



Pethealth Inc. Announces Record Revenues of \$6.9 million and Its Full Results for the Quarter Ended September 30, 2008

OAKVILLE, ON, November 11, 2008. (TSX: PTZ) Pethealth Inc. ("Pethealth" or "the Company") today announced its financial results for the quarter and nine months ended September 30, 2008.

Financial Highlights

Quarter ended September 30, 2008

- Total revenue for the three months ended September 30, 2008 was a record \$6.9 million, up 27% over the three months ended September 30, 2007.
- EBITDA for Q3 2008 was \$439,632 inclusive of a non-cash \$267,612 accounting charge related to the translation of \$US denominated long-term debt, compared to an EBITDA of \$581,204 for the same period in the prior year.
- Operating cash flow (EBITDA plus stock option expenses and non-cash foreign currency accounting translation gains and losses) was \$761,180 for the three months ended September 30, 2008, a 20% increase.
- Net income for the three months ended September 30, 2008 was \$105,602 (\$0.004 per share), inclusive of a non-cash accounting charge of \$267,612 related to the translation of \$US denominated long-term debt as well as \$66,591 related to the amortization of intangible assets related to the Company's Pet Protect acquisition, compared to prior year net income of \$431,731 (\$0.015 per share)
- On July 28, 2008 the Company announced that it had completed its acquisition of Pet Protect Limited ("Pet Protect"), a pet insurance intermediary operating in the United Kingdom, from Domestic & General Group Limited ("D&G"). The Company began to report the results of Pet Protect on a consolidated basis from July 28, 2008.

Nine Months ended September 30, 2008

- Total revenue for the nine months ended September 30, 2008 was a record \$18.1 million, up 12% over the nine months ended September 30, 2007.
- EBITDA for the nine months ended September 30, 2008 was \$1,909,443 inclusive of a non-cash \$267,612 accounting charge related to the translation of \$US denominated long-term debt, compared to an EBITDA of \$2,040,923 for the same period in the prior.
- Operating cash flow was \$2,351,964 for the nine months ended September 30, 2008, a 6% increase.
- Net income for the nine months ended September 30, 2008 was \$1,188,890 (\$0.020 per share after giving effect to the \$600,000 dividend payment made in the first quarter of 2008) inclusive of a non-cash accounting charge of \$267,612 related to the translation of \$US denominated long-term debt as well as \$66,591 related to the amortization of intangible assets related to the Company's Pet Protect acquisition, compared to prior year net income of \$1,616,689 (\$0.035 per share after giving effect to the \$600,000 dividend payment made in the first quarter of 2007).
- The 8.5% appreciation of the Canadian dollar had a significant impact on the Company's reported nine month results reducing revenue by approximately \$1,072,000 and net income by approximately \$415,000 (\$0.015 per share).
- Loss ratio for the nine months ended September 30, 2008 for the U.S. core pet insurance book of business was 44.7%. The Company participates in a portion of its programs' underwriting results in the United States.

- Administration costs were 11.6% as a percentage of premiums.

Results of Operations

Pethealth Inc. reports its financial results in two reportable segments, its insurance operations and its non-insurance operations. The insurance operations currently consist of the distribution and administration of the PetCare, Pet Protect, petPals, ShelterCare, QuickCare, CherryBlue and other co-branded, white labelled or private labelled pet insurance programs while non-insurance operations are made up of its 24PetWatch manufacturer-neutral pet registry and recovery service, the distribution of RFID microchip technology and the development and distribution of PetPoint, its animal shelter management software program. The following table details the operational results from each segment:

	For the Three Months Ended						
('000)	September 30, 2008			September 30, 2007			
	Insurance	Non-Insurance	Total	Insurance	Non-Insurance	One-Time Listing Costs	Total
Operating revenue	\$5,446	\$1,425	\$6,871	\$4,257	\$1,152	-	\$5,409
Interest and other income	26	-	26	30	-	-	30
Total revenue	\$5,472	\$1,425	\$6,897	\$4,287	\$1,152	-	\$5,439
Employment	1,403	554	1,957	942	444	-	1,386
Marketing	1,775	102	1,877	1,399	54	-	1,453
General & administration	1,099	252	1,351	872	178	-	1,050
Cost of sales	-	935	935	-	836	-	836
Interest Expense on L/T Debt	56	-	56	-	-	-	-
Foreign exchange	284	-	284	79	-	-	79
Other	200	132	332	131	73	-	204
Total expenses	\$4,817	\$1,975	\$6,792	\$3,423	\$1,585	-	\$5,008
Operating income (loss)	\$655	\$(550)	\$ 105	\$864	\$(433)	-	\$431
Add:							
Capital asset amortization	146	133	279	77	73	-	150
Interest Expense on L/T Debt	56	-	56	-	-	-	-
Operating EBITDA	\$857	\$(417)	\$440	\$941	\$(360)	-	\$581
Add:							
Stock option expense	54	-	54	54	-	-	54
Non operating f/x*	268	-	268	-	-	-	-
Operating cash flow	\$1,179	\$(417)	\$762	\$995	\$(360)	-	\$635

