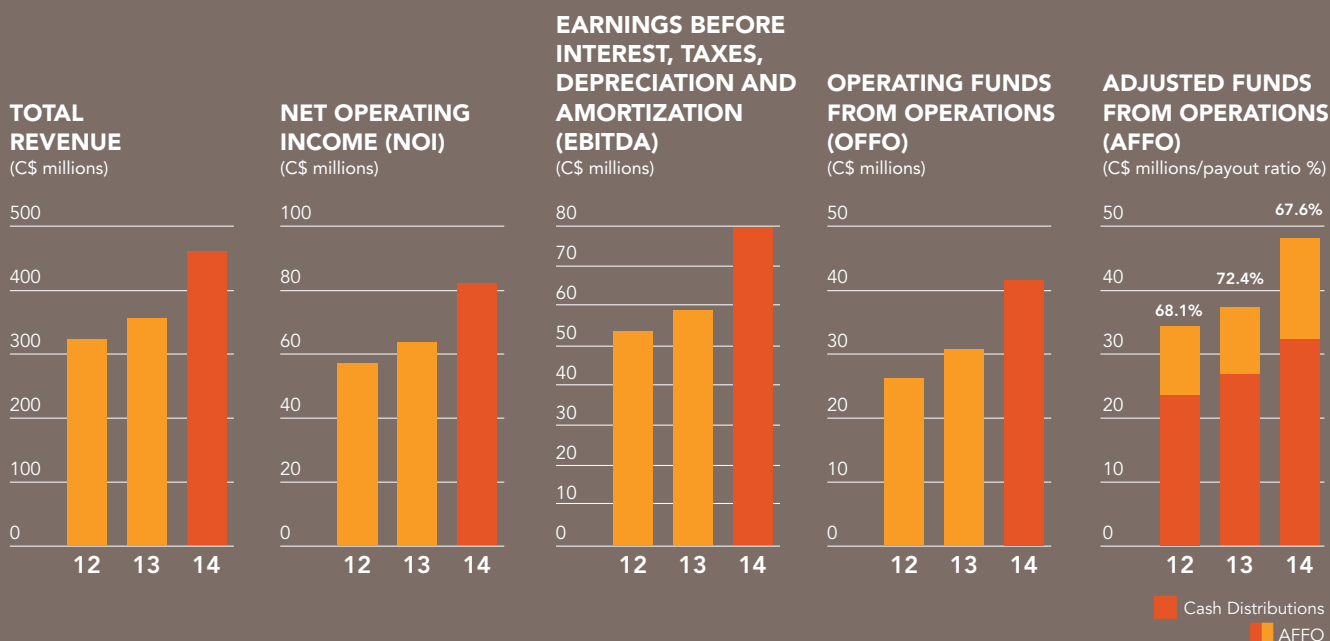




The warmth of human connection



Performance Dashboard

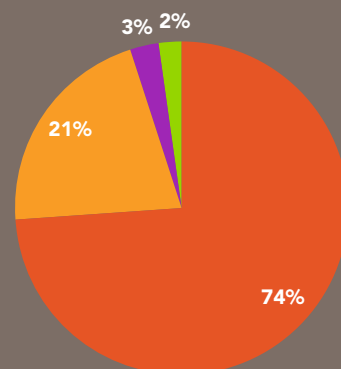


KEY FINANCIAL METRICS

(C\$ millions unless otherwise noted)

	2014	2013	2012
Operating Funds from Operations (OFFO)	41.8	31.0	26.3
OFFO – Diluted (\$ per share – excluding subscription receipts)	1.120	1.016	0.959
Adjusted Funds from Operations (AFFO)	48.3	37.1	34.3
AFFO – Diluted (\$ per share – excluding subscription receipts)	1.287	1.211	1.252
Distributions Declared (\$ per basic share/unit)	0.90	0.90	0.85
Weighted Average Shares/Units – Basic (thousands)	36,265	29,872	27,352
Weighted Average Shares/Units – Fully Diluted (thousands)	39,011	31,761	27,391

NOI CONTRIBUTION BY SEGMENT



- Long Term Care
- Retirement
- Home Care
- Other

OCCUPANCY

	2014	2013	2012
Average Total Occupancy (Long Term Care)	98.7%	98.9%	98.8%
Average Private Occupancy (Long Term Care)	99.4%	99.3%	98.5%
Average Occupancy (Retirement Residences)	84.1%	78.2%	73.9%

NOI, EBITDA, OFFO and AFFO are supplemental measures of a company's financial performance. They are not measures recognized under International Financial Reporting Standards (IFRS) and do not have standardized meanings.

