



Female Health Company

2009 Press Releases

For Immediate Release

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## **The Female Health Company Reports Record Profit for Fiscal Year 2009**

**Excluding Restructuring Costs for Each, Operating Income Exceeds Earnings  
Guidance**

**Company Completes FC1 to FC2 Transition**

**Considers Payment of Dividend in Calendar 2010**

### **Highlights:**

#### Fourth Quarter

- *FHC records \$1.5 million restructuring charge reflecting transition from FC1 to FC2*
- *Operating income of \$0.5 million. Exclusive of restructuring charge, operating income increases 66% to \$2.0 million*
- *Tax benefit of \$1.6 million recognized*

#### FY2009

- *Operating income of \$4.7 million. Exclusive of restructuring charge, operating income rises 95% to \$6.2 million, compared with previous earnings guidance of 60%-85% increase.*
- *Net income, including restructuring charge and tax benefit, increases 32% to \$6.5 million*

**CHICAGO, November 30, 2009** - The Female Health Company (NASDAQ-CM: [FHCO](#) - [News](#)), which manufactures and markets the *FC2 Female Condom*, today reported record net revenues and operating income for the year ended September 30, 2009.

For the three months ended September 30, 2009, net revenues increased slightly to \$7.9 million, compared with \$7.8 million in the three months ended September 30, 2008, reflecting the impact of the transition from FC1 (and limited FC1 production capacity) to the lower-priced, second-generation FC2 female condom.

Gross profit increased 9% to \$3.8 million, compared with \$3.5 million in the fourth quarter of FY2008. Operating income declined to \$0.5 million, after recording the \$1.5 million restructuring charge associated with the transition from FC1 to FC2, in the three months ended September 30, 2009, compared with \$1.2 million in the prior-year quarter. Exclusive of the restructuring charge, operating income increased 66% to approximately \$2.0 million.

In the fourth quarter of FY2009, the Company recorded a favorable currency gain of \$92 thousand and a tax benefit of \$1.6 million, compared with a favorable currency gain of \$893 thousand and a tax benefit of \$219 thousand in the same period last year.

The Company reported net income attributable to common shareholders of \$2.3 million, or \$0.08 per diluted share, in the fourth quarter of FY2009, which was identical to the same period last year, in spite of the \$1.5 million fourth quarter FY2009 restructuring charge.

The Company expects significant quarter-to-quarter variations in its operating results, due to the timing of large order receipts, production scheduling, and shipping of products.

For the year ended September 30, 2009, net revenues increased 7% to \$27.5 million, compared with \$25.6 million in FY2008, reflecting a shift in customer purchases towards the lower-priced FC2. Gross profit increased 26% to \$13.5 million, compared with \$10.7 million in FY2008. Operating income, including the \$1.5 million restructuring charge associated with the transition from FC1 to FC2, increased 48% to \$4.7 million, compared with operating income of \$3.2 million in FY2008. Exclusive of the restructuring charge, operating income rose 95% to \$6.2 million, compared with the Company's previous guidance that anticipated an increase in operating income of 60%-85%. In FY2009, the Company sold 40.2 million FC female condoms, for an increase of 16% when compared with 34.7 million units sold in FY2008. FHC's unit growth was limited by FC1 production capacity in FY2009. All future orders and unit shipments will be the second-generation product, FC2.

Net income attributable to common stockholders for FY2009 increased 32% to \$6.5 million, or \$0.24 per diluted share, compared with net income attributable to common stockholders of \$4.8 million or \$0.18 per diluted share, in FY2008. In FY2009, the Company was able to recognize a tax benefit for past losses which added \$1.6 million to net income attributable to common stockholders, as compared with a \$0.8 million tax benefit recognized in FY2008.

"We are very pleased to report strong revenue and earnings growth for the year ended September 30, 2009," noted O.B. Parrish, Chief Executive Officer of The Female Health Company. "We are particularly encouraged by the successful completion of the transition from FC1 to the lower-priced but higher-margin FC2. Our strong FY2009 operating performance reflects continued growth in global demand for the female

condom, including excellent acceptance of our second-generation product. Most importantly, the growth in the use of the female condom reflects increased protection against HIV/AIDS.”

The Company generated \$5.8 million in cash from operations during FY2009, and its year-end cash position was approximately \$2.9 million, compared with \$2.1 million at the end of FY2008. Cash expenditures in 2009 included approximately \$1.7 million for capital expenditures and \$3.8 million for common stock repurchases. The Company has no outstanding debt and \$1.5 million in unused credit lines. Based on the Company’s strong cash flow and completion of the FC1 to FC2 transition, the Board of Directors is considering initiating dividend payments in calendar 2010.

