

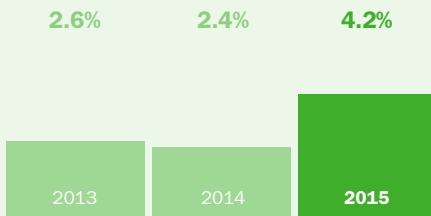
Key performance indicators

We measure our performance against a number of KPIs, each of which is linked to one of our three strategic growth pillars

1 Grow like-for-like

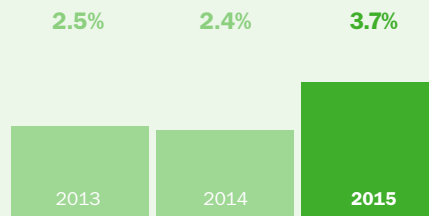
4.2%

Group like-for-like growth



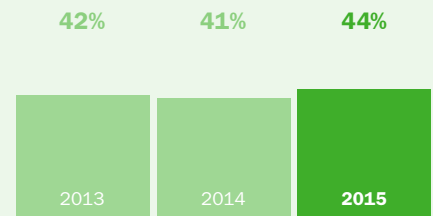
3.7%

Merchandise like-for-like growth



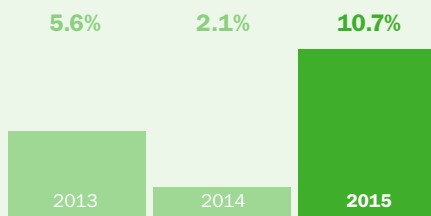
44%

Products refreshed and changed



10.7%

Services like-for-like growth



Performance in 2015

Group like-for-like growth ahead of the prior year. Merchandise like-for-like contributors were strength in Advanced Nutrition, Health & Hygiene, VIP loyalty club and omni-channel. Services like-for-like was driven by the growing maturity of our vet practices and Groom Rooms, as well as the strong underlying growth of older practices and salons.

Priorities for 2016

To continue to drive like-for-like growth ahead of the market, through multiple levers.

Key risks associated

- Brand and reputation
- Competition
- Our people
- Business systems & information security
- Supply chain/sourcing
- Store and services expansion
- Regulatory and compliance
- Extreme weather

Performance in 2015

We have continued to refresh our product range, changing more than 3,100 SKUs (Stock Keeping Units) in the year, representing 44% of the total range.

Priorities for 2016

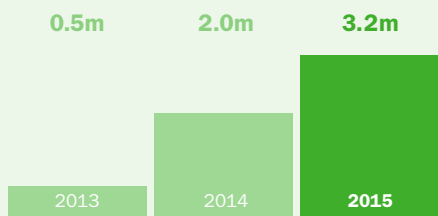
Maintain our rate of refreshment, to ensure our customers are seeing something new and different each time they visit.

Key risks associated

- Our people
- Supply chain/sourcing

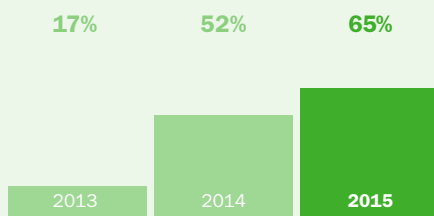
3.2m

VIP club members



65%

VIP card swipe rate*



Performance in 2015

VIP club members grew by 1.2m during the year and our database now contains the details of over 10.5m pets. Swipe rate of the card at tills has also grown significantly and now represents 65% of our store revenues.

Priorities for 2016

We will continue growing the club and increasing the swipe rate at tills, which allows us to send highly targeted marketing offers to a greater proportion of our customer base.

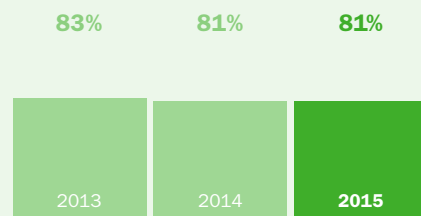
Key risks associated

- Brand and reputation
- Our people
- Business systems and information security

* swipe rate represents the final quarter period in each year.

81%

Colleague retention



Performance in 2015

We maintained our industry leading colleague retention rate, which is underpinned by the high levels of engagement colleagues have with the business. We measure engagement through our annual 'We're All Ears' survey, with engagement reaching 94% this year, compared with 93% in the prior year.

Priorities for 2016

Growing colleague numbers to support store growth, providing specialist training and ensuring continued engagement. All key to ensuring our colleagues can deliver friendly expertise to customers and their pets.

