

## Segment Results

### Animal Hospital Segment

#### Revenue

Animal Hospital revenue increased \$86.6 million in 2013, as compared to 2012 and \$181.2 million in 2012, as compared to 2011. The components of the increases are summarized in the following table (in thousands, except percentages and average price per order):

	2013 Comparative Analysis			2012 Comparative Analysis		
	For the Years Ended December 31,					
	2013	2012	% Change	2012	2011	% Change
<b>Animal Hospital Revenue:</b>						
Same-store facility:						
Orders <sup>(1)</sup>	6,912	7,078	(2.3)%	6,747	6,867	(1.7)%
Average revenue per order <sup>(2)</sup>	\$ 174.83	\$ 168.81	3.6 %	\$ 165.43	\$ 160.56	3.0 %
Same-store revenue <sup>(1)</sup>	\$ 1,208,416	\$ 1,194,824	1.1 %	\$ 1,116,153	\$ 1,102,535	1.2 %
Business day adjustment <sup>(3)</sup>	—	3,774		—	—	
Foreign currency impact	(4,028)	—		—	—	
Net acquired revenue <sup>(4)</sup>	213,520	132,716		215,161	47,585	
<b>Total</b>	<b>\$ 1,417,908</b>	<b>\$ 1,331,314</b>	<b>6.5 %</b>	<b>\$ 1,331,314</b>	<b>\$ 1,150,120</b>	<b>15.8 %</b>

(1) Same-store revenue and orders were calculated using Animal Hospital operating results, adjusted to exclude the operating results for newly acquired animal hospitals that we did not own as of the beginning of the comparable period in the prior year. Same-store revenue also includes revenue generated by customers referred from our relocated or combined animal hospitals, including those merged upon acquisition.

(2) Computed by dividing same-store revenue by same-store orders.

(3) The business day adjustment reflects the impact of one less business day for the year ended December 31, 2013, as compared to the year ended December 31, 2012.

(4) Net acquired revenue represents the revenue from those animal hospitals acquired, net of revenue from those animal hospitals sold or closed on or after the beginning of the comparable period, which was January 1, 2012 for the 2013 Comparative Analysis and January 1, 2011 for the 2012 Comparative Analysis. Fluctuations in net acquired revenue occur based on the volume, size and timing of acquisitions and dispositions during the periods from this date through the end of the applicable period.

Our business strategy is to place a greater emphasis on comprehensive wellness visits and advanced medical procedures, which typically generate higher priced orders. The migration of lower priced orders from our animal hospitals to other distribution channels mentioned above and our emphasis on comprehensive wellness visits has, over the past several years, resulted in a decrease in lower priced orders and an increase in higher priced orders.

For the year ended December 31, 2013, we experienced a decrease in the number of lower priced orders while higher priced orders remained relatively flat. We believe these results are a consequence of the competitive environment and the impact of changes in our overall business environment on the mix of the procedures performed. For the year ended December 31, 2012, contrary to historical trends, we experienced a decrease in the number of both lower and higher priced orders, which we believe was primarily a