Shareholders’ equity at September 30, 2009 totaled \$13 million, versus \$9.7 million at the end of FY2008.

### **Restructuring Charge FC1 to FC2 Transition**

During the year FHC announced (i) a 150% expansion of its Malaysian FC2 production capacity, (ii) that it expected a 100% transition to FC2 during calendar 2009, and (iii) that there would be certain one-time charges as a result of the transition. There are two categories of charges.

#### **Employee Redundancy / General**

In August 2009, the Company announced to its UK employees that the Company was evaluating the future of its UK facility upon the decision of two of its largest customers to switch their purchases from the first-generation product, FC1, which was manufactured in the UK facility, to the second-generation product, FC2, which is manufactured in Malaysia. As required by British labor law, the Company went through an evaluation process, working in tandem with employee representatives, in which various manufacturing alternatives were considered. As the Company was unable to identify a satisfactory alternative, the facility’s manufacturing operations ceased in October 2009. The Company incurred a one-time charge of \$1.5 million for restructuring costs, including redundancy payments to employees and associated restructuring fees. The redundancy payments made to employees in late November 2009 were self-funded by the Company. This charge for restructuring costs was accrued in the fourth quarter of FY2009.

#### **Lease Buy Out**

The Company leased its FC1 manufacturing facility in the U.K. In connection with the evaluation of its U.K. FC1 manufacturing facility, the Company entered into new lease and related agreements (collectively, the “New Lease”) with the new owner of the U.K. facility. The New Lease replaces the Company’s previous lease for its U.K. facility, which had an expiration date of December 10, 2016 and rent of £296,725 (\$488,100) per year. The New Lease expires on the earlier of

(1) November 1, 2010 or (2) at least three months after the Landlord provides a notice of termination, but in any event not before May 2, 2010. The rent remains £296,725 (\$488,100) per year, and the Company was required to deposit the amount of the annual rent upon execution of the New Lease. In connection with the New Lease, the Company also made a lease surrender payment of £600,000 (\$986,940) to the Landlord on November 2, 2009, and will be required to make an additional lease surrender payment of £300,000 (\$493,470) to the Landlord on or before February 2, 2010. From a cash flow perspective, replacing the previous lease eliminates future payments of approximately \$4.3 million (for rent and related expenses) over the remaining term of the previous lease, producing a positive net impact of approximately \$2.8 million, after deducting the surrender payments. All dollar amounts with respect to the U.K. facility in this report are translated from British pounds sterling based on an exchange rate of 1.6449 dollars per British pound sterling.

The lease exit and related costs of approximately \$1.7 million, net of the recognition of the deferred gain on sale of facility of \$658 thousand, will be taken as a one-time charge in FY 2010.

This completes the 100% transition from FC1 to FC2 and the related one-time charges. While FC1 production has ceased, the Company will continue to maintain a significant operating presence in the U.K.

### **FY 2010 Earnings Guidance**

FHC expects unit sales to increase 20%-25% in FY 2010 as compared with FY2009 and operating earnings to increase 35% to 40% over the \$6.2 million in operating income recorded for FY2009 (exclusive of restructuring charges).

***As previously announced, the Female Health Company will host an investor conference call at 11:00 a.m. Eastern time, November 30, 2009. Shareholders and other interested parties may participate in the conference call by dialing 800-860-2442 (international participants dial 412-858-4600) and asking to be connected to "The Female Health Company" conference call, a few minutes before 11:00 a.m. Eastern Time on November 30, 2009. A replay call will be available through December 14, 2009 by dialing 877-344-7529 (international callers dial 412-317-0088) and referencing the conference code ID 435960.***

### **Use of Non-GAAP Financial Information**

In addition to the results reported in accordance with U.S. generally accepted accounting principles ("GAAP") included in this release, the Company has provided certain non-GAAP financial information, specifically operating income exclusive of the \$1.5 million restructuring charge. Management believes that the presentation of this

non-GAAP financial measure provides useful information to investors because this information may allow investors to better evaluate ongoing business performance and certain components of the Company's results. In addition, because the restructuring charge related to a non-recurring event in the fourth quarter of FY2009, the Company believes that the presentation of this non-GAAP financial measure enhances an investor's ability to make period-to-period comparisons of the Company's operating results. This information should be considered in addition to the results presented in accordance with GAAP, and should not be considered a substitute for the GAAP results. The Company has reconciled the non-GAAP financial information included in this release in a table below.

