



**Pethealth Inc. Releases its Third Annual Year-End PetPoint Report,
the Industry Leading Gauge of Trends in Animal Welfare**

*Year-End PetPoint Report reflects decrease in intakes and increase in
positive outcomes for animal welfare organizations*

Oakville, ON – January 22, 2014. (TSX:PTZ) Pethealth Inc. (“Pethealth” or the “Company”) released its Third Annual PetPoint Year-End Report today, a comprehensive report comparing same shelter aggregate data from 2013 and 2012, emphasizing key trends in animal welfare related to cats and dogs in the United States.

The 2013 Year-End report aggregates data from the 1,309 animal welfare organizations (“AWOs”) who operated PetPoint for the full 2013 and 2012 calendar years. Findings for the 2013 Year-End report were based on 1,876,138 intakes and 1,829,512 outcomes for dogs and cats that entered or exited AWOs over the same period. In addition, the 2013 Year-End report marks the first time that the number of third-party adoptions has been presented on an annualized basis.

Notable findings within the 2013 Year-End report include a 3.5% year over year decrease in feline intakes, driven in part by a 5.5% decrease in owner surrenders, a 3.5% decrease in stray intakes, which was partially offset by a 4.4% increase in returned felines and a 2.8% increase in felines transferred in from other AWOs. Positive outcomes increased for felines as well, including a 2.7% increase in adoptions, an 8.8% increase in transfers to other AWOs, and a 12.3% decrease in euthanasia.

On the canine front, a 3.1% decrease in overall intakes was in part due to decreases in surrendered and stray dogs, 6.4% and 4.8% respectively year over year. However, these decreases were partially offset by a 5.0% increase in returned dogs and a 3.1% increase in transfers of dogs from other AWOs. Positive outcomes for dogs also increased, including a 3.9% increase in transfers to other organizations, and a 12.7% decrease in euthanasia. The smaller than trending 1.3% increase in dog adoptions was driven by the previously reported year over year declines of 2.1% in September and 5.1% in December as well as downward revisions made by AWOs in the year over year increases in dog adoptions in October and November.

74.4% of the shelters represented in the 2013 Year-End report completed third-party or offsite adoptions in 2013. These adoptions, which represented 11.6% of the total adoptions in 2012 and 12.1% of the total adoptions in 2013, increased 5.6% year over year on a same shelter basis. Of these, 36.8% were completed at a PetSmart® location, and 31.1% were completed at a Petco® location. While overall third-party adoptions conducted by PetPoint licensed AWOs increased during 2013 on a same shelter basis, adoptions completed at PetSmart locations declined 5.1% year over year, and adoptions completed at Petco locations declined 5.9% from 2012 to 2013, indicating that many AWOs are diversifying their choice of offsite adoption locations.

“We are pleased to provide the Third Annual PetPoint Report, which for the first time also includes third-party or offsite adoption data presented on an annualized basis,” said Brad Grucelski, Vice President, PetPoint Solutions at Pethealth Inc. “As we’ve seen throughout the 2013 monthly reports, AWOs continue to see year over year decreases in intakes and year over year increases in adoptions. Both in-shelter and offsite adoptions are up for the year, despite the downward trend experienced by two of the leading pet specialty retailers. We are happy to see that organizations continue to fill their supply and demand needs

throughout our network of animal welfare partners, utilizing PetPoint and beyond, as shown by the increase in year over year transfer in and out activity for both dogs and cats.”

Interested organizations can subscribe to receive more detailed reports including localized regional and state data for a monthly fee. The full annual report and the monthly December PetPoint Report can be accessed by visiting <http://www.petpoint.com/reportspage/index.html>.

PetPoint reports are issued on the third Monday of each month, except statutory holidays in which case they are issued the following business day.

About PetPoint

PetPoint, first introduced in 2005, is now licensed by over 2,000 animal welfare organizations in North America and has facilitated the adoption of over 5.5-million pets. As a cloud-based application, animal welfare organizations can not only better organize and care for their homeless and abandoned animals, but can also reduce significantly, if not eliminate, their IT-related infrastructure costs. PetPoint is provided free to animal welfare organizations on the basis that these same organizations use the Company's 24PetWatch microchip and Gift of Insurance programs for all companion animals adopted. Adoptable animals are then published on the Petango adoptable search platform (www.petango.com). The 24PetWatch microchip program is the most widely used microchip and lost pet recovery service operating in both Canada and the United States.

About Pethealth Inc.

Pethealth is North America's second largest provider of medical insurance for dogs and cats to pet owners, operating in the United States, Canada and the United Kingdom. In addition, the Company is the leading provider of management software to North American animal welfare organizations through its cloud-based application and is the leading provider of pet related database management services to the North American companion animal industry. Pethealth offers a unique range of products and services for veterinarians, shelters and pet owners through a number of wholly owned subsidiaries using a range of brand names including PetCare, 24PetWatch, Pet Protect, Petpals Direct, PetPoint, Petango.com and ThePetangoStore.com.

Pethealth is based in Oakville, Ontario. To find out more about Pethealth, visit the website at www.pethealthinc.com.

For further information contact:

Mark Warren, President and Chief Executive Officer

Glen Tennison, Chief Financial Officer

Brad Grucelski, Vice President PetPoint Solutions

Pethealth Inc. (905) 842-2615