Key risks associated

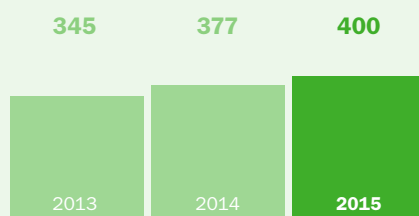
- Brand and reputation
- Our people
- Competition
- Store and services expansion

Key performance indicators continued

2 Grow space and optimise footprint

400

Total stores



Performance in 2015

We opened 25 new stores during the year, bringing our total store portfolio to 400. We closed one store in Knutsford, as this trial high street format came to the end of its lease, and also temporarily closed our Rugby store, which will relocate in the coming year.

Priorities for 2016

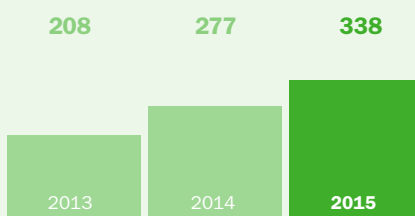
We will open 20–25 new Pets at Home stores in the coming year, taking us closer to our target of 500 stores across the UK. We will also open five new Barkers stores.

Key risks associated

- Store and services expansion
- Competition
- Brand and reputation
- Our people
- Liquidity and credit risk

338

Total vet practices



Performance in 2015

We opened 61 new vet practices during the year, bringing our total vet practice portfolio to 338. We now have 211 in-store and 127 standalone practices, with 53% of our stores now containing a vet practice.

Priorities for 2016

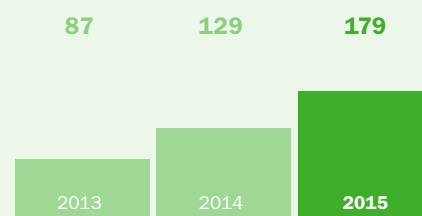
We will open 50–55 new vet practices in the coming year, taking us closer to our target of 700 practices across the UK and 90% of stores with a vet practice.

Key risks associated

- Store and services expansion
- Competition
- Brand and reputation
- Our people
- Liquidity and credit risk

179

Total Groom Rooms



Performance in 2015

We opened 50 new salons during the year, bringing our total grooming salon portfolio to 179.

Priorities for 2016

We will open 55–60 new grooming salons in the coming year, taking us closer to our target of 350 Groom Rooms across the UK.

Key risks associated

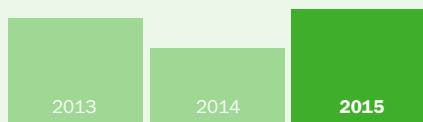
- Store and services expansion
- Competition
- Brand and reputation
- Our people
- Liquidity and credit risk

3 Grow margins

54.2%

Group gross margin

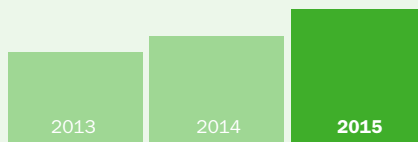
54.1% 53.8% 54.2%



32.6%

Services gross margin

22.5% 26.3% 32.6%



16.6%

Group underlying EBITDA margin

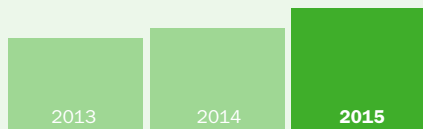
16.5% 16.6% 16.6%



56.3%

Merchandise gross margin

56.0% 56.1% 56.3%



Performance in 2015

Group gross margin benefitted from expansion in both the Merchandise and Services gross margin. Merchandise gross margin contributors included Advanced Nutrition participation, private label Wainwright's growth and improved terms, whilst Services margin benefitted from the growing maturity of our vet practices, along with synergy benefits from the Vets4Pets acquisition.

Priorities for 2016

To deliver margin expansion in all segments across Food, Accessories and Services.

Key risks associated

- Reputation
- Competition
- Supply chain/sourcing
- Treasury and financial risk
- Store and services expansion

Performance in 2015

Group underlying EBITDA margins were maintained at the same level as the prior year, assisted by the growing participation of our higher margin Services business. Margin expansion was diluted by the addition of £2.5m of Plc costs in our first year as a public company.

Priorities for 2016

The growing margins in our Services business will underpin investment in the Group to ensure the business is fit for the future and maintains its record of growth.

Key risks associated

- Reputation
- Competition
- Supply chain/sourcing
- Treasury and financial risk
- Store and services expansion