For the Nine Months Ended							
('000)	September 30, 2008			September 30, 2007			
	Insurance	Non-Insurance	Total	Insurance	Non-Insurance	One-Time Listing Costs	Total
Operating revenue	\$14,150	\$3,898	\$18,048	\$12,932	\$3,186	-	\$16,118
Interest and other income	82	-	82	101	-	-	101
Total revenue	\$14,232	\$3,898	\$18,130	\$13,033	\$3,186	-	\$16,219
Employment	3,505	1,633	5,138	2,791	1,313	-	4,104
Marketing	4,264	381	4,645	3,970	180	-	4,150
General & administration	2,707	644	3,351	2,632	515	125	3,272
Cost of sales	-	2,616	2,616	-	2,333	-	2,333
Interest Expense on L/T Debt	56	-	56	-	-	-	-
Foreign exchange	296	-	296	143	-	-	143
Other	470	369	839	396	204	-	600
Total expenses	\$11,298	\$5,643	\$16,941	\$9,932	\$4,545	\$125	\$14,602
Operating income (loss)	\$2,934	\$(1,745)	\$ 1,189	\$3,101	\$(1,359)	\$(125)	\$1,617
Add:							
Capital asset amortization	295	369	664	220	204	-	424
Interest Expense on L/T Debt	56	-	56	-	-	-	-
Operating EBITDA	\$3,285	\$(1,376)	\$1,909	\$3,321	\$(1,155)	\$(125)	\$2,041
Add:							
Stock option expense	175	-	175	176	-	-	176
Non operating f/x*	268	-	268	-	-	-	-
Operating cash flow	\$3,728	\$(1,376)	\$2,352	\$3,497	\$(1,155)	\$(125)	\$2,217

* Non operating f/x is the accounting loss (gain) associated with the translation of the Company's long term debt denominated in United States dollars.

"Our third quarter results continued to demonstrate the successful expansion of our business and the execution of our strategy," said Mark Warren, President and Chief Executive Officer of Pethealth. "The successful acquisition and transition of the Pet Protect business during the quarter positions the Company for significant revenue and earnings growth through 2009 over and above what we expect to achieve through our current North American businesses. Net income reported in the quarter disguises the operational and cash flow benefits of remaining unhedged as the Canadian dollar falls. As the Canadian dollar falls, particularly against the US dollar, the Company realises an expansion in its margins and accelerating cash flows resulting from the Company's continued Canadian based administrative hub."

Foreign Exchange:

The Company operates in the Canadian, the United States and the United Kingdom markets and is exposed to unpredictable foreign exchange markets.

The United States subsidiaries generate 100% of their revenues in U.S. dollars while expending administrative costs in both U.S. and Canadian dollars. Similarly, Pet Protect earns 100% of its revenues in Pounds Sterling while expending its administrative expenses in both Pounds Sterling and Canadian dollars. The Company expects that as

the Pet Protect business becomes fully integrated the relative administrative expenses incurred in Canadian dollars as a percentage of the total will increase. At present, approximately 80% of the United States administrative costs and 5% of the United Kingdom administrative costs are incurred in Canadian dollars. As such, a reduction in the value of the Canadian dollar relative to the U.S. dollar or the Pound Sterling results in an increase in reported operating revenue and operating earnings as well as a realized increase in cash flow.

For the nine months ended September 30, 2008 the average Canadian dollar exchange rate appreciated by 8.5% relative to its U.S. counterpart. Adjusting the current year's results to the exchange rates in place a year ago the Company would have reported, on a proforma basis, an additional \$1,072,000 in revenue and an additional \$415,000 in net income.