## **About The Female Health Company**

The Female Health Company, based in Chicago, Illinois, manufactures and markets the FC2 Female Condom® (FC2), which is primarily distributed by public health organizations and donor groups in about 100 countries around the world. Globally, the FC Female Condoms (FC1 and FC2) are available in various programs in 116 countries. The Company owns certain worldwide rights to the FC2 Female Condom®, including patents that have been issued in Europe, Canada, Australia, South Africa and the People's Republic of China and are pending in various other countries. FC2 Female Condom® is the only available FDA-approved product controlled by a woman that offers dual protection against sexually transmitted diseases, including HIV/AIDS, and unintended pregnancy.

For more information about the Female Health Company visit the Company's website at <http://www.femalehealth.com> and <http://www.femalecondom.org>. If you would like to be added to the Company's e-mail alert list, please send an e-mail to [FHCInvestor@femalehealthcompany.com](mailto:FHCInvestor@femalehealthcompany.com).

### **"Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995. –**

*The statements in this release which are not historical fact are "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this release include the Company's financial guidance for fiscal 2010 and its consideration of initiating dividend payments in calendar 2010. These statements are based upon the Company's current plans and strategies, and reflect the Company's current assessment of the risks and uncertainties related to its business, and are made as of the date of this release. The Company assumes no obligation to update any forward-looking statements contained in this release as a result of new information or future events, developments or circumstances. Such forward-looking statements are inherently subject to known and unknown risks and uncertainties. The Company's actual results and future developments could differ materially from the results or developments expressed in, or implied by, these forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, but are not limited to, the following: product demand and market acceptance; competition in the Company's markets and the risk of new competitors and new competitive product introductions; the Company's reliance on its international partners in the consumer sector and on the level of spending on the female condom by country governments; global donors and other public health organizations in the global public sector; payment of dividends is in the discretion of the Board of Directors and the Company may not have sufficient cash flows to initiate dividends or to continue to pay dividends at whatever dividend level may*

*be established; the economic and business environment and the impact of government pressures; risks involved in doing business on an international level, including currency risks, regulatory requirements, political risks, export restrictions and other trade barriers; the Company's production capacity, efficiency and supply constraints; and other risks detailed in the Company's press releases, shareholder communications and Securities and Exchange Commission filings, including the Company's Form 10-K for the fiscal year ended September 30, 2008. Actual events affecting the Company and the impact of such events on the Company's operations may vary from those currently anticipated.*

**The Female Health Company**  
**Unaudited Condensed Consolidated Balance Sheets**

	September 30, 2009	September 30, 2008
Cash	\$ 2,810,197	\$ 1,922,148
Restricted cash	105,074	211,873
Accounts receivable, net	7,806,007	6,810,050
Income taxes recoverable	68,106	-
Inventory	1,203,063	1,322,652
Prepaid and other current assets	429,602	414,040
Deferred income taxes	2,181,000	1,600,000
Total current assets	14,603,049	12,280,763
Other non-current assets	87,621	55,330
Net property, plant & equipment	2,821,616	1,494,645
Deferred income taxes – LT	1,028,149	-
Total assets	\$ 18,540,435	\$ 13,830,738
Accounts payable	\$ 602,196	\$ 621,115
Accrued expenses	3,017,763	2,385,540
Redundancy accrual	1,116,911	-
Deferred gain on sale of facility	657,605	-
Preferred dividends payable	-	25,068
Total current liabilities	5,394,475	3,031,723
Obligations under capital leases	34,428	49,597
Deferred gain on sale of facilities	-	836,733
Deferred grant income	157,143	203,483
Total liabilities	5,586,046	4,121,536
Total stockholders' equity	12,954,389	9,709,202
Total liabilities and stockholders' equity	\$ 18,540,435	\$ 13,830,738

**The Female Health Company**  
**Unaudited Condensed Consolidated Income Statements**

	Three Months Ended September 30,	
	2009	2008
Net revenues	\$ 7,912,226	\$ 7,839,973
Cost of sales	4,076,185	4,326,660
Gross profit	3,836,041	3,513,313
Advertising and promotion	54,794	62,455
Selling, general and administrative	1,740,856	2,138,314
Research and development	862	81,975
Restructuring costs	1,496,624	-
Total operating expenses	3,293,136	2,282,744
Operating income	542,905	1,230,569
Interest, net and other income	(48,140)	(22,816)
Foreign currency transaction gain	(92,441)	(893,112)
Income before income taxes	683,486	2,146,497
Income tax benefit	(1,595,678)	(218,862)
Net income	2,279,164	2,365,359
Preferred dividends	10,548	25,068
Net income attributable to common stockholders	\$ 2,268,616	\$ 2,340,291
Basic earnings per common share outstanding	\$ 0.09	\$ 0.09
Basic weighted average common shares outstanding	25,839,397	26,112,376
Diluted earnings per common share outstanding	\$ 0.08	\$ 0.08
Diluted weighted average common shares outstanding	27,698,841	28,052,370

