



Adoptions of Dogs and Cats Increased by Over 3% While the Number of Dogs and Cats Entering Animal Welfare Organizations Were Generally Unchanged During the Third Quarter of 2013

Aggregated Findings from Nearly 1,200 Animal Welfare Organizations Reveal a Continuing Trend of a Tightening Supply of Dogs and Cats Available for Adoption

Oakville, ON – October 21, 2013. (TSX: PTZ) Pethealth Inc. (“Pethealth” or the “Company”), North America’s leading provider of management software for animal welfare organizations (“AWOs”), microchip identification and data related services for companion animals, and pet health insurance, is pleased to announce that during the third quarter of 2013, adoptions of dogs and cats on a “same shelter” basis increased by 3.13% while the number of dogs and cats entering animal AWOs fell by 0.21%.

Data from 1,188 AWOs including municipally owned animal control agencies, humane societies, SPCAs and rescue groups that recorded at least one animal intake and one animal outcome during the quarter was used. Total aggregated data for Q3 included 539,024 dog and cat intakes (including owner surrenders, intakes of stray animals, animals transferred in from other AWOs and seizures conducted by law enforcement agencies) and 525,890 outcomes (including adoptions, euthanizations, pets returned to their owners and animals transferred out to other AWOs). AWOs from 48 states (no data qualified from Delaware and North Dakota) and the U.S. Virgin Islands are represented in the report. Key findings for the quarter include:

- 122,752 dogs adopted, representing a 2.71% increase;
- 120,009 cats adopted, representing a 3.56% increase;
- A 2% decline in both the number of dogs and cats surrendered to AWOs by their owners;
- A 7% decline in the number of cats euthanized during the quarter;
- A 5% decline in the number of dogs euthanized during the quarter;
- Adoption fees for dogs less than a year of age increased by 3% while adoption fees for dogs over one year of age increase by 2%;
- Adoption fees for cats less than a year of age were flat compared to Q3 2012 while adoption fees for cats over one year of age declined by 8%.

“While the September adoption numbers were virtually flat, adoptions in July and August were at a robust pace particularly when you take into account the very strong comparables last summer,” said Mark Warren, President and Chief Executive Officer of Pethealth. “The decrease in owner surrenders we would also suggest counters the notion of softening pet owner attitudes towards pet ownership and pet care. This bodes well for those AWOs now offering full service veterinary care and a wider range of pet specialty retail to the public.”

2,019 AWOs year to date have licensed the PetPoint application, a 6% increase over Q3 2012. Pethealth, via its PetPoint application, is the largest aggregator of shelter data which in turn has made it the most trusted source within the Wall Street community for data indicating trends in adoption, with adoption of dogs and cats now representing the single largest means of acquiring a new pet. AWO data is becoming a bigger factor in determining valuations of public companies operating in the companion animal marketplace. Year to date, over 800,000 adoptions have been completed by AWOs using PetPoint and today over 410,000 animals are being housed in PetPoint licensed AWOs.

Since PetPoint was launched in 2005, data on over 13.5-million animal intakes and more than 5.2-million adoptions has been aggregated. The Company publishes its monthly PetPoint Report, which tracks all

the significant trends in animal welfare, on the third Monday of each month. The PetPoint Report for September was issued earlier today 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 5.2-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 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.

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