



Pethealth Inc. launches the PetPoint Report, the first and only monthly gauge of both pet adoptions and relinquishments affecting animal welfare.

In its inaugural September report, pet adoptions show a slight year-on-year increase, while owner surrenders decline for both dogs and cats.

Oakville, ONTARIO – October 18, 2010. (TSX: PTZ) Pethealth Inc. (“Pethealth” or the “Company”), the leading provider of companion animal services in North America, is pleased to announce the launch of its inaugural PetPoint Report, a new monthly report providing insight into the trends taking place within animal welfare.

In its September issue, the report aggregates data from nearly 850 animal welfare organizations and data on 135,873 intakes and 134,330 outcomes for dogs and cats which entered or left animal welfare organizations during the month. The aggregated data used to develop the report comes via PetPoint, the most widely used animal management application in animal welfare. As a SaaS-based application, Pethealth, the owners of the PetPoint application, hosts the data for all of its licensed users and is then able to aggregate the data in a seamless and timely fashion. Today, over 1,500 animal welfare organizations have licensed PetPoint and Pethealth, via PetPoint, aggregates more data on dogs and cats in animal welfare organizations than any other company.

For the September report, which used data from only those organizations that were using PetPoint in September 2009 and September 2010, the following can be summarised:

- Adoptions of both cats and dogs increased in September 2010 by 3% and 2%, respectively, over 2009.
- Owner surrenders of cats and dogs declined by 6% and 5%, respectively.
- Euthanizations of cats and dogs declined by 10% and 7%, respectively.
- Adoption prices on average declined across the board for cats and dogs older than one year of age, while adoption prices for dogs younger than one year have remained flat.

The decline in owner surrenders and euthanizations over the period combined with the slight increase in the number of adoptions on a same shelter basis suggests that, despite the economic challenges many U.S. households continue to face, animal adoption continues to be an important and growing channel for new pet acquisition. Equally, however, the decline in adoption prices may indicate that animal welfare organizations believe that current economic conditions require price reductions for their adoptable animals.

“We believe that this report will not only be of interest to our licensed users of PetPoint over and above the considerable reporting we already provide them with, but will also be of interest to news organizations, market analysts and those national brands and retailers that have an interest in animal welfare,” said Mark Warren, President and Chief Executive Officer of Pethealth.

Interested organizations can subscribe to receive more detailed reports including regional and state data for a monthly fee. The full report can be seen by visiting <http://www.petpoint.com/petpoint-report-10-18-2010.asp> and subsequent reports will be issued on the third Monday of each month.

Based on APPMA ("American Pet Products Manufacturers Association") data from 2004 to 2005 and a more recent IPSOS/PetSmart report on 2009 data, trending indicates that pet adoption is set to exceed all other channels for new pet acquisitions in 2010.

"Various news outlets and media organizations have recently done stories on changes in pet owner behavior during the recent recession. The launch of the PetPoint Report is designed to provide more robust and complete data to help meet the needs of those seeking accurate and widespread information on what is happening in animal welfare organizations across the country," said Susan Arts, Vice President Marketing, Pethealth Inc.

About PetPoint

PetPoint was first introduced in 2005, has now been licensed by over 1,500 animal welfare organizations in North America, and since its launch has facilitated the adoption of over 2.5 million pets. As a hosted 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** program for all companion animals adopted. 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

Pethealth is the leading provider of companion animal services in North America. 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, ShelterCare, PetPoint, Petango.com** and **ThePetangoStore.com**. Pethealth is based in Oakville, Ontario. To find out more about Pethealth, visit the web site at www.pethealthinc.com.

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