2 November 2012

FULL YEAR RESULTS

GROWTH AND INVESTMENT MAINTAINED IN A CHALLENGING ENVIRONMENT

Pets at Home, the UK’s leading specialist retailer of pet foods, pet-related products, accessories and services today announces its results for the 52 weeks to 29 March 2012.

Financial highlights

<table>
<thead>
<tr>
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<th>52 weeks to 29 March 2012</th>
<th><strong>52 weeks to 24 March 2011</strong></th>
<th>% change</th>
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</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>£544.3</td>
<td>£508.2</td>
<td>7.1%</td>
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<td>Like for Like sales growth</td>
<td>1.3%</td>
<td>1.8%</td>
<td></td>
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<tr>
<td>EBITDA*</td>
<td>91.7</td>
<td>91.3</td>
<td>0.5%</td>
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<tr>
<td>EBITDA margin*</td>
<td>16.8%</td>
<td>18.0%</td>
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<tr>
<td>Store numbers</td>
<td>313</td>
<td>281</td>
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*before goodwill amortisation and exceptional items
** the unaudited ‘adjusted’ 52 week period to 24 March 2011

Operational highlights

- Continued investment in new stores and formats
- Opening of second distribution centre and Hong Kong sourcing operation
- Expansion of vet practices and grooming salons
- Nick Wood appointed CEO

Commenting on the results, Nick Wood, Chief Executive, said:

“In a year of significant capital and revenue investment and against a challenging economic and retail background it is extremely pleasing to report further growth in turnover and profit. Encouragingly, from these investments we have built good momentum into the current financial year with like for like sales growth of 3.2% for the first half of the year to 11 October 2012.”
“Since I joined Pets at Home in June 2012 I have been impressed with the talent and enthusiasm of our management team and our colleagues throughout the business. These results serve to underline the quality of the whole team.

“Whilst there remains a great deal of uncertainty for consumers with little prospect of any real improvement in disposable incomes in the near future, we remain focused on delivering exceptional value for our customers. We believe that this, together with new stores and trading formats, new product and service innovations and the continued exceptional engagement of our colleagues will be the basis of another year of growth.”

Chief Executive’s Review

Operational performance:

During the course of the year we invested significantly in building the foundations for our future growth, opening 32 new stores, commissioning our second distribution centre, establishing a global sourcing operation in Hong Kong and enhancing both our product offer and in-store experience.

Our service proposition continues to expand, with the opening of 18 new grooming salons and 19 Companion Care in-store veterinary practices, bringing the total number of salons to 61 and vet practices to 92. We will continue to expand these key services as they are valued highly by our customers.

Our 5,900 colleagues continue to be one of our key strengths. We took great pride in being placed second in The Sunday Times ranking of the 25 Best Big Companies To Work For in 2012. This external recognition supports our own internal measures which confirm we have a team of highly engaged and motivated colleagues who work together to provide the highest levels of customer service.

We continue to prioritise and support our colleagues with training and development to ensure we deliver the highest standards of pet welfare and advice. In the first half year we have doubled the number of qualified nutrition consultants in our stores and also delivered the training to deliver a microchipping service which is now available in every store.

We have further expanded our product ranges in store and via our website. We introduced new ranges with contemporary styling in Dog and Cat bedding and expanded our premium food offer for both dogs and cats. Here we launched our own luxury cat food range ‘Seriously Good’ and ‘Pickle’s’ cat treats as well as successfully launching ‘Spencer’s Deli’, our premium dog food range. We also added additional services such as product personalisation. The launch of Pets at Home pet insurance in early 2011 went well and resulted in a pleasing performance over the year.

We have invested heavily in establishing our second distribution centre, which opened in July 2011, becoming fully operational in March 2012. Our online fulfillment operation was successfully embedded into this distribution centre in the second half of the year. We will capture the full benefit of this investment in 2012/13.
Whilst a significant proportion of capital investment was focused on future growth, we continued to upgrade and improve both our aquatic systems and animal housings to ensure pet welfare standards are maintained to the highest possible standard.

During the year we opened three in-store advice and adoption centres for dogs, operated by the Dog’s Trust. These have been funded by the Support Adoption for Pets Charity, which raised more than £1.7m in the year (well ahead of the £1.3m raised in the previous year) through the efforts of our colleagues and via donations received from the rehoming and adoption of 62,000 pets from in-store adoption centres. We are delighted that, since opening, 90 dogs have been rehomed. In addition, more than £1m of grants were made to pet re-homing charities across the UK.

We have made strong progress in the first half of the current financial year with strong returns from areas where we have invested in particular in range and merchandising development in dog and cat advanced nutrition. We have seen encouraging results from our latest TV advertising campaign particularly where we have advertised our expertise in the areas of flea and worming, and nutrition consultations.

**Financial review:**

For the 52 weeks to 29 March 2012 sales increased by 7.1% to £544.3m (2011: £508.2m) with like-for-like sales growth of 1.3%

EBITDA increased 0.5% to £91.7m (2011: £91.3m), contributing to strong cash generation. EBITDA margin at 16.8% reflected the costs of commissioning our second distribution centre, the opening of our global sourcing centre in Hong Kong with the associated strengthening of our sourcing team (2011: 18.0%)

Operating profit before exceptional items and goodwill amortisation decreased by 2.4% to £76.0m (2011: £77.9m) reflecting an increase in depreciation as a result of increased capital spending on growth projects.

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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 331 stores, totaling 2.8m sq. ft. with 5,900 colleagues.

In addition, Pets at Home currently operates 106 in-store or stand-alone veterinary surgeries under the brand name ‘Companion Care’, and 74 in-store grooming salons under the brand name ‘The Groom Room’.

Pets at Home was the subject of a KKR backed buyout in 2010.

www.petsathome.com