**The Female Health Company**  
**Unaudited Condensed Consolidated Income Statements**

	Twelve Months Ended September 30,	
	2009	2008
Net revenues	\$ 27,543,341	\$ 25,634,126
Cost of sales	14,025,523	14,904,325
Gross profit	13,517,818	10,729,801
Advertising and promotion	191,153	223,800
Selling, general and administrative	7,006,111	7,038,060
Research and development	105,916	284,216
Restructuring costs	1,496,624	-
Total operating expenses	8,799,804	7,546,076
Operating income	4,718,014	3,183,725
Interest, net and other income	(55,984)	(53,445)
Foreign currency transaction gain	(276,113)	(966,736)
Income before income taxes	5,050,111	4,203,906
Income tax benefit	(1,485,268)	(762,862)
Net income	6,535,379	4,966,768
Preferred dividends	79,717	137,506
Net income attributable to common stockholders	\$ 6,455,662	\$ 4,829,262
Basic earnings per common share outstanding	\$ 0.25	\$ 0.18
Basic weighted average common shares outstanding	25,651,915	26,116,499
Diluted earnings per common share outstanding	\$ 0.24	\$ 0.18
Diluted weighted average common shares outstanding	27,244,605	27,983,263

### Reconciliation of Non-GAAP Financial Information

Following is a reconciliation of the Non-GAAP financial measure of operating income exclusive of restructuring charge to the nearest GAAP financial measure of operating income for the three months and years ended September 30, 2009 and 2008.

	For the Three Month Ended September 30,		For the Twelve Months Ended September 30	
	2009	2008	2009	2008
Operating income exclusive of restructuring charge	\$ 2,039,529	\$1,230,569	\$6,214,638	\$3,183,725
Less: Restructuring charge	\$1,496,624	-	\$1,496,624	-
Operating income	\$542,905	\$1,230,569	\$4,718,014	\$3,183,725

For Immediate Release



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## **THE FEMALE HEALTH COMPANY SCHEDULES FOURTH QUARTER CONFERENCE CALL FOR NOVEMBER 30, 2009**

CHICAGO, November 23, 2009 -- The Female Health Company (Nasdaq: FHCO) today announced that it will host an investor conference call to discuss its operating results for the quarter and fiscal year ended September 30, 2009 at 11:00 a.m. Eastern Time (EST) on Monday, November 30, 2009. The Company expects to report its FY2009 operating results earlier the same day.

**Shareholders and other interested parties may participate in the conference call by dialing 800-860-2442 (international participants dial 412-858-4600) and asking to be connected to "The Female Health Company Conference Call", a few minutes before 11:00 a.m. EST on November 30, 2009. A replay of the call will be available one hour after the call through 5:00 p.m. EST on Monday, December 14, 2009 by dialing 877-344-7529 (international callers dial 412-317-0088) and entering the conference ID 435960.**

### **About The Female Health Company**

The Female Health Company, based in Chicago, Illinois, manufactures and markets the FC2 Female Condom® (FC2), which is primarily distributed by public health organizations and donor groups in about 100 countries around the world. Globally, the FC Female Condoms are available in various programs in 116 countries. The Company owns certain worldwide rights to the FC2 Female Condom®, including patents that have been issued in Europe, Canada, Australia, South Africa and the People's Republic of China and are pending in various other countries. FC2 Female Condom® is the only available FDA-approved products controlled by a woman that offer dual protection against sexually transmitted diseases, including HIV/AIDS, and unintended pregnancy.

For more information about the Female Health Company visit the Company's website at <http://www.femalehealth.com> and <http://www.fc2femalecondom.com>. If you would like to be added to the Company's e-mail alert list, please send an e-mail to [FHCInvestor@femalehealthcompany.com](mailto:FHCInvestor@femalehealthcompany.com).

"Safe Harbor" statement under the Private Securities Litigation Reform Action of 1995:

The statements in this release which are not historical facts are forward-looking statements based upon the Company's current plans and strategies, and reflect the Company's current assessment of the risks and uncertainties related to its business,

including such things as product demand and market acceptance; the economic and business environment and the impact of government pressures; currency risks; capacity; efficiency and supply constraints; and other risks detailed in the Company's press releases, shareholder communications and Securities and Exchange Commission filings. Actual events affecting the Company and the impact of such events on the Company's operations may vary from those currently anticipated.