From July 28, 2008 through September 30, 2008, the Canadian dollar appreciated by 7.3% against the Pound Sterling resulting in a foreign exchange deficit being recoded on the balance sheet as other comprehensive income of \$506,309.

The Company's reported financial results are also impacted by the non-cash accounting translation of its U.S. dollar denominated long term debt. On July 25, 2008, the Company borrowed directly US\$7,098,480 (\$7,256,066) to finance the acquisition of Pet Protect Limited. As such, non-cash foreign exchange accounting translation gains and losses are recorded on the statement of income and other comprehensive income when the relative value of the exchange rate between the Canadian and U.S. dollar fluctuates. The Company repays its U.S. denominated debt with cash generated from its U.S. business and as such does not experience a cash flow impact from holding U.S. dollar denominated debt. For the three months ended September 30, 2008, an accounting translation loss of \$267,612 was recorded through the statement of income and other comprehensive income.

The Company does not employ a foreign currency derivative hedging program.

Insurance Operations:

Results

The Company is North America's number two provider of pet insurance operating in Canada, the United States and the United Kingdom.

Pet insurance revenues are earned primarily through commissions and fees generated from the placement of pet insurance policies at a blended commission rate of approximately 38% in the United States, 35% in Canada and 17% in the United Kingdom (see discussion related to U.K. commissions and fees below). For the three months ended September 30, 2008, the Company achieved commission and fee revenue \$5,446,072, an increase of 28% over the same period in the prior year. For the nine months ended September 30, 2008, the Company achieved commission and fee revenue of \$14,150,243 an increase of 9% over the same period in the prior year.

The pet insurance operations contributed operating income of \$655,581 to the consolidated net income during the quarter and \$2,933,772 for the nine month period as compared to a contributed operating income of \$864,017 and \$3,101,129 respectively in the prior year. In each case, the current year operating results include non-cash foreign exchange loss associated with the accounting translation of the long term debt of \$267,612 and intangible asset amortization associated with the acquisition of \$66,591.

Administration costs, consisting of claims adjudication, medical underwriting, billing, and customer service but excluding corporate expenses, are measured on a percentage of premium basis. For the nine months ended September 30, 2008, administration costs represented 11.6% of gross premiums earned by the Company's carriers inclusive of Pet Protect. The Company believes that its administrative costs as a percentage of premiums continue to be the best in the industry. All marketing costs are expensed when incurred.

Marketing costs and provisions thereto can fluctuate from period to period depending on the timing of various marketing initiatives. During the second quarter, the Company revamped its ShelterCare program to include modified coverage and introduce both a 15-day extension offer and a tenant program. The revamped programs were marketed to the animal welfare organizations running PetPoint during the second quarter. The Company believes that these revamped programs will have greater appeal to the adopting pet owner, thus improving the programs' overall conversion rate on to its core programs.

The pet insurance operations achieved operating cash flow (EBITDA plus stock option expense and accounting translation of foreign currency gains and losses) of \$1,178,674 for the quarter and \$3,727,611 for the nine months ended September 30, 2008 compared to operating cash flow of \$994,774 and \$3,496,714 for the same periods in the prior year.

United Kingdom Acquisition

On July 28, 2008, the Company completed its acquisition of Pet Protect, a pet insurance intermediary operating in the United Kingdom, from D&G. Under the terms of the agreement, Pethealth acquired 100% of Pet Protect for a purchase price of £3.5-million (\$7.1-million) in cash. The purchase price represented 27% of fiscal 2007 gross written premiums placed by Pet Protect or approximately £63.59 (\$127) per policy based on 55,041 paid policies in force at closing. The Pet Protect business currently constitutes approximately 3% of the pet insurance market in the United Kingdom. Policies in the U.K. are currently sold under the Pet Protect and the petPals brands. Distribution partners currently include Animalcare Group PLC, the leading provider of microchip technology for companion animals in the U.K.

QBE Insurance (Europe) Limited ("**QBE**") acts as the underwriter for the Pet Protect business on a renewals basis. As the Pet Protect policies have annual renewals, D&G will continue to act as an underwriter on a declining basis until September 2009 when it is expected that existing policies will have been renewed to QBE. Pet Protect earns commission and fee revenues representing approximately 17% of earned premiums for those policies underwritten by D&G and 33% for those policies underwritten by QBE, plus or minus 2.5% depending on underwriting profitability as described below. The following table outlines the expected blended commission rates which the Company expects to earn from renewal business during the transition from D&G to QBE:

Period	Expected split of renewal premium by Carrier		Expected Blended Commission
	QBE	D&G	
Q3 - 2008	0%	100%	17%
Q4 - 2008	12.5%	87.5%	19%
Q1 - 2009	37.5%	62.5%	23%
Q2 - 2009	62.5%	37.5%	27%
Q3 - 2009	87.5%	12.5%	31%
Q4 - 2009 and thereafter	100%	0%	33%

As of August 16, 2008, all new policy sales in the United Kingdom were placed with QBE earning base commissions and management fees of 33%.