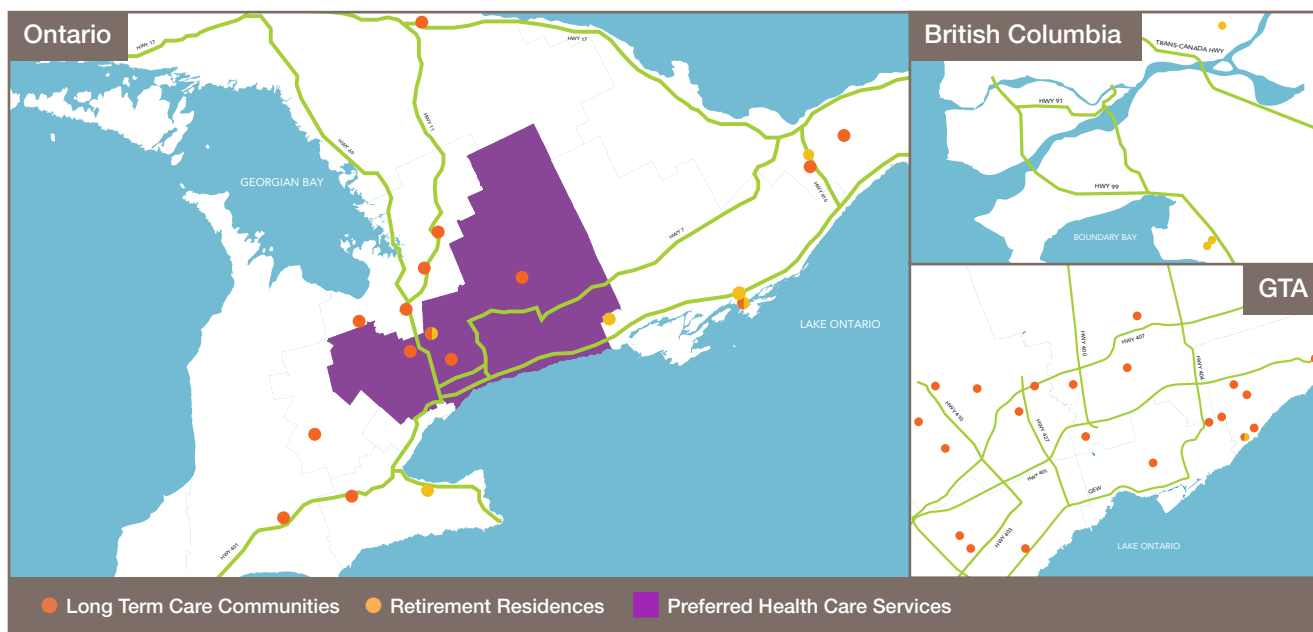
NOI represents the value of the underlying operating performance of the business segments of Leisureworld Senior Care Corporation (Sienna Senior Living) (the "Company").

OFFO represents Funds from Operations ("FFO") as defined by REALpac with adjustments for one-time items such as the Series A Debentures' premium payment and presentation of finance charges on a cash interest basis. Management uses OFFO as an operating and financial performance measure.