# Media Release

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## FOR IMMEDIATE RELEASE

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## **New York City Introduces Second-Generation Female Condom; Less-Expensive FC2 Will Help City Expand Female Condom Access**

NEW YORK—November 16, 2009—New York City’s Department of Health and Mental Hygiene (DOHMH) will soon distribute the Female Health Company’s (FHC) (NASDAQ: FHCO) second-generation FC2 Female Condom®, which received approval for the U.S. market from the Food and Drug Administration (FDA) earlier this year.

New York City is already the nation’s single largest FC1 female condom distributor. In 2008, the city’s Health Department provided more than 900,000 FC1 female condoms to hospitals, health clinics, community-based organizations, and local screening centers for HIV and other sexually transmitted infections.

Assistant Commissioner Dr. Monica Sweeney of the Health Department’s Bureau of HIV/AIDS Prevention and Control says that the availability of a more cost-effective female condom for the U.S. market will help New York City ensure affordable access to methods for the prevention of pregnancy, HIV, and other STIs.

“This is a boost for HIV and STI prevention efforts in New York City,” said Dr. Sweeney. “It is important to find cost-effective ways to ensure access to safe and effective HIV prevention. The new FDA-approved female condom will expand access to woman-initiated HIV and STI prevention, and it will help us make continued progress in reducing New York City’s HIV infection rate.”

To assist New York City in introducing the second-generation female condom, FHC is participating in a one-day education seminar in lower Manhattan on November 16. The training workshop will include approximately 200 health educators from across the five boroughs who will use the venue to discuss how to introduce FC2 to clients who are currently using FC1, the differences between FC2 and FC1, and frequently asked questions about female condoms. The event will include a lecture by Sandra Mapemba of the United Nations Population Fund (UNFPA), who recently led Malawi’s national transition from FC1 to FC2.

“The evidence is clear that when women and men have access to the female condom and education on its use, it becomes a product they demand and use,” said Ms. Mapemba. “As with any new health product, we need support from government agencies that recognize the importance of education programs that raise awareness of prevention methods that work. UNFPA is excited to work with New York City to share the lessons that we have learned internationally.”

“FHC invested in the development of FC2 as part of our corporate commitment to expand affordable access to the only method of HIV prevention that women can initiate and negotiate with their partners,” said Mary Ann Leeper, Female Health Company’s senior strategic adviser. “We’re thrilled to be working with New York City to ensure that people living at risk for HIV have access to FC2.

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“The statistics show that HIV is becoming a women’s pandemic around the world, and it has become a leading cause of death among African American and Hispanic women in the United States,” Leeper said. “CDC statistics indicate that African American women account for 61% of HIV infections among women in the United States, and Latino women are four times more likely to be infected with HIV than white women. We are focused on providing women at risk of HIV and other sexually transmitted infections with access to a prevention method that they can initiate and negotiate with their partners.”

FC2 has been available internationally since 2005, and more than 90 countries currently distribute it as part of their national HIV prevention programs. Malawi, Zambia, and Zimbabwe recently became the first countries to scale up distribution to the national level with the support of training programs that teach women how to use the female condom and discuss it with their partners. In fiscal year 2008, global distribution of FC female condoms (FC1 & FC2) reached an all-time high of nearly 35 million units.

The second-generation FC2 Female Condom is made with a synthetic rubber polymer called nitrile, while the first-generation FC1 Female Condom is made with polyurethane. Research has demonstrated that FC2 and FC1 are comparable in performance, and the introduction of nitrile allows FC2 to be manufactured via a cost-efficient dipping process. The change in manufacturing process has helped FHC to reduce the cost of FC2 by 30 percent relative to FC1, and the company projects that significant increases in global volume will allow further price reductions.

The FC female condom (FC1 and FC2) remains the only FDA approved, female-initiated method of HIV prevention introduced since the start of the global HIV/AIDS pandemic in the early 1980s. Because the female condom can be initiated by women and inserted before sex, it provides women and men at risk of HIV with a safe alternative when a partner refuses to wear a male condom. More than 70 reproductive health advocacy organizations in the United States have endorsed expanded access to the FC female condom as an essential step toward enhancing HIV prevention for women.

#### **Media Inquiries**

For more information on the NYC Health Department’s female condom distribution efforts, you can email [pressoffice@health.nyc.gov](mailto:pressoffice@health.nyc.gov) or phone 212-788-5290.

