Pethealth Releases Latest Top-line and Aggregate Findings on Veterinary Services Use among Adopters of Cats and Dogs

Survey results illustrate post-adoption decisions by pet owners regarding the purchase of veterinary services and pet pharmacy products

Oakville, ON – September 30, 2013. (TSX: PTZ) Pethealth Inc. ("Pethealth" or the "Company"), is pleased to announce the publication of its latest top-line and aggregate survey findings among adopters of cats and dogs. The September 2013 Pet Adopter Survey: Veterinary Services ("Veterinary Survey"), a follow up to the September 2012 Pet Adopter Survey on Veterinary Services, was received by more than 329,000 adopters across the United States and over 8,200 adopters completed the survey. Survey respondents included adopters of cats and dogs during the 13 month period between August 2012 and August 2013; the survey was conducted during September 2013. The aggregated results of both the September 2013 Pet Adopter Survey: Veterinary Services and the April 2013 Pet Adopter Survey on Pet Specialty Retail, have again been published free of charge, and together with last year's inaugural surveys on Veterinary Services and Pet Specialty Retail can be found by visiting www.petpoint.com.

The purpose of the survey was (a) to determine the differences, if any, in the purchasing habits of respondents who adopted their new pet in a shelter's own facility versus a satellite location inside a PetSmart® or Petco® store; (b) to determine what influences a pet adopter's selection of veterinary care for their new pet; (c) to determine the strength of retailer-clinic relationships such as PetSmart® and Banfield® vs. stand alone operations such as Veterinary Centers of America® (VCA); and, (d) to determine the degree to which veterinary clinics influence pet owner decisions for the post-adoption purchase of wellness and other related pet care products and services.

The survey only included adoptions completed in the United States, and adopting pet parents were drawn from seven data sets:

(i) Those that had adopted between August 2012 and August 2013 from a PetPoint licensed AWO that also conducts adoptions in a PetSmart (exclusively) location(s) but where the adoption was completed in the shelter's own facility;

(ii) Those that had adopted from the same AWO but where the adoption was completed in their satellite location inside a PetSmart store;

(iii) Those that had adopted between August 2012 and August 2013 from a PetPoint licensed AWO that also conducts adoptions in Petco (exclusively) location(s) but where the adoption was completed in the shelter's own facility;

(iv) Those that had adopted from that same shelter but where the adoption was completed at the satellite location in a Petco store;

(v) Those that had adopted between August 2012 and August 2013 from a PetPoint licensed AWO that conducts adoptions in both Petco and PetSmart stores but where the adoption was completed in their own shelter;

(vi) Those that had adopted from the same PetPoint licensed AWO but where the adoption was completed in a PetSmart store;

(vii) Those that had adopted from the same PetPoint licensed AWO but where the adoption was completed in a Petco store.

Key findings included that:

- Nearly 46% of respondents indicated that they had spent in excess of $200 in veterinary care for their adopted pet in the last 12 months, down from last year's survey when over 63% of respondents answered the same.

- Over 56% of respondents indicated that no clinic was referred to them by their pet adoption counsellor, compared to the 62% of respondents who indicated likewise in last year's survey.

- Over 9% of respondents chose either a VCA Animal Hospital or a Banfield Pet Hospital for their pet's first clinic visit, down from the over 15% of respondents who indicated they chose either a VCA Animal Hospital or Banfield Pet Hospital last year.

- 4% of respondents took their pet to a clinic owned or operated by the animal welfare organization from which they adopted their pet, down from approximately 6% last year.

- This year 51% of respondents chose their animal clinic on the basis of a previous relationship with a veterinary clinic, compared to 54.5% who answered likewise last year.

- Fewer than 66% of adopters indicated that they purchased preventative treatment such as flea and tick medication for their pet in the last 12 months, compared to approximately 74% last year, and over 52% indicated that they had required prescription medication, while last year that figure was over 56%.

- Greater than 80% of respondents indicated that they purchased their pet medications through their veterinary clinic vs. nearly 78% last year; over 7% had purchased their pet medications online, and over 8% had purchased their pet medications through a retail location.

- Over 32% of respondents who indicated purchase of pet medications through a retailer indicated they purchased at a mass retailer, up from over 13% last year, while approximately 43% of respondents indicated they purchased from a pet specialty retailer vs. 73% last year.

- Conversely, approximately 72% of respondents indicated they purchased from a pet specialty retailers online site vs. 54% last year.

- Over 50% of respondents indicated they remained in contact with their adopting shelter, with 83% indicating they would be inclined to purchase products or services offered by their shelter, with this figure increasing to over 92% if respondents learned a portion of their purchase would help support their adopting shelter.

The demographic profile of respondents was; nearly 82% female; greater than 66% of respondents under the age of 50; nearly 54% indicating they had a university degree or a post-graduate degree; 85% indicating they were either employed or retired; and over 41% indicating household income of $60,000 or greater.

"With adoption rates up across the country again this year pet adoption has consolidated its position as the number one means for Americans to acquire new pets, in turn making this year's survey of even greater relevance," said Mark Warren President and CEO of Pethealth Inc. "What stands out is that pet adopters appear willing to look past traditional loyalties in an effort to find greater value in pet care. This can be seen in the declines in usage of past clinic relationships, the decline in total spending on pet care,

and the decline in some key metrics for pet specialty retailers. I also think it highlights the tremendous opportunity for animal welfare organizations to leverage these changing loyalties and generate greater revenue through providing expanded veterinary and pet specialty retail services within their own facilities."

The survey was made possible through the Company's position as the leading aggregator of pet adopter and animal welfare organization ("AWO") data. Data is aggregated through the Company's cloud-based animal management application PetPoint, now licensed by over 2,000 AWOs across North America. In addition to the Company's widely respected monthly 'PetPoint Report', the Company also issues special reports on national trends in cat and dog adoption. The Company's reports are now regarded as the most authoritative source for trends in animal welfare amongst leading Wall Street analysts and investment firms looking to use pet adoption trends in determining the valuation of those public companies selling products and services to the companion animal marketplace.

This is the second survey of pet adopters conducted by the Company in 2013; in April 2013 the Company published a follow up on the Pet Specialty Retail survey first published in May 2012 providing insights on post-adoption decisions regarding pet speciality supply retailers, pet food brands, and pet pharmacy, as well as online purchasing habits and the impact of rising gas prices on those habits.

The aggregated results of both the September 2013 Pet Adopter Survey: Veterinary Services and the April 2013 Pet Adopter Survey on Pet Specialty Retail, have again been published free of charge, and together with last year's inaugural surveys on Veterinary Services and Pet Specialty Retail can be found by visiting www.petpoint.com. **For those wishing to have either survey results segmented by the seven surveyed groups (data sets), these can be purchased by contacting the Company at 1-877-738-4584, ext. 236**.

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
Pethealth Inc. (905) 842-2615