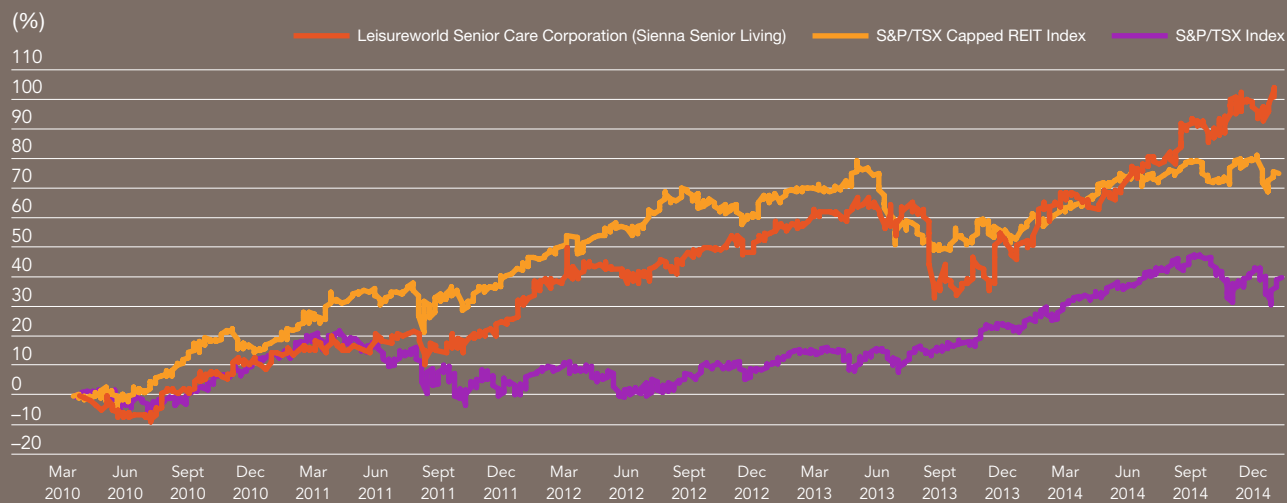
AFFO is defined as OFFO plus the principal portion of construction funding received, amounts received from income support arrangements and non-cash deferred share unit compensation expense less maintenance capital expenditures. Management uses AFFO to help measure the Company's ability to pay dividends.

Company Profile

- **Long Term Care** – Largest owner and operator in Ontario with 35 care communities and 5,733 beds.
- **Retirement** – 10 retirement residences with 1,065 suites.
- **Home Care** – Delivering an average of 10,000 hours of service per week to seniors in their homes.
- **Management Services** – Managing 1,400 long term care beds and retirement suites for not-for-profit and small owners.



Total Shareholder Returns – IPO to 2014





Message from the Chair

This year, we continued to focus on creating long term value for shareholders.

Our focus on shareholder value was demonstrated by the excellent results we achieved. We are very pleased with the strong leadership team and its proven ability to execute the organization's growth strategy.

Our new brand direction demonstrates our commitment to enhancing the resident experience across the spectrum of senior living, today and into the future, in every community that we serve. This is an exciting journey for the organization, building on our operating platform and expertise, and establishing a strong foundation that continues to position us well to execute on our growth strategy.

On behalf of the Board of Directors, I would like to thank our 7,500 employees for their hard work, commitment and engagement over the past year and all that they do to help residents and clients live fully, every day.

I would also like to thank our shareholders and all of our stakeholders for their ongoing support as we work to meet the changing needs of seniors in every community we serve.

Dino Chiesa
Chair of the Board



LONG TERM CARE
DEERWOOD CREEK CARE COMMUNITY



RETIREMENT
CEDARVALE LODGE CARE COMMUNITY
AND RETIREMENT RESIDENCE



Message from the CEO

This has been an exciting year of transformation and growth.

With the support of a strong management team, we are establishing a solid foundation for our growing and diversified senior living portfolio, comprised of retirement living, home care, long term care and third party management services.

The Company accomplished its goal to successfully integrate the assets acquired in December 2013, and achieved a 29% increase in NOI, with same property NOI up 2.1% overall. Operating funds from operations were \$41.8 million, which represents a 35% increase over 2013.

We also made good progress on our capital strategy with the refinancing of the Series A senior secured debentures and issuance of the Series B senior secured debentures with an “A (low)” rating by DBRS on favourable terms; as a result extending our average debt term to maturity and establishing a principal reserve fund.

Our retirement living portfolio continued to be a high priority in 2014, as our team focused on implementing unique programs and services to enhance the resident experience. We continued to offer more choice to residents with the addition of innovative leisure programming and expanded assisted living services. Overall, performance was strong, with our average retirement home occupancy increasing by 5.9% to 84.1%.

Our successes would not be possible without the dedication of our 7,500 employees. Our focus continues to be on creating an environment where staff are engaged and recognized for their contributions. Thanks to a consultative process that involved employees, residents, families and community partners, we are proud to have launched a new vision, mission, set of values and creed that will serve as a cornerstone to enable our culture to flourish.

Through this process we have been able to maximize the strength of our existing platforms under a single brand, guided by a common vision “to awaken our communities to the positive possibilities of life’s next chapters.” This new strategy involves rebranding the organization as Sienna Senior Living, and renaming the homes to reflect the character of their local community. The response to this new brand direction has been very positive and we look forward to bringing it to life in 2015.