#### **About The Female Health Company**

The Female Health Company (FHC), headquartered in Chicago, IL, is the maker of the FC Female Condom (FC1 and FC2), a revolutionary option offering women dual protection against both sexually transmitted diseases, including HIV/AIDS, and unintended pregnancy. FHC was created as a worldwide company in February 1996 with the purchase of Chartex Resources Ltd., the holder of exclusive worldwide rights to FC1. The Company holds exclusive product and technology patents for FC1 in the United States, Australia, Brazil, Canada, France, Germany, Italy, Spain, the United Kingdom, the People's Republic of China, South Korea and Japan. FC2 patents have been granted in Australia and South Africa and are pending in various other countries. FHC is the sole manufacturer and marketer of the FC1 and FC2 female condoms in the world. The Female Health Company and its partners currently market the Female Condom under FC Female Condom®, FC2 Female Condom®, Reality®, Femidom®, Femy®, and Care®.

#### **“Safe Harbor” statement under the Private Securities Litigation Reform Action of 1995**

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**PRESS RELEASE: For Immediate Distribution**

**Date:** November 16, 2009

**Contact:** Amanda Lugg, African Services Committee (212) 222-3882

**NYC's African Diaspora Community Welcomes the Second-Generation Female Condom (FC2)**

***African Services Committee Applauds City for Its Efforts to Expand Access to Woman-Initiated HIV Prevention***

NEW YORK—November 16, 2009—African Services Committee is praising New York City's Department of Health, for showing national leadership in putting the second-generation female condom into the hands of women living with or at risk of HIV/AIDS infection.

"We enthusiastically endorse New York City's efforts to scale up access to the second-generation female condom and to educate women on its important role in HIV prevention," says Kim Nichols, Co-Executive Director of African Services Committee, a community-based HIV testing, prevention and care organization in Harlem.

"At a time when the World Health Organization has recognized AIDS as the leading cause of death for women of reproductive age worldwide, it's essential to make woman-initiated HIV prevention methods widely available and affordable," Ms. Nichols added.

New York City will begin purchasing the Female Health Company's FC2 Female Condom<sup>®</sup>, which received approval for the U.S. market from the Food and Drug Administration (FDA) in May. FC2 is comparable to the first-generation FC1 Female Condom in performance, but the introduction of a new material has allowed its manufacturer to reduce FC2's cost by 30 percent relative to FC1.

Increased global sales can help to further reduce FC2s unit cost. Women's reproductive health advocates are hopeful that increased sales will reduce FC2s cost to the point where it will be affordable to HIV prevention programs worldwide.

FC2 is already included in the WHO's essential products list, and it has been available internationally since 2005. It is currently distributed in more than 90 countries, and more than 35 million units were distributed worldwide in 2008, the majority to internationally funded HIV prevention programs in Africa.

Tembeni Fazo, originally from Zimbabwe and a peer advocate and health educator at African Services Committee, said, "At African Services, we have distributed thousands of free female condoms over the past

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seven years. As an organization dedicated to serving the health needs of New York City's African immigrants, we are proud that HIV prevention programs in Africa have pioneered the introduction of the second-generation female condom and are glad it will now be more widely available in New York City,"

"Experience has shown that when women and men have access to the female condom and education on its correct use, it is a product that is embraced and in high demand," Ms. Fazo added. Just like the tampon two generations ago, women need to be introduced to the female condom and experience it for themselves to recognize its value."

To help organizations involved in New York City's free condom distribution program, the New York City of Department of Health and Mental Hygiene is sponsoring a one-day meeting on November 16 that will feature an education session by Sandra Mapemba of the United Nations Population Fund (UNFPA). Ms. Mapemba recently led Malawi's introduction of the second-generation female condom, and she will provide information on how to discuss the new female condom with clients and answer frequently asked questions.

"It's very exciting that an African woman will be teaching women in America about the second-generation female condom," Ms. Nichols noted. "It demonstrates how far we have come in expanding HIV prevention around the world, but that we still have a lot of work to do in the United States to raise women's awareness and access to of the female condom. New York's investment in expanding awareness should be applauded, and we hope other state and local governments will start following the city's lead."

In its first report on the status of women's health around the globe, released last week, the World Health Organization stated that HIV infection is now the leading cause of death and disease among women ages 15 to 44. It is also the leading cause of death for African American women of reproductive age in the US. African American women are currently 33 times more likely than white women to be living with HIV/AIDS, and Latino women are four times more likely than white women to become infected with HIV.

