Intakes of Cats Declining According to July PetPoint Report

*Pethealth Inc. releases its July PetPoint Report, a monthly gauge of both pet adoptions and relinquishments affecting animal welfare*

OAKVILLE, Ontario—August 15, 2011. (TSX:PTZ) Pethealth Inc. (“Pethealth” or the “Company”)—Intakes of cats declined 11% year on year according to the July PetPoint Report. At the same time, adoption fees for cats over one year of age declined 10% to $37.56, the lowest reported adoption fee for cats in that age category since Pethealth released the first PetPoint Report in October 2010. Adoption fees for cats under one year also declined 4%.

Despite the declining cost of adopting a cat and the persistent year on year decline in supply of adoptable cats since September, cat adoption activity has remained virtually static, increasing a moderate 1% over the same 11-month period.

“Euthanasia of cats declined 15% year on year in July, indicating that declining intakes and reduced adoption fees for cats are helping to lower euthanasia,” says Steve Zeidman, Managing Director of PetPoint Solutions at Pethealth Inc. “However, based on the fact that there has been little change in the total number of adoptions despite the reduced supply of adoptable cats and the lower cost of cat adoption, these trends also indicate that the demand for adoptable cats is still well below the available population.”

As a hosted management system, PetPoint not only helps shelters better organize and run their daily operations but also reduces, if not eliminates IT-related infrastructure costs. It also enhances operational reporting, allowing animal welfare organizations to track their own aggregate data on a monthly and annual basis.

The July report aggregated data from 912 animal welfare organizations using PetPoint. Findings were based on 159,338 intakes and 160,239 outcomes for cats and dogs that entered or left animal welfare organizations during the month. PetPoint is the most widely used animal management application in animal welfare.

For the July report, data was aggregated only from those organizations that were using PetPoint in July 2010 and July 2011. By comparing data from July 2010 to July 2011, the following can be summarized:

- Total intakes of cats and dogs declined 11% and 4% respectively;
- Adoption fees for cats above one year of age and below one year of age declined 10% and 4% respectively;
- Adoptions of cats declined 1% while adoptions of dogs increased 1%;
- Euthanasia of cats and dogs declined 15% and 4% respectively;
- Transfers into reporting organizations declined 10% and 6% respectively for cats and dogs;
- Cats returned to the same organization within 30 days of adoption increased 5% but declined 2% for dogs;
Pethealth, the owner of the cloud-based PetPoint application, hosts the data for all its licensed users, allowing data to be aggregated in a seamless and timely fashion. Today, over 1,700 animal welfare organizations in the United States and Canada have licensed PetPoint to manage their day to day operations. Pethealth aggregates more data on cats and dogs in animal welfare organizations than any other company.

Interested organizations can subscribe to receive more detailed reports that include localized, regional, and state data for a monthly fee. The full report can be accessed by visiting http://www.petpoint.com/petpoint-report-08-15-2011.asp. PetPoint reports are issued on the third Monday of each month, excepting statutory holidays in which case they are issued the following business day.

About PetPoint
PetPoint, first introduced in 2005, is now licensed by over 1,700 animal welfare organizations in North America and has facilitated the adoption of over 3.1 million pets, including nearly 800,000 adoptions in 2010 alone. 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 Inc.
Pethealth is a 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, PetProtect, 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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