Our priority will be to ensure that we remain responsive to the unique needs and preferences of each community we serve. In order to achieve this, we are committed to working collaboratively with our local partners to ensure that seniors have access to the services they need, when they need them.

This has been a year of significant transition for the organization and I would like to thank the Board of Directors, our shareholders and all of our stakeholders for their confidence and continued support.

Finally, I would like to thank our entire team for their passion and commitment. We have a very exciting future and I look forward to all that we will accomplish together.

Sincerely,

Lois Cormack
President and
Chief Executive Officer

Our Direction

This has been a transformative year for the Company. In 2014, we began a journey to align our team around a common vision, mission and set of values. This journey has culminated in the launch of a new direction and our decision to rebrand as **Sienna Senior Living**.

OUR VISION

To awaken our communities to the positive possibilities of life's next chapters.

OUR MISSION

To help you live fully, every day.

OUR VALUES

Respect

We value each other. From our clients and residents to our coworkers, we take the time to appreciate each person's story, understand their perspective, and recognize their contribution.

Passion

This job isn't for everybody. We love working with older people. We feel it's a privilege to have them in our lives, and there's nothing more important to us than their safety and well-being.

Teamwork

To honour someone's voice and advocate for their choice, it's up to every one of us to communicate, collaborate, and support one another. We're in this together – coworkers, volunteers, physicians and healthcare providers, suppliers, communities, families, clients, and residents.

Responsibility

Holding ourselves to the highest standards of safety and quality is only the beginning. If we see a problem or an opportunity, we own it. If we say we'll do something, we do it. "Not my job" is not in our vocabulary.

Growth

We are always pushing ourselves – to learn, to develop, to find a better way and we strive to help our clients, residents and staff grow, encouraging them to stretch and do more than they might have thought possible.

OUR CREED

To view our creed, please go to www.siennaliving.ca.

Our Residents and Clients

We will know we have achieved our vision...

when residents, clients and families recognize the positive possibilities of a life with us.



ROY AND NEIL ENJOYING SOME TIME OUT AT THE LOCAL SENIORS' CENTRE

RETIREMENT

Solidifying Our Presence in a Growth Business

When seniors choose retirement living, they want to know that services will continue to be available as their needs change, without the worry of having to move again. All of our retirement residences offer service options that provide residents and families with the comfort of knowing that there is dedicated, experienced and caring staff available around the clock should they require assistance as their needs change.

Strong Partners

We are focused on building strong relationships in the communities that we serve and seeking opportunities to engage in local issues that affect seniors. With input from employees, residents and community stakeholders, we identify the opportunities that exist to improve services for seniors and work closely with our local partners to find creative solutions.

We continue to work closely with the Sheridan Centre for Elder Research (SCER) to make enhanced wellness and lifelong learning opportunities available to residents. Together with SCER, we have initiated programs that are showing the social, physical and emotional benefits for seniors.

Our Residents and Clients (cont'd)

Promoting Healthy Aging and Innovation in Retirement Living

Live It Fit Everyday

We proudly launched Live It Fit Everyday (LIFE), which helps residents achieve greater balance, flexibility, strength and confidence through movement, exercise and dance. We are pleased to report that early results indicate that participants enjoy greater mobility and an improved overall sense of well-being. Residents are achieving their mobility goals, maintaining their independence and having fun.

The program is facilitated by students in health-related disciplines from local colleges and universities. The response has been extremely positive, with six colleges and three universities in Ontario and British Columbia participating in the first year.

Cyber-Seniors

The Cyber-Seniors program seeks to bridge the gap between seniors and technology. In 2014, we became Cyber-Seniors' national senior care partner and were proud to start offering the program in all of our homes.

Cyber-Seniors teaches residents basic computer skills by connecting them with student mentors from local high schools. Residents spend several weeks

learning about such online communication tools as email, Google, Facebook, Skype and YouTube. The intergenerational program is a valuable opportunity for residents to continue learning and helps students gain leadership skills. In December, we were thrilled to host our first Cyber-Seniors graduation ceremony at Cedarvale Lodge Retirement and Care Community with residents, mentors and families in attendance.

HOME CARE

The provision of publicly funded and private home care allows seniors the opportunity to stay at home as long as possible. The funded care channelled through Community Care Access Centres (CCAC) is now awarded through a contractual arrangement based on quality. Preferred Health Care Services is meeting or exceeding all performance measures reported by CCAC.

