



VCA Antech, Inc. Reports Second Quarter Results That Exceed Street Consensus by \$0.03

- **Second quarter net income per diluted common share is \$0.28. Results are \$0.03 better than street consensus.**
- **Second quarter revenue increased 9.5% to a record \$117.2 million.**
- **Second quarter Adjusted EBITDA (1) increased 16.5% to \$31.7 million.**

LOS ANGELES--July 25, 2002--VCA Antech, Inc. VCA Antech, Inc., a leading animal health care company in the United States, today reported financial results for its second quarter and six months ended June 30, 2002.

Revenue for the second quarter ended June 30, 2002 increased 9.5% to a record \$117.2 million from revenue of \$107.0 million in the same quarter last year.

Net income per diluted common share was \$0.28 for the three months ended June 30, 2002 compared to a net loss per diluted common share of \$(0.63) for the comparable period in 2001. The net loss for the three months ended June 30, 2001 included certain expenses and amortization of goodwill amounting to \$13.2 million net of taxes, that did not occur in 2002, as provided below in the Supplemental Operating Statement Data. Excluding these expenses from 2001, the net income per diluted common share would have been \$0.11 for the three months ended June 30, 2001. Goodwill amortization ceased effective January 1, 2002 pursuant to the required application of SFAS No. 142, Goodwill and Other Intangible Assets.

Operating income for the three months ended June 30, 2002 increased to \$28.5 million from \$8.4 million for the comparable period in 2001. As provided below in the Supplemental Operating Statement Data, operating income for the second quarter 2001 included \$13.7 million of certain expenses and \$2.3 million of amortization of goodwill that did not occur in 2002. Excluding these expenses from 2001, operating income would have increased \$4.2 million or 17.2% for the second quarter of 2002 compared to the comparable period in 2001, as adjusted.

Earnings before interest, taxes, depreciation and amortization, minority interest and, in 2001, certain items discussed below in footnote (1) ("Adjusted EBITDA") increased 16.5% to \$31.7 million for the second quarter of 2002 from \$27.2 million for the second quarter of 2001.

Revenue for the six months ended June 30, 2002, increased 9.5% to a record \$221.9 million from \$202.7 million in 2001.

Net income per diluted common share was \$0.43 for the six months ended June 30, 2002 compared to a net loss per diluted common share of \$(1.09) for the comparable period in 2001. Net loss for the six months ended June 30, 2001 included certain expenses and amortization of goodwill amounting to \$19.2 million net of taxes, that did not occur in 2002, as provided below in the Supplemental Operating Statement Data. Excluding these expenses from 2001, the net income per diluted common share would have been \$0.01 for the six months ended June 30, 2001.

Bob Antin, Chairman and CEO, stated, "We continue to benefit from operating leverage in both of our businesses. This leverage drove outstanding growth in EBITDA and net income in our second quarter of 2002. On a 9.5% revenue increase in the second quarter, Adjusted EBITDA increased 16.5%, to \$31.7 million, over the prior year comparable quarter.

"Our laboratory division continues to realize the benefits of our market leadership position and our national platform. On a 13.7% revenue increase (all of which was from internal growth) for the three months ended June 30, 2002, we achieved a 24.1% increase in laboratory Adjusted EBITDA, to \$16.1 million. Laboratory Adjusted EBITDA margin for the second quarter increased to 39.6% in 2002 from 36.3% in 2001.

"Our hospital division achieved a 13.3% increase in hospital Adjusted EBITDA to \$18.7 million for the second quarter of 2002 on an 8.0% increase in revenue. For the second quarter, hospital Adjusted EBITDA margin increased to 23.7% in 2002 from 22.6% in 2001. Hospital same-facility revenue growth was 3.0% for the three months ended June 30, 2002."

VCA Antech, Inc. will discuss second quarter 2002 earnings during a conference call today, July 25, 2002 at 4:30 p.m. Eastern Time. The call will be broadcast live on the Internet and can be accessed by visiting the Company's website at <http://investor.vcaantech.com>. The conference call can also be accessed via telephone by dialing 800/289-0468. Interested parties should call at least ten minutes prior to the conference call to register.

Statements contained in this release that are not based on historical information are forward-looking statements that involve risks and uncertainties. Actual results may vary substantially as a result of a variety of factors. Among the important factors that could cause actual results to differ are the level of direct costs and the ability of the Company to maintain gross revenue at a level necessary to maintain expected gross profit margins, the level of selling, general and administrative costs, the effects of competition, the efficient integration of the Company's acquisitions, the effects of the Company's recent acquisitions and its ability to effectively manage its growth, the ability of the Company to service its debt, the continued implementation of its management information systems, pending litigation and governmental investigations, general economic conditions, and the results of the Company's acquisition program. These and other risk factors are discussed in the Company's recent filings with the Securities and Exchange Commission on Forms 10-K and S-4 and the reader is directed to these statements for a further discussion of important factors that could cause actual results to differ materially from those in the forward-looking statements.

VCA ANTECH, INC. owns, operates and manages the largest networks of free-standing veterinary hospitals and veterinary-exclusive clinical laboratories in the country.

