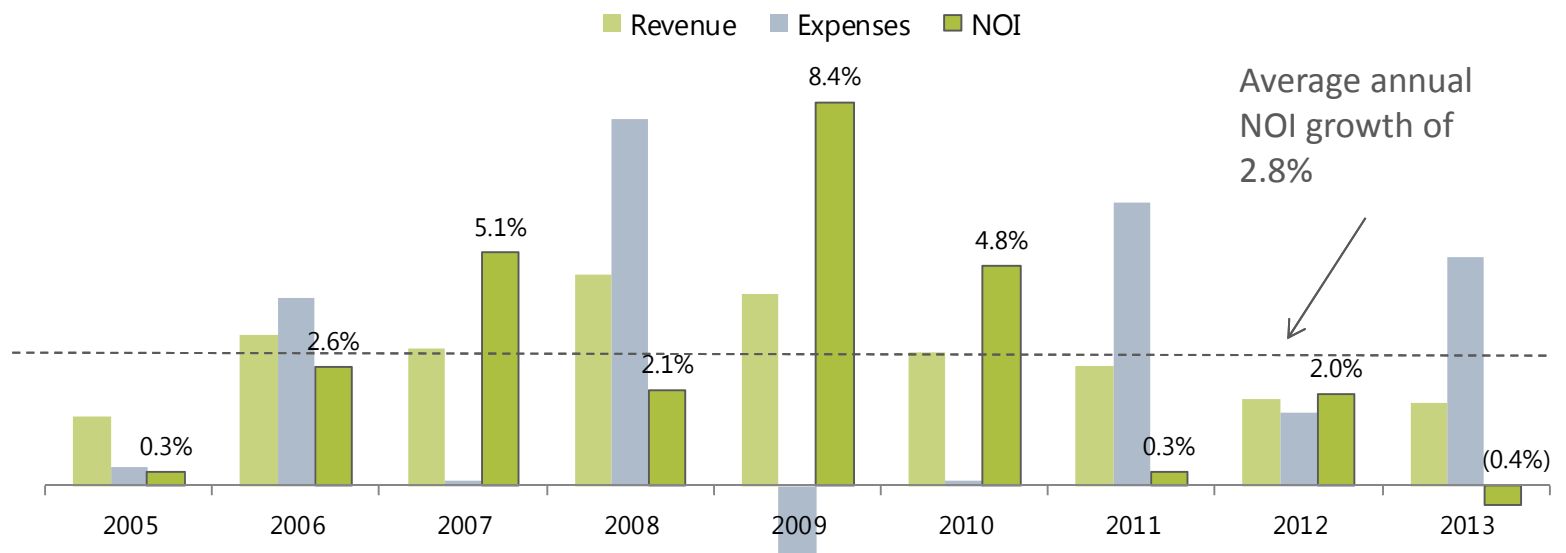
Increase Same Store Revenue (2013 Vs. 2012)



Average NOI Growth of 2.8% Over Killam's History

- Over Killam's history revenue has grown an average of 2.9% per year.
- Expenses have grown an average of 2.7% per year.