The all cash transaction is financed through a 3-year loan agreement with a recognised financial institution at a fixed interest rate of 4.52%. The loan is repayable in equal monthly instalments over the term. The Company has posted the policy renewals on its U.S. pet insurance portfolio, which is underwritten by Praetorian as security. The terms of the loan restrict the Company from paying dividends other than to holders of the Company's Series I 6% convertible preferred shares.

Participation in U.S./U.K Underwriting Results:

The underwriting risk associated with the Company's pet insurance policies was borne entirely by its carriers prior to February 9, 2006. The Company announced on February 9, 2006, that it had added Praetorian as an underwriter for its pet insurance policies in the United States. Under the terms of the agreement, the Company participates in a portion of the underwriting results for the policies placed with Praetorian. Pethealth's participation is based on "accident year" results. Accident year is a calculation which assigns all losses (claims) to the year in which the accident or illness was first reported. As a result, the Company applies an Incurred But Not yet Reported ("**IBNR**") reserve to its calendar year loss ratio to account for claims incurred, but not reported before the year-end date, comprising the time lag between the actual occurrence of the event leading to the claim and its reporting to the insurer. Given the relatively short tail associated with pet insurance claims, the IBNR reserve is relatively modest.

The Pet Protect business, currently underwritten by D&G, will transition on a renewals basis to QBE over a period of twelve months which commenced on October 1, 2008. Under the terms of the agreement with Praetorian, the U.S. and the U.K. underwriting profitability will be aggregated and the Company will participate in the underwriting profitability on the same terms as are currently in place on its U.S. portfolio, on a consolidated basis.

The U.K. renewal business began to transition to QBE on October 1, 2008. The U.S. core underwriting results, on a year to date basis, to September 30, 2008 were 44.7% inclusive of a 3% IBNR reserve. The Company participates positively in the underwriting results when the actual accident year loss ratio for those policies placed with Praetorian is less than 50% and negatively when the actual accident year loss ratio exceeds 50%. For the quarter and the nine months ended September 30, 2008, revenues of \$149,992 and \$426,071 were recorded related to profit sharing from U.S. underwriting compared to \$108,084 and \$278,045 for the same periods in 2007.

Non-Insurance Operations:

Non-insurance revenues are earned from the sale of microchip technology, media and advertising and database and information services leveraging the Company's PetPoint, EVE and 24PetWatch infrastructures. To date, the Company's non-insurance business has been focused on building out its technology platforms, which, in and of themselves, were not designed to operate as stand alone sources of revenue. Instead, these platforms are used to deliver database and information services from which the Company expects to generate significant business at margins greater than those that can be expected to be earned from the insurance operations.

As of September 30, 2008, 1,008 animal welfare organisations had licensed the PetPoint application. During Q3 2008, 436,730 animal intakes were completed bringing the year to date total to 1,116,952 up 43% and 43% over those recorded for the same periods in the prior year. Similarly, 148,304 adoptions were recorded through the PetPoint application bringing the year to date total to 391,572, up 45% and 49%, respectively, over the prior year, making PetPoint the most widely used animal management software in North America. As of the date of this release, 1,034 animal welfare organisations had licensed the application. The Company estimates that annualized adoptions completed by animal welfare organizations who have licensed PetPoint represent better than 35% of the total adoption market.

The distribution model for PetPoint is relatively new, but not unique. PetPoint is provided free to those animal welfare organisations that are using the Company's 24PetWatch microchip program and agree to also promote its ShelterCare insurance program to their adopters. As a hosted solution, PetPoint provides the Company with the ability to deliver messaging to the pet adopter at the point of adoption. Through this "virtual pipeline", the Company believes that it is able to not only inform adopters about the products and services that are available, but also to influence where they will purchase these products and services. Thus, the Company believes it will be able to develop several revenue streams from PetPoint through the offering of retail products and services to adopters.

