



Double Digit Growth Fuels Pethealth's Non-Insurance Business in 2009

Oakville, ON – January 25, 2010. (TSX: PTZ) Pethealth Inc. (“Pethealth” or the “Company”), saw double digit growth in its non-insurance business in 2009 and reached a number of important milestones.

The Company reported total microchip sales of 1,063,925 units, up 19% over 2008. The growth in microchip sales was driven principally by an increase of 20% to animal welfare organisations in both the United States and Canada. The Company is Canada’s largest provider of companion animal microchips and one of the largest in North America.

As of December 31, 1,302 animal welfare organisations in the United States and Canada had licensed the Company’s SaaS-based animal management system called PetPoint, the most widely used management software application in animal welfare. This total represents an increase of 235 or 22% over the number of licensed organisations at the end of 2008. New organisations in 2009 included Animal Humane Society of Minneapolis and the Ontario SPCA, two of North America’s largest animal welfare organisations.

Animal intakes recorded by shelters running PetPoint totalled 1.86-million for the year, up 23% over 2008. Similarly, adoptions completed through these same organisations running PetPoint also increased by 23% to 680,000. Annualised Q4 growth in adoptions puts the Company on pace to exceed 810,000 adoptions via its software platform in 2010, excluding adoptions which will be done by those organisations moving to PetPoint over the course of 2010. Total animals in inventory of animal welfare organisations running PetPoint reached a peak of 272,914 in October, 2009, vs a peak of 197,091 in October, 2008, an increase of 38%.

Total individual pet and pet owner registrations in the 24PetWatch database reached the 3-million threshold in Q4 2009. An independent third party study released in 2009 revealed that the 24PetWatch database had the highest percentage of pet owner files matched to microchip numbers of all the leading microchip providers. The database, which is now over 3.1-million pets, doubled in size in 22 months.

“I am very happy with these results,” said Steve Zeidman, Chief Technology Officer of Pethealth. “I am even more optimistic about 2010, as we roll out additional functionality in PetPoint that will allow us to increase our market share in all of our non-insurance businesses.”

As previously reported, unique visitors to the Company’s adoptable search site, Petango.com, exceeded 1-million in December of 2009. This site, launched in May last year, has become the fastest growing adoptable search site in the industry and one of the fastest growing web sites in terms of monthly unique visitors and monthly page views in the companion animal industry as a whole.

The Company expects to release its full year 2009 financial results on or about March 11, 2010.

About Pethealth

Pethealth is North America's second largest provider of medical insurance for dogs and cats to pet owners, operating in Canada, the United States 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 *PetCare*, *24PetWatch*, *Pet Protect*, *Petpals Direct*, *ShelterCare*, *PetPoint*, *PawsConnect.com*, *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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