Same Store Revenue, Expense and NOI Growth

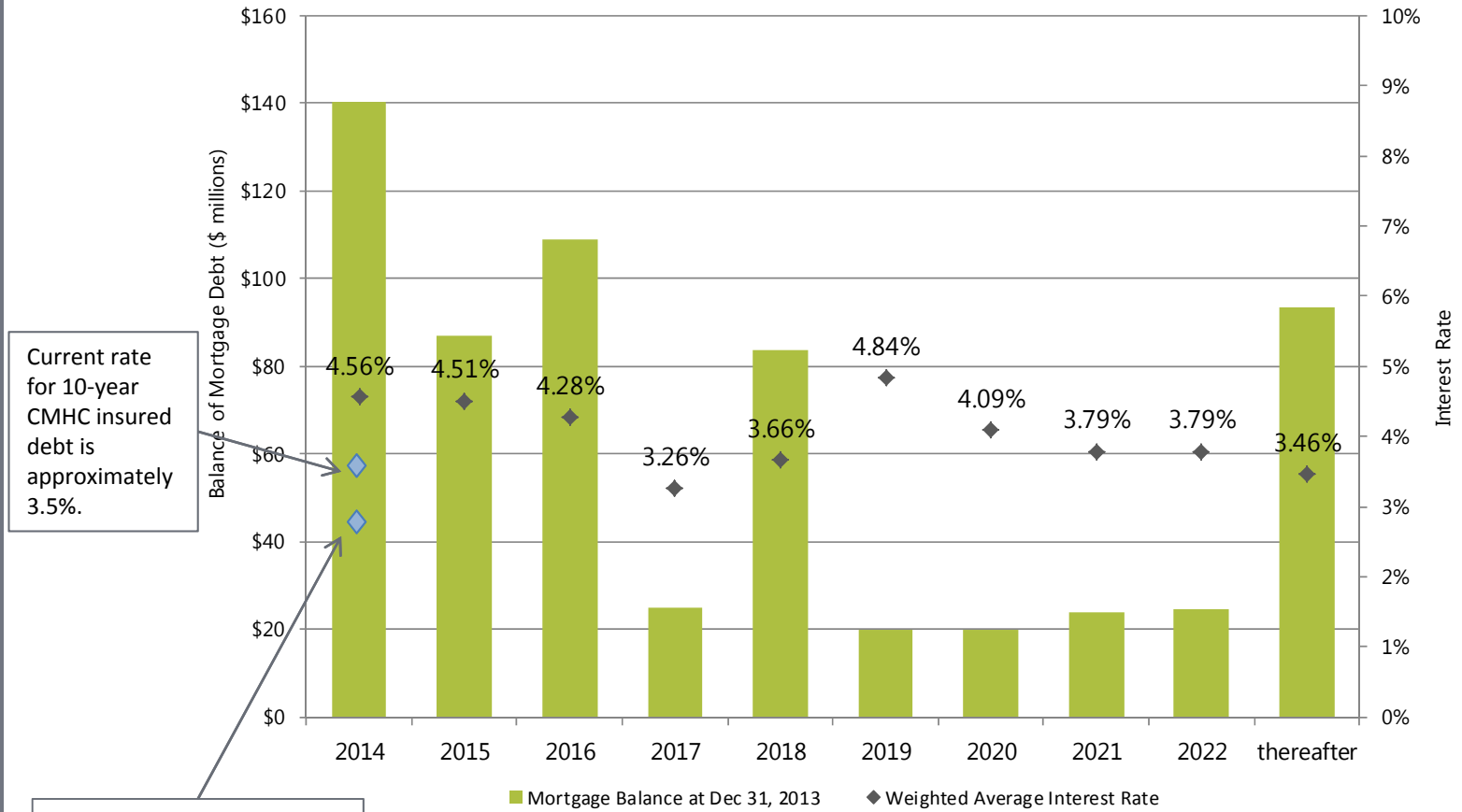


Balance Sheet as at December 31

As at, (\$ thousands, except per share information)	Dec 31, 2013	Dec 31, 2012	Change
Cash	\$27,678	\$56,726	(51.2%)
Total Assets	\$1,532,431	\$1,443,128	6.2%
Total Liabilities	\$928,371	\$854,692	8.6%
Total Equity	\$604,060	\$588,436	2.7%
Total Debt to Total Assets	52.9%	51.6%	130 bps
Weighted Average Interest Rate (total debt)	4.38%	4.84%	(46 bps)
Weighted Average Interest Rate (mortgages)	4.05%	4.48%	(43 bps)
Weighted Average Years to Maturity (mortgages)	3.9	3.4	0.5 years
Shares Outstanding	54,459	53,802	1.2%

Stable Balance Sheet with Interest Expense Saving Opportunities

Apartment Mortgage Maturities by Year



Current rate for 10-year CMHC insured debt is approximately 3.5%.

Current rate for 5-year CMHC insured debt is approximately 2.7%.

Killam has \$141 million in mortgage maturities in 2014, including \$128 for apartments. 40% of 2014 mortgage maturities mature in Q1.