The Company's strategic advantage is that it is both able to make this connection with the adopter at the point of adoption and influence purchasing decisions prior to that adopter establishing his or her buying habits for their new dog or cat as well as the ability to maintain an on-going relationship based on the provision of various products and services, including pet insurance and on-line social networking, which leverage the integration of the PetPoint and the 24PetWatch RFID microchip and pet recovery infrastructures.

In November, 2007 the Company launched PawsConnect.com, its on-line social network aimed at empowering the lives of pet owners by providing them with new and innovative ways to interact and learn more about the best way to care for their dogs and cats. The PawsConnect.com site remains in beta format as the Company continues to experiment with its design and with its functionality.

During May 2008, the Company announced the introduction of live search for lost and adoptable pets for shelters and animal welfare organisations running PetPoint. Animal data can now appear instantly on the search function of a shelter's web site, allowing pet owners to search for lost pets and potential pet parents to search for adoptable animals. The Company expects to continue to expand this service through May 2009, when it plans to launch its own national and regional adoptable search platforms.

For the quarter and nine months ended September 30, 2008, the Company generated revenues of \$1,425,101 and \$3,897,683 respectively from its non-insurance businesses, an increase of 24% and 22% from the \$1,152,481 and \$3,186,130 generated for the same periods last year. In addition to the sale of microchip technology, the Company expects to continue to generate revenues from various non-insurance opportunities which it expects will include, amongst other things, the sale of products and services to the 24PetWatch database which, as of today's date, exceeds 2.0 million pet registrations, agency and sponsorship fees from manufacturers and retailers accessing PetPoint for distribution and from other third parties looking to improve their advertising and distribution capabilities to pet adopters.

For the quarter and nine months ended September 30, 2008, the Company's non-insurance business reported an operating loss of (\$549,979) and (\$1,744,882) respectively as compared to an operating loss of (\$432,286) and (\$1,358,829) for the same periods in the prior year as the Company continues to invest in the significant build out its non-insurance platforms.

Consolidated Results

The Company had consolidated net income of \$105,602 for the quarter and \$1,188,890 for the nine months ended September 30 as compared to net income of \$431,731 and \$1,616,689 for the prior year. Third quarter earnings per share were \$0.004 vs. \$0.015 for the third quarter of 2008. For the first nine months of 2008, earnings per share were \$0.020 vs. \$0.035 in the prior year after giving effect to the \$600,000 dividend payment made in the first quarter of each year. EBITDA was \$439,632 for the quarter and \$1,909,443 for the nine month period ended September 30, 2008 as compared to \$581,204 and \$2,040,923 in the prior year. The Company's operating cash flow in the quarter was \$761,180 and was \$2,351,964 for the year to date after giving effect to the non cash accounting translation loss associated with the long term debt of \$267,612 and stock option expense of \$53,936 and \$174,909 respectively as compared to Operating cash flow of \$635,123 and \$2,216,591, a year ago.

At September 30, 2008, the Company had total assets of \$16,928,959 including unrestricted cash resources of \$2,158,925.

The Company will be hosting an investor conference call on Wednesday, November 12, 2008 at 11:00 AM (EST) which can be accessed at 1-866-300-4047. For those unable to participate, an instant replay of the call will be available for 7 days at 1-800-408-3053, passcode 3274428.

CONSOLIDATED FINANCIAL HIGHLIGHTS:	For Quarter Ended		
	Sept 30, 2008	Sept 30, 2007	Change %
Insurance Commissions and Fees	\$5,446,072	\$4,256,737	28%
Microchip Technology and Non-insurance Revenue	1,425,101	1,152,481	24%
Interest and Other Income	25,821	30,268	(15%)
Total Revenue	\$6,896,994	\$5,439,486	27%
Cost of Sales – Microchip Technology	935,145	836,485	12%
Marketing Expenses	1,877,395	1,453,207	29%
Employment Expenses	1,956,966	1,385,761	41%
Stock Option Expense	53,936	53,919	0.03%
Administration Expenses	1,350,180	1,049,705	29%
Foreign Exchange (Gain) Loss	283,740	79,205	258%
Interest Expense on Long Term Debt	56,311	-	-
Amortization of Capital, Intangible and Other Assets	277,719	149,473	86%
Net Income For the Period	\$105,602	\$431,731	(76%)
EPS – Basic *	0.004	0.015	
EPS – Diluted *	0.004	0.013	
Add Back: Amortization	277,719	149,473	86%
: Interest Expense on Long Term Debt	56,311	-	-
EBITDA**	\$439,632	\$581,204	(24%)
Stock Option Expense	53,936	53,919	0.03%
Foreign exchange translation loss on long term debt	267,612	-	-
Operating Cash Flow	761,180	635,123	20%
Cash Resources	2,158,925	2,309,606	(7%)
Total Assets	16,928,959	7,544,509	124%
Gross Premiums Earned by Carriers	\$15,002,871	\$9,717,128	54%