This year, our wholly-owned subsidiary Preferred Health Care Services was recognized by the Ontario Fire Marshal for its partnership with the Richmond Hill Fire Department in developing *Remembering When: Fire and Falls Prevention*, a DVD series on fire and falls prevention. The DVD series is just one of the ways that Preferred Health Care Services demonstrates its commitment to delivering high quality care by empowering personal support workers to identify fall and fire risks to clients.



FIRE SAFETY AWARD

From left: **RICHARD CRAIBBE** (Chief Training Officer with Oakville Fire Department), **SHANYN GODWARD** (Public Educator, RHFES), **DEBRA SAYEWICH** and **TRACY JONES** from Preferred Health Care Services, and **TADEUSZ (TED) WIECLAWEK** (Ontario Fire Marshal and Chief of Emergency Management)

MANAGEMENT SERVICES

Our partner homes receiving third party management services have had a successful year, with balanced financial outcomes and positive quality outcomes. Staff engagement and resident satisfaction surveys both indicated high levels of satisfaction with the work environment and the resident experience.

LONG TERM CARE

Resident Population in Long Term Care

The needs of residents in long term care are becoming increasingly complex. Today, residents have many chronic health conditions and require a high level of specialized care, equipment and support. Most long term care residents require assistance with activities of daily living, including bathing, eating, dressing and mobility. We are constantly providing education and orientation programs to ensure our team has the skills required to meet these complex needs.

Quality in Long Term Care and Our Quality Indicators

Online public reporting through Health Quality Ontario is a way of enabling transparency and accountability in our publicly funded health system.

Our quality improvement program focuses on resident care and outcomes to enable our residents to live more fully, every day. To date, we have:

- Implemented strategies in a number of key areas such as pain management.
- Performed better than the provincial average on 75% of the four publicly reported indicators in 2014.
- Performed better than the provincial reported average on compliance orders issued by the Ministry of Health and Long Term Care (with 0.71 orders per home in 2014 compared to 1.0 per home).

Recognized by the Canadian Nurses Association

The Canadian Nurses Association (CNA) presented the Company with the 2014 Employer Recognition Award for outstanding support of Gerontological Nursing Certification and CNA-certified registered nurses (RNs). We are the first senior living provider to receive the award. To date, 21% of the Company's RNs have become CNA-certified. We view certification as an ongoing process that supports improved resident care and outcomes.

85
years old
Average age of
our residents

18
months
Average
length of stay

87%
Resident
satisfaction
score

Our Team

We will know we have achieved our vision...

when employees across the sector want to be a part of the Sienna Senior Living team.

Employee Engagement

We know that our team is our most important resource and that resident satisfaction is directly tied to employee satisfaction. That's one of the reasons why employee engagement and creating a common culture is such a high priority for us. We believe that our mission, "to help you live fully, every day", applies to our teams as much as to our residents and clients. It means that we are always looking for opportunities to help our teams continue to learn, develop and grow with us. Most importantly, it means ensuring that they are recognized for the difference they make in the lives of our residents, clients and co-workers, every day.

People Development

We implemented our own Leadership Development Program, which saw 167 leaders from across the organization attend to develop the skills needed to

lead their teams confidently. This year we also improved our ability to provide ongoing learning opportunities to all staff, across all shifts, via our online learning system. Employees now have access to an online menu of independent learning options 24 hours a day, seven days a week.

Employee Safety & Wellness

Our Joint Health and Safety and Quality of Work Life committees have a very important role to play in supporting workplace safety and employee wellness.

This year, we have been working hard to:

- Eliminate work-related injuries and illnesses through the education of employees and managers.
- Promote employee wellness and engagement.
- Foster teamwork and morale.
- Build a culture of recognition.
- Champion community involvement.

Employee Engagement Results

In 2014, we launched a comprehensive organization-wide employee engagement survey that saw 62% of employees participate and an overall satisfaction rating of 88%. Among our top rated responses were:





EXECUTIVE TEAM

LEFT TO RIGHT, BACK ROW:

BRIAN RICHARDSON, LOIS CORMACK,
NITIN JAIN, MICHAEL ANNABLE

LEFT TO RIGHT, BOTTOM ROW:

JOANNE DYKEMAN, CRISTINA ALAIMO,
DEBBIE DOHERTY

SUPPORT SERVICES

A key focus for us has been to improve our business-enabling internal support services, such as payroll, human resources, information technology and finance. Strengthening these systems helps to improve our overall administrative efficiency while giving us the scalability for future growth.



