



21 April 2008

## FULL YEAR RESULTS

### ANOTHER RECORD PERFORMANCE - PROFITS INCREASE OVER 50%

Pets at Home, the UK's leading specialist retailer of pet foods and pet products, today announces its results for the 52 weeks to 27 March 2008.

	52 weeks to 27 March 2008**	52 weeks to 29 March 2007	% change
	£000	£000	
Turnover	354,645	306,454	15.7%
EBITDA*	60,709	46,727	29.9%
Profit Before Tax*	30,943	19,887	55.6%
Operating margin*	14.9%	13.2%	
Store numbers	213	193	

\*before goodwill amortisation and exceptional items

\*\*unaudited

#### Highlights:

- Like for like sales up 8.0%
- Further good progress on margin
- 20 new stores opened bringing the total number to 213
- 29,000 pets re-homed in the first year of our Pet Adoption Scheme

#### Matthew Davies, Chief Executive of Pets at Home commented:

"Pets at Home continues to go from strength to strength delivering another excellent set of financial results. Our existing stores are busier than ever and our extensive store opening programme is introducing the Pets at Home range to more and more of the UK.

"We continue to benefit from our focus on innovation and product development and there is much more to come. Our customers will see exciting new ranges in store this year, from bunny boutique to our deli for dogs.

"In the fifteen weeks since Christmas we have continued to maintain our sales momentum and we remain confident about the year ahead.

“Given the company's continued strong performance and our confidence in its future prospects, the Board and its advisers have decided not to initiate a sale of the business in the current economic environment. To do so at this time would inevitably undervalue what is a fantastic business.”

## **Chief Executive's Review**

### **Operational performance:**

This year we have opened 20 new stores, bringing our total portfolio to 213. Following the initial success of our trial stores in Romford and Crayford we also refurbished 10 of our older stores, including the installation of a second mezzanine aquatic centre in Cheltenham. The strong sales uplift we have seen from the new and refurbished stores gives us the confidence to continue our significant investment programme.

We also opened three new Companion Care in-store veterinary practices during the year, bringing the total to 42. The existing veterinary practices also performed well, with like-for-like fee income growth of 14%. By the end of the year we had trained 230 of our store colleagues as Suitably Qualified Persons enabling them to sell licensed flea and wormer products previously only available through vets. We will be trialling further services for our customers and their pets.

We have worked hard to increase innovation and product development across the business and expect to launch 250 new own brand food products over the coming year. The successful introduction of the fast fashion boutique ranges for dogs and cats has allowed us to launch coordinated offers across clothing collars, leads, bedding and feeding.

Over the course of the year we rolled out a nationwide Pet Adoption Scheme, to help find new homes for small pets that can no longer be looked after by their owners. In the first 12 months, the Pets at Home Charitable Foundation has successfully re-homed 29,000 pets, significantly above our expectations. As a result, £350,000 has been raised for the Foundation, money which will be used to support third party re-homing centres across the country. Support Adoption will be introduced to all our stores this year.

We have an outstanding team of colleagues across the business. Their enthusiasm, commitment, passion for pets and ideas are at the heart of our success.

### **Financial review:**

For the 52 weeks ended 27 March 2008 sales increased by 15.7% to £354.6m (2007: £306.5m) with like for like sales growth of 8.0%.

Operating profit before exceptional items and goodwill amortisation increased by 30.7% to £53.0m (2007: £40.6m) and profit before tax, exceptional items and goodwill amortisation increased by 55.6% to £30.9m (2007: £19.9m). Operating margins increased to 14.9% (2007: 13.2%), driven by improvements in gross margins and good cost control.

EBITDA increased by 29.9% to £60.7m (2007: £46.7m), contributing to strong cash generation.

**Outlook:**

We continue to focus on improving the in-store experience for our customers, increasing margin growth, introducing new ranges and services and developing colleagues across the business. This, coupled with our plans to open further stores and new veterinary practices this year gives us confidence for the year ahead.

ENDS

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**About Pets at Home:**

Pets at Home is the UK's leading specialist retailer of pet food, pet related products and accessories; they also sell fish and small animals. The company was established in 1991 and currently operates from 214 stores, totalling 2.0m sq ft. with 4,000 colleagues.

In addition to the retail outlets, Pets at Home currently operates 42 veterinary surgeries on a joint venture basis under the brand name Companion Care.

Pets at Home was the subject of a Bridgepoint backed buyout in July 2004.