CONSOLIDATED FINANCIAL HIGHLIGHTS:	For Nine Months Ended		
	Sept 30, 2008	Sept 30, 2007	Change %
Insurance Commissions and Fees	\$14,150,243	\$12,931,864	9%
Microchip Technology and Non-insurance Revenue	3,897,683	3,186,130	22%
Interest and Other Income	81,627	101,125	(19%)
Total Revenue	\$18,129,553	\$16,219,119	12%
Cost of Sales – Microchip Technology	2,615,801	2,332,941	12%
Marketing Expenses	4,644,826	4,149,899	12%
Employment Expenses	5,137,545	4,104,312	25%
Stock Option Expense	174,909	175,668	(0.4%)
Administration Expenses	3,351,097	3,271,994	2%
Foreign Exchange	295,932	143,382	98%
Interest Expense on Long Term Debt	56,311	-	
Amortization of Capital, Intangible and Other Assets	664,242	424,234	57%
Net Income For the Period	\$1,188,890	\$1,616,689	(26%)
EPS – Basic *	0.020	0.035	
EPS – Diluted *	0.020	0.029	
Add Back: Amortization	664,242	424,234	57%
: Interest Expense on Long Term Debt	56,311	-	-
EBITDA**	\$1,909,443	\$2,040,923	(6%)
Stock Option Expense	174,909	175,668	(0.4%)
Foreign exchange translation loss on long term debt	267,612	-	-
Operating Cash Flow	2,351,964	2,216,591	6%
Gross Premiums Earned by Carriers	\$34,890,789	\$29,742,505	17%

* Basic and diluted earnings per share are adjusted to reflect the dividend payments made during the first quarter of 2008 and 2007. At September 30, 2008 the Company had weighted average basic common shares of 28,384,948 (2007 – 28,381,535) and fully diluted common shares of 28,384,948 (2007 – 33,786,597).

** The Company believes the presentation of EBITDA and Operating Cash Flow is a useful means of providing investors with additional information in reviewing and analyzing the Company's operating results. EBITDA and Operating Cash Flow are considered to be a non-GAAP earnings measure and do not have any standardized meaning prescribed by GAAP. It is, therefore, unlikely to be comparable to similar measures presented by other issuers.

About Pethealth

Founded in 1998, Pethealth is the second largest provider of pet insurance to pet owners in North America, and 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*, *ShelterCare*, *QuickCare*, *24PetWatch*, *PetPoint*, and *PawsConnect*. The Company is also a provider of pet health insurance in the United Kingdom through its *Pet Protect* and *petPals* brands. Pethealth currently insures approximately 240,000 dogs and cats.

Pethealth is based in Oakville, Ontario. To find out more about Pethealth, visit the website at www.pethealthinc.com

Forward-Looking Statements

This press release contains information that is forward-looking information within the meaning of applicable securities laws. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or the negative of these terms or other similar expressions concerning matters that are not historical facts.

Forward-looking information by its nature necessarily involves risks and uncertainties including, without limitation, the difficulty of predicting the current regulatory and supervisory environment, the timing and conditions to obtaining any regulatory approval, reliance on insurance underwriters for pet insurance policies, market acceptance and demand for existing and new products and services, including PetPoint and EVE Software and the 24PetWatch microchip program, the Company's ability to maintain and service new and existing customers, the protection of intellectual property associated with its products and services, the impact of competition generally and new competitive products, currency and foreign exchange fluctuations, risks associated with the Company's customer care solutions facility, and related risks and uncertainties. Additional risks and uncertainties affecting the Company can be found in the Company's Annual Information Form available on SEDAR at www.sedar.com. If any of these risks or uncertainties were to materialize, or if the factors and assumptions underlying the forward-looking information were to prove incorrect, actual results could vary materially from those that are expressed or implied by the forward-looking information contained herein. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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