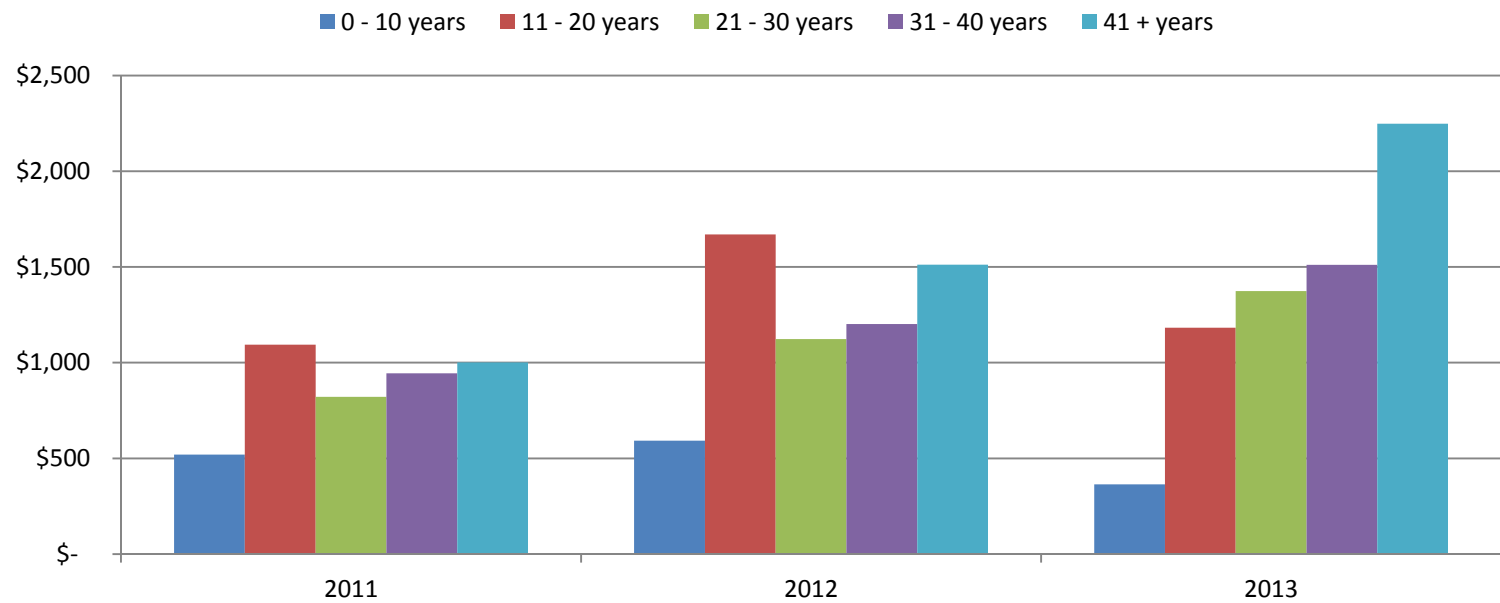


\$121 Million in Acquisitions in 2013

Apartment Acquisitions	City	Buildings	Units	Price (\$M)	Cap Rate	Year Constructed	Average Rent
Kristin Way	Ottawa	1	102	\$10.4	5.8%	1974	\$817
200 Royale Blvd	Halifax	1	83	\$19.1	5.6%	2012	\$1,547
46 & 54 Strathmore	Moncton	2	40	\$3.1	6.1%	2001	\$738
777 Gauvin Road	Moncton	1	48	\$8.1	6.0%	2013	\$1,283
Ducks Landing Portfolio	Charlottetown	8	172	\$18.7	6.2%	2005-2012	\$855
1033 Queen Street	Toronto	1	179	\$40.0	5.5%	2012	\$952
Northgate Apartments	Summerside	1	38	\$3.7	6.4%	2006	\$868
Cameron Arms	Moncton	1	81	\$9.7	5.6%	1981	\$983
Total Apartments			743	\$112.8	5.8%		
Land & MHC Acquisitions	City	Acres		Price (\$M)	Developmental Potential (units)	Price Per Unit	
Saginaw Parkway	Cambridge	5.2		\$4.0	180	\$22,222	
St. George Street	Moncton	0.8		\$1.1	100	\$11,000	
1057 Barrington Street	Halifax	0.7		\$1.8	70	\$25,714	
Shamrock Estates MHC	Antigonish	7.7		\$1.4	65 MHC units existing	\$16,049	
Total Land				\$8.3			
Total Acquisitions				\$121.1			

Lower Spending on Newer Assets

Average Capital Spend Per Unit By Building Age



New Developments Underway

Chelsea Place



Building Description:	101 units, two buildings, wood frame construction with concrete floor topping
Start Date:	October 2013
Projected Completion:	Summer 2014
Location:	Adjacent Killam's recently completed Bennett House, St. John's, Newfoundland
Construction Cost:	\$21.4 million, \$212,000/door
Building Features:	In-suite laundry, stainless steel appliances, granite countertops, gym, common room

New Developments Underway

Saginaw Gardens



Building Description:	122 units, 7 storeys, concrete construction
Start Date:	December 2013
Projected Completion:	Spring 2015
Location:	650 Saginaw Parkway, Cambridge, Ontario
Construction Cost:	\$25.3 million, \$207,000/door
Building Features:	Open concept with condo quality features, in-suite laundry, large balconies, air conditioning, underground parking, fitness studio, large outdoor terraces.



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