"Advocates for women's health in the United States must reignite awareness that AIDS remains a serious challenge to women's health in the United States, especially among women of color," Ms. Nichols said. "It's time to recognize that women need access to HIV prevention tools that they can initiate and discuss with their partners. We need to put the power of prevention in women's hands."

**About African Services Committee:**

African Services is a Harlem-based organization established by and for African immigrants in New York City. Since 1981, it has provided free health, housing, legal, educational, and social services to more than 10,000 newcomers each year from across the African Diaspora. African Services Committee is also engaged in the global fight against AIDS, working to expand HIV testing, treatment, care and support to African communities in New York City and the world. For more information, go to: [www.africanservices.org](http://www.africanservices.org).

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**The Female Health Company's Second Generation Product,  
FC2, is Issued Patent for Europe**

CHICAGO, November 12, 2009- The Female Health Company (NASDAQ-CM: [FHCO - News](#)), today reported that a patent has been issued on its second generation product, FC2, by the European patent office. In addition to Europe, FC2 patents have been issued in Canada, Australia, the Republic of South Africa and the People's Republic of China. FC2 patent applications are pending in the U.S., Japan and various other countries.

The Company recently announced completion of its 150% expansion of FC2 manufacturing capacity at its Malaysia facility. All outstanding orders for FC1 have been fulfilled. Current and future orders will be fulfilled with FC2 from the Malaysia facility.

**About The Female Health Company**

The Female Health Company, based in Chicago, Illinois, manufactures and markets the *FC2 Female Condom*® (FC2), which is available in about 100 countries around the world. The Company owns certain worldwide rights to the *FC2 Female Condom*®, including patents that have been issued in Europe, Canada, Australia, South Africa and the People's Republic of China and are pending in various other countries. *The FC2 Female Condom*® is the only available FDA-approved product controlled by a woman that offers dual protection against sexually transmitted diseases, including HIV/AIDS, and unintended pregnancy. The World Health Organization (WHO) has cleared FC2 for purchase by U.N. agencies.

For more information about the Female Health Company visit the Company's website at <http://www.femalehealth.com> and <http://www.fc2femalecondom.com>. If you would like to be added to the Company's e-mail alert list, please send an e-mail to [FHCInvestor@femalehealthcompany.com](mailto:FHCInvestor@femalehealthcompany.com).

**"Safe Harbor" statement under the Private Securities Litigation Reform Action of 1995:**

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For Immediate Release

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## **The Female Health Company Completes 150% Expansion of *FC2* Manufacturing Capacity in Malaysia**

### **Confirms Earnings Guidance for FY2009**

CHICAGO, October 21, 2009- The Female Health Company (NASDAQ-CM: [FHCO - News](#)), which manufactures and markets the *FC Female Condom*<sup>®</sup> (*FC1*) and *FC2 Female Condom*<sup>®</sup> (*FC2*), today reported that it has completed the previously announced expansion of *FC2 Female Condom*<sup>®</sup> manufacturing capacity at its production facility in Malaysia.

In March 2009, shortly after receiving FDA marketing approval for its second-generation *FC2 Female Condom*<sup>®</sup>, the Company announced plans to expand its production capacity in Malaysia by 150% via the addition of six new production lines to the four lines previously installed and operating. The expansion increases the Company's annualized manufacturing capacity in Malaysia from approximately 30 million condoms to 75-80 million condoms, bringing the total annual *FC2* capacity to 80-85 million. All outstanding orders for *FC1* have been fulfilled. Current and future orders will be fulfilled with *FC2* from the Malaysia facility.

“The expansion of our Malaysian production capacity has gone smoothly, and we completed the project in September” stated O. B. Parrish, Chief Executive Officer of The Female Health Company. “Historically, the capital cost of a new *FC2* production line has approximated \$500,000, and each line has the capacity to produce approximately 7.5 million condoms annually. However, due to global weakness in the capital goods markets and the volume purchase of six lines, we were able to complete the 150% capacity expansion at a cost significantly below the historical \$500,000 per line average cost. This capital expenditure was fully funded internally, so the Company remains debt-free.”

“Global demand for female condoms has been increasing at a rapid pace, with total unit sales of our female condoms rising 34% in Fiscal 2008, 26% in the first nine months of Fiscal 2009, and 48% in the quarter ended June 30, 2009. Major public health sector customers that are involved in the battle against the HIV/AIDS pandemic have responded favorably to *FC2*, which is available at lower prices than our first-generation product.”