SUPPORT SERVICES TEAM PREPARING FOR THE WALK FOR MEMORIES

Our Communities

We will know we have achieved our vision... when we have strong partnerships in every community.



EIGHT OF OUR HOMES PARTICIPATED IN THE **HEART AND STROKE FOUNDATION'S BIG BIKE**, RAISING \$13,400 FOR THE FOUNDATION. THE EVENT TAKES PLACE IN OVER TWO HUNDRED COMMUNITIES THROUGHOUT CANADA.

Rebranding

We are committed to being a leading provider and valued partner in every community we serve, and to ensuring that our homes are vibrant hubs of activity for residents, visitors, employees and the community to enjoy.

The company's focus on the community has translated into the development of new names for all of the homes. The renaming of our homes signifies our desire to have the identity of every home reflect its role as an integral part of the community.

Giving Back

Our partnership with the Canadian Breast Cancer Foundation is growing through our Cook for the Cure

annual initiative. This type of program highlights our culinary expertise, involves the broader community and engages residents in giving back to their own community. This year, we were thrilled to exceed our fundraising goals and presented the Foundation with a cheque in the amount of \$38,625.

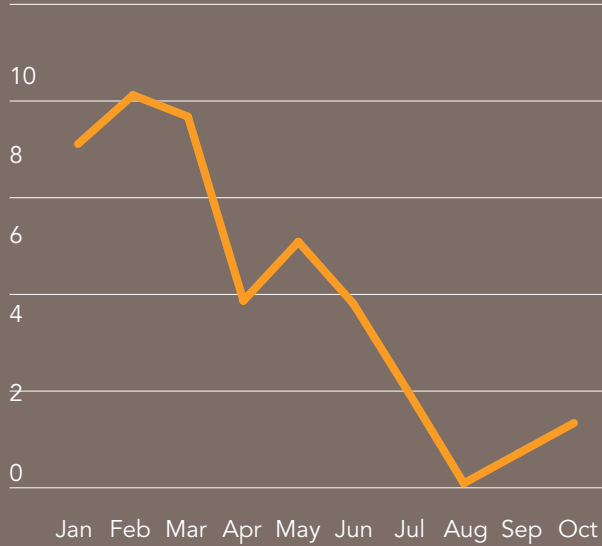
Reducing Antipsychotic Medication Use – Resident Safety

In collaboration with the Canadian Federation of Healthcare Improvement, Camilla Care Community (Leisureworld Mississauga) is participating in a research project focused on reducing the use of antipsychotic medication. As a result of involvement in this project, the home reduced antipsychotic medication use by 26% in 2014.

Central LHIN Quality Award

Langstaff Square Care Community (Leisureworld Richmond Hill) received an award for reducing Emergency Department transfers during the period from April 1, 2013 to March 31, 2014. To date the home has experienced a 44% reduction in Emergency Department transfers. This project was in collaboration with the Nurse-Led Outreach Team and Behavioural Supports Ontario.

% of Emergency Department Transfers in 2014



Investment Highlights

- High demand for range of seniors services.
- High barriers to entry.
- Strong operating platform and management with extensive senior living experience.
- Strong financial position with an A (low) bond rating.



Growth Strategy

- Focus on strategic acquisition opportunities.
- Achieve stabilized occupancy in retirement homes.
- Redevelop older long term care homes.
- Continue effective cost management.

Board of Directors

Dino Chiesa, Chair
Lois Cormack

Janet Graham
Paula Jourdain Coleman

Jack MacDonald
John McLaughlin

Senior Executives

Lois Cormack
President and
Chief Executive Officer

Cristina Alaimo
Vice-President and General Counsel

Michael Annable
Executive Vice-President,
Human Resources and
Chief Administrative Officer

Debbie Doherty
Executive Vice-President,
Operations – Retirement and
Management Services

Joanne Dykeman
Executive Vice-President,
Operations – Long Term Care

Nitin Jain
Executive Vice-President
and Chief Financial Officer

Brian Richardson
Chief Branding Officer

Sienna Senior Living Support Services Office

Tel: 905.477.4006
302 Town Centre Blvd., Suite 300
Markham, ON L3R 0E8
www.siennaliving.ca

Investor Contact

Tel: 905.477.4006, ext. 2006
investors@siennaliving.ca

Registrar and Transfer Agent

Computershare Trust Company
of Canada
100 University Avenue
8th Floor, North Tower
Toronto, ON M5J 2Y1
Tel: 1.800.564.6253
(toll free in Canada and the U.S.)
or 514.982.7555
(international or direct call)

Stock Exchange Listing

Sienna Senior Living Inc. is listed
on the Toronto Stock Exchange
(TSX) under the symbol "SIA".
As at December 31, 2014 there
were 36,299,038 common shares
issued and outstanding.

