

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

Year-end PetPoint Report reflects growth in users and increase in live release rates for animal welfare organizations

OAKVILLE, Ontario – January 21, 2013. (TSX:PTZ) Pethealth Inc. ("Pethealth" or the "Company") released its <u>second annual PetPoint Report</u> today, a comprehensive year-end report comparing same shelter aggregate data from 2012 and 2011, emphasizing key trends in animal welfare related to cats and dogs in the United States.

The 2012 year-end report aggregates data from the 1,212 animal welfare organizations ("AWOs") who operated PetPoint for the full 2012 and 2011 calendar years. The additional 417 AWOs represented reflects an increase of 52% from the AWOs represented in the <u>first annual PetPoint Report</u> which compared shelter aggregate data from 2011 and 2010. Findings for the 2012 year-end report were based on 1,802,710 intakes and 1,753,027 outcomes for dogs and cats that entered or exited AWOs over the course of 2012, representing an increase in intakes and outcomes of over 509,000, or 17% over those included in the first annual PetPoint Report. These increases reflect more on the increased usage of PetPoint in the industry than an increase in animal population statistics over 2011.

Notable figures within the 2012 year-end report include a 2% year-over-year decrease in feline intakes, fuelled largely by a 6% decrease in owner surrenders and 3% decrease in strays. Conversely, there was a 9% increase in transfers from other AWOs – 8% more than the increase noted between 2010 and 2011 in last year's report. Positive outcomes increased for felines as well, including a 5% increase in adoptions, an 8% increase in transfers to other AWOs, and a 12% decrease in euthanasia. The 8% increase in outbound feline transfers between 2011 and 2012 was 2% more than the increase between 2010 and 2011 noted in the last year's report.

On the canine front, the 2% decrease in overall intakes is attributed to a parallel decrease in surrendered and stray dogs, 6% and 5% respectively year-over-year. Law enforcement seizures contributed to the overall decrease as well, declining 5% from 2011. As with cats, transfers of dogs from other AWOs increased, up 6%, which was 4% more than the increase noted between 2010 and 2011 in last year's report. Positive outcomes for dogs also increased, including a 5% increase in adoptions, a 1% increase in transfers to other organizations, and a 14% decrease in euthanasia. The 1% increase in outbound canine transfers between 2011 and 2012 was 5% less than the increase between 2010 and 2011 noted in the last year's report.

"We are delighted to provide the second annualized PetPoint Report to our network and the interested public," says Brad Grucelski, Vice President, PetPoint Solutions at Pethealth Inc. "Based on the information disclosed here, we are on track to reach our 2,000 licensed groups in 2013. In addition the data points to increases overall in higher live release rates and increases in transfers of both dogs and cats within our partner organizations. Transfers of dogs from areas that have lower adoption rates to areas that have higher adoption rates have been climbing every year since the introduction of PetPoint. Cats have not been part of the transfer program in a substantial way until recently and in this past year have seen substantial increases."

With nearly 2,000 licensed organizations, the Company aggregates more data on dogs and cats in AWOs than any other company. In 2012 the Company leveraged this recognized position with the issuance of two widely cited reports on new pet adopter behaviors, and signed purchase agreements for its syndicated reports.

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 nearly 2,000 animal welfare organizations in North America and has facilitated the adoption of over 4.5 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 adopatable 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 organisations 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 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 web site at www.pethealthinc.com.

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