



PetSmart's September National Adoption Weekend Event Reveals 14.6% Decline in Year over Year Adoptions through the Retailer

Data aggregated via PetPoint suggests a contraction in the supply of available dogs and cats for adoption, lessening the demand of shelters for third party adoption facilities

Oakville, ON – October 16, 2013. (TSX: PTZ) Pethealth Inc. ("Pethealth" or the "Company") reported that PetPoint licensed animal welfare organizations ('AWOs') participating in the September PetSmart Charities® National Adoption Weekend saw a decline of 14.6% year over year (YoY) in the number of adoptions completed through its stores and events. The same AWOs had a smaller decline of 1.14% YoY in adoptions completed in their own facilities during the same weekend.

Conversely, while 45% of the PetPoint licensed AWOs that participated in September's weekend event reported a decline in the number of adoptions completed through PetSmart® stores, 48% indicated an increase in the number of PetSmart located adoptions. The remaining 7% showed no change in the number of adoptions completed.

Data was aggregated from AWOs that have licensed the cloud based PetPoint animal management application and recorded at least one adoption through a PetSmart store in the same adoption weekend event for both 2012 and 2013. PetSmart's adoption event was held this year from Friday, September 13 through Sunday, September 15, 2013 and last year on Friday, September 14 to Sunday, September 16, 2012.

"What the data appears to reveal is that as intakes of animals into animal welfare organizations are declining, so is the need for many organizations to use third party locations to complete adoptions," said Connie Howard, Director of Business Development for PetPoint Solutions. "This correlation is further supported by the fact that the decline was most evident in many of the larger animal welfare organizations using PetSmart locations, whereas for smaller organizations the need for third party locations to complete adoptions remains largely intact, especially as for many rescue groups, pet specialty retailers are their main source for completing adoptions."

This year to date, PetPoint licensed AWOs nationally have seen an overall decline in the number of animal intakes. Declines in the intakes of cats have occurred in seven of the first nine months of 2013 and declines in the intakes of dogs have occurred in eight of the first nine months of 2013, with July representing the only month where intakes of both cats and dogs increased.

Adoptions completed by PetPoint licensed AWOs in PetSmart locations for the entire month of September decreased 4%, double the decline in the number of adoptions completed through the same AWOs in their own locations. Nationally, adoptions completed by the 1,149 PetPoint licensed AWOs recording at least one adoption in both September 2013 and September 2012 (including AWOs participating in the September PetSmart adoption weekend) totalled 75,587 for September, a decline of 0.4% (YoY) on a same shelter basis.

To date, over 13.5-million animal intakes and over 5.27-million adoptions have been completed by AWOs running PetPoint since the application was first launched in 2005. PetPoint as a cloud application has allowed Pethealth to become the largest aggregator of data on animals entering and leaving AWOs. Today, the 2,019 PetPoint licensed AWOs are currently housing over 412,000 animals and have completed over 800,000 adoptions year to date.

The Company's position as the largest aggregator of shelter data has also made it the most trusted source within the Wall Street community. The Company publishes its monthly PetPoint Report, which tracks all the significant trends in animal welfare, on the third Monday of each month. The complete PetPoint Report for September will be issued on Monday, October 21, and can be found at www.petpoint.com.

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-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. 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 SaaS-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