Sienna Senior Living 2014 Annual Report
produced by Barnes Strategic IR.

Connecting to the Local Community

RETIREMENT RESIDENCES

New Name

Cedarvale Lodge Retirement and Care Community*
 Island Park Retirement Residence
 Midland Gardens Seniors Apartments
 Lincoln Park Retirement Residence
 Astoria Retirement Residence
 Red Oak Retirement Residence
 Royale Place Retirement Residence
 Pacifica Retirement Residence
 Peninsula Retirement Residence
 Trillium Retirement and Care Community*

Former Name

Cedarvale Lodge
 Island Park
 Leisureworld Midland Gardens
 Lincoln Park
 Royale Astoria
 Royale Kanata
 Royale Kingston
 Royale Pacifica
 Royale Peninsula
 Trillium Ridge

CARE COMMUNITIES

New Name

Altamont Care Community
 Owen Hill Care Community
 Maple Grove Care Community
 Hawthorn Woods Care Community
 Fox Ridge Care Community
 Cheltenham Care Community
 Creedan Valley Care Community
 Fieldstone Commons Care Community
 Barnswallow Place Care Community
 Deerwood Creek Care Community
 Weston Terrace Care Community
 Madonna Care Community
 Camilla Care Community
 Muskoka Shores Care Community
 Norfinch Care Community
 Waters Edge Care Community
 Harmony Hills Care Community
 Fountain View Care Community
 Secord Trails Care Community
 Langstaff Square Care Community
 Rockcliffe Care Community
 Midland Gardens Care Community
 St. George Care Community
 Streetsville Care Community
 Tullamore Care Community
 Woodbridge Vista Care Community
 Bloomington Cove Care Community
 Bradford Valley Care Community
 Case Manor Care Community
 Cedarvale Lodge Retirement and Care Community*
 Granite Ridge Care Community
 Silverthorn Care Community
 Trillium Retirement and Care Community*
 Woodhall Park Care Community
 Spencer House**

Former Name

Leisureworld Caregiving Centre – Altamont
 Leisureworld Caregiving Centre – Barrie
 Leisureworld Caregiving Centre – Brampton Meadows
 Leisureworld Caregiving Centre – Brampton Woods
 Leisureworld Caregiving Centre – Brantford
 Leisureworld Caregiving Centre – Cheltenham
 Leisureworld Caregiving Centre – Creedan Valley
 Leisureworld Caregiving Centre – Ellesmere
 Leisureworld Caregiving Centre – Elmira
 Leisureworld Caregiving Centre – Etobicoke
 Leisureworld Caregiving Centre – Lawrence
 Leisureworld Caregiving Centre – Madonna
 Leisureworld Caregiving Centre – Mississauga
 Leisureworld Caregiving Centre – Muskoka
 Leisureworld Caregiving Centre – Norfinch
 Leisureworld Caregiving Centre – North Bay
 Leisureworld Caregiving Centre – O’Connor Court
 Leisureworld Caregiving Centre – O’Connor Gate
 Leisureworld Caregiving Centre – Oxford
 Leisureworld Caregiving Centre – Richmond Hill
 Leisureworld Caregiving Centre – Rockcliffe
 Leisureworld Caregiving Centre – Scarborough
 Leisureworld Caregiving Centre – St. George
 Leisureworld Caregiving Centre – Streetsville
 Leisureworld Caregiving Centre – Tullamore
 Leisureworld Caregiving Centre – Vaughan
 Specialty Care Bloomington Cove
 Specialty Care Bradford Valley
 Specialty Care Case Manor
 Specialty Care Cedarvale Lodge
 Specialty Care Granite Ridge
 Specialty Care Mississauga Road
 Specialty Care Trillium Centre
 Specialty Care Woodhall Park
 Spencer House

*denotes combined retirement residences and care communities

**no name change