VCA Antech, Inc.
Consolidated Statements of Operations
Three and Six Months Ended June 30, 2002 and 2001
(Unaudited -- In Thousands, Except Per Share Amounts)

	Three Months		Six Months	
	Ended June 30,		Ended June 30,	
	2002	2001	2002	2001
Revenue:				
Laboratory	\$ 40,604	\$ 35,707	\$ 78,261	\$ 68,384
Animal Hospital	78,621	72,780	147,265	137,134
Other	500	500	1,000	1,000
Intercompany	(2,500)	(1,938)	(4,606)	(3,789)
	117,225	107,049	221,920	202,729
Direct costs	77,004	73,311	149,592	142,773
Gross profit, excluding depreciation and amortization:				
Laboratory	18,470	14,541	34,565	26,899
Animal Hospital	21,251	18,697	36,763	32,057
Other	500	500	1,000	1,000
	40,221	33,738	72,328	59,956
General and administrative:				
Laboratory	2,396	3,303	5,069	6,580
Animal Hospital	2,585	3,250	5,264	6,605
Corporate	3,558	3,663	6,828	7,589
	8,539	10,216	17,161	20,774
Depreciation	2,703	2,424	5,281	4,692
Amortization	436	4,011	1,021	7,997
Loss on sale of assets	--	8,694	--	8,837
Operating income	28,543	8,393	48,865	17,656
Interest expense, net	10,344	10,917	20,333	22,070
Other (income) expense	(61)	229	(154)	229
Minority interest expense	528	425	930	700
Net income (loss) before income taxes	17,732	(3,178)	27,756	(5,343)
Provision for income taxes	7,237	2,642	11,626	3,466
Net income (loss)	10,495	(5,820)	16,130	(8,809)
Increase in carrying amount of redeemable preferred stock	--	5,193	--	10,221

Net income (loss) available to common Stockholders	\$ 10,495	\$ (11,013)	\$ 16,130	\$ (19,030)
Net income (loss) per diluted common Share	\$ 0.28	\$ (0.63)	\$ 0.43	\$ (1.09)
Diluted shares	37,087	17,524	37,084	17,524

VCA Antech, Inc.
Supplemental Operating Statement Data
Three and Six Months Ended June 30, 2002 and 2001
(Unaudited -- In Thousands, Except Per Share Amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
Adjusted net income (loss) available to common stockholders:				
Net income (loss) reported	\$ 10,495	\$(11,013)	\$ 16,130	\$(19,030)
Add expenses:				
Management fees	--	620	--	1,240
Loss on sale of assets	--	8,694	--	8,837
Non-cash compensation	--	3,044	--	6,088
Amortization of executive covenants not to compete	--	1,302	--	2,625
Amortization of goodwill	--	2,292	--	4,555
Total expenses	--	15,952	--	23,345
Tax effect	--	2,715	--	4,123
Total expenses, net of tax	10,495	13,237	16,130	19,222
Adjusted net income	\$ 10,495	\$ 2,224	\$ 16,130	\$ 192
Adjusted net income per diluted common share	\$ 0.28	\$ 0.11	\$ 0.43	\$ 0.01
Diluted shares	37,087	19,397	37,084	19,372
Adjusted EBITDA (1)	\$ 31,682	\$ 27,186	\$ 55,167	\$ 46,510
Ratio of earnings to fixed charges (2)	2.5x	n/a	2.2x	n/a

(1) EBITDA is operating income (loss) before depreciation and amortization. There were no adjustments made to EBITDA to arrive at Adjusted EBITDA for 2002. Adjusted EBITDA for 2001 represents EBITDA adjusted to exclude management fees, loss on sale of assets and non-cash compensation. The management agreement for the management fees discussed above was terminated in the fourth quarter of 2001 in connection with the Company's initial public offering of common stock. EBITDA and Adjusted EBITDA are not measures of financial performance under generally accepted accounting principles, GAAP. Although EBITDA and Adjusted EBITDA should not be considered in isolation or as substitutes for net income, cash flows from operating activities and other income or cash flow statement data prepared in accordance with GAAP, or as a measure of profitability or liquidity, we understand that EBITDA and Adjusted EBITDA are widely used by financial analysts as a measure of financial performance. We believe Adjusted EBITDA is a

useful measure of our operating performance as it reflects earnings before the impact of depreciation and amortization, interest, taxes and minority interest (and, in 2001, other non-operating or non-recurring items) that may vary from period to period as a result of non-operating activities. Adjusted EBITDA is also an important component of our financial ratios included in our debt covenants, which provides us with a measure of our ability to service our debt and meet capital expenditure requirements out of our earnings. Our calculation of EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

- (2) Calculated by dividing income before income taxes and fixed charges by fixed charges. "Fixed charges" means the sum of (a) interest expensed or capitalized, (b) amortized discounts and deferred financing costs related to indebtedness and (c) an estimate of the interest within rental expense. This calculation is not applicable for 2001 as we had pre-tax losses for the three and six months ended June 30, 2001.

VCA Antech, Inc.
Selected Consolidated Balance Sheet Data
As of June 30, 2002 and December 31, 2001
(Unaudited -- In Thousands)

	June 30, 2002	December 31, 2001
Cash	\$ 17,704	\$ 7,103
Accounts receivable, net	22,493	18,036
Equity	56,875	39,764
Total assets	491,592	468,521
Debt:		
Senior Term A	22,589	24,112
Senior Term B	120,472	121,242
13.5% Senior Subordinated Notes	15,000	15,000
9.875% Senior Subordinated Notes	170,000	170,000
Senior Notes	64,315	59,670
Secured seller notes	1,109	1,182
Unsecured debt	574	225
Capital leases	51	79
Unamortized discounts	(7,253)	(7,178)
Total debt	\$ 386,857	\$ 384,332

Selected Consolidated Cash Flow Data
For the Six Months Ended June 30, 2002 and 2001
(Unaudited -- In Thousands)

	Six Months Ended June 30,	
	2002	2001
Cash flows provided by operating activities	\$ 31,814	\$ 32,605
Capital expenditures	6,204	6,979

Contact:

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