“The approval of *FC2* by the FDA in March 2009 permits the sale of our second-generation product in the United States and allows the United States Agency for International Development (USAID) to purchase *FC2* for distribution in HIV/AIDS prevention programs throughout the world. *FC2* accounted for 47% of our unit sales during the first nine months of Fiscal 2009, versus 35% during the first nine months in Fiscal 2008, and as noted all current and future orders will be fulfilled with *FC2*. While *FC2* sells at a lower price, it contributes a higher gross margin than *FC1*,” concluded Parrish.

The Company confirms the earnings guidance provided in its third quarter FY2009 earnings release, that operating earnings will increase 60% to 85% over the \$3.2 million recorded for FY 2008.

#### *FC1* Manufacturing Evaluation

In the third quarter the Company indicated that as required by regulation it had entered a period of consultation with UK employees regarding the possible cessation of manufacturing in the UK. If the Company ceases manufacturing operations it will incur various one-time costs such as redundancy payments to terminated employees and a charge for termination of, or excess, leased facility capacity. Cash charges involved will be funded internally.

Regardless of the conclusion reached with respect to the Company’s UK manufacturing operations, the Company will continue its other UK operations, which include sales and marketing of FHC’s female condom, management and direction of the Global Technical Support Team, product development, and quality assurance and technical support of its Malaysian manufacturing facility.

The Company is estimating the one-time charge for all related costs that would result if manufacturing operations in the UK cease. The estimated one time cost will be taken as an accrual in the fourth quarter of FY2009, impacting both fourth quarter and FY2009 results. These one-time costs are not included in the earnings guidance provided.

## About The Female Health Company

The Female Health Company, based in Chicago, Illinois, manufactures and markets the *FC Female Condom® (FC1)* and the *FC2 Female Condom® (FC2)*, which are primarily distributed by public health organizations and donor groups in over 90 developing countries around the world. Globally, the Female Condoms are available in various programs in 116 countries. The Company owns certain worldwide rights to the *FC Female Condom®*, including patents that have been issued in the United States, United Kingdom, Japan, France, Italy, Germany, Spain, the European Patent Convention, the People's Republic of China, Canada, South Korea and Australia. *FC2* patents have been granted in Australia, Canada, the People's Republic of China and South Africa and are pending in various other countries. *FC1 and FC2 Female Condom®* are the only available FDA-approved products controlled by a woman that offer dual protection against sexually transmitted diseases, including HIV/AIDS, and unintended pregnancy.

For more information about the Female Health Company visit the Company's website at <http://www.femalehealth.com> and <http://www.fc2femalecondom.com>. If you would like to be added to the Company's e-mail alert list, please send an e-mail to [FHCInvestor@femalehealthcompany.com](mailto:FHCInvestor@femalehealthcompany.com).

*"Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995.*

*The statements in this release which are not historical fact are "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this release include the Company's financial guidance for fiscal 2009 as well as the expected transition of customers to FC2 and its effect on the Company's financial results. These statements are based upon the Company's current plans and strategies, and reflect the Company's current assessment of the risks and uncertainties related to its business, and are made as of the date of this release. The Company assumes no obligation to update any forward-looking statements contained in this release as a result of new information or future events, developments or circumstances. Such forward-looking statements are inherently subject to known and unknown risks and uncertainties. The Company's actual results and future developments could differ materially from the results or developments expressed in, or implied by, these forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, but are not limited to, the following: product demand and market acceptance; competition in the Company's markets and the risk of new competitors and new competitive product introductions; the Company's reliance on its international partners in the consumer sector and on the level of spending on the female condom by country governments; global donors and other public health organizations in the global public sector; the economic and business environment and the impact of government pressures; risks involved in doing business on an international level, including currency risks, regulatory requirements, political risks, export restrictions and other trade barriers; the Company's production capacity, efficiency and supply constraints; and other risks detailed in the Company's press releases, shareholder communications and Securities and Exchange Commission filings, including the Company's Form 10-K for the fiscal year ended September 30, 2008. Actual events affecting the Company and the impact of such events on the Company's operations may vary from those currently anticipated.*



## Media Release

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### FOR IMMEDIATE RELEASE

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## **Second-Generation Female Condom Is Now Available in the United States; FC2 Female Condom Will Cost 30 Percent Less than Predecessor**

### **Company Makes Announcement at a Meeting of Southeastern Reproductive Health Organizations; FHC Makes Special Commitment to Expand Access in U.S. Regions with Highest AIDS Case Rates**

CHICAGO, IL—October 1, 2009—The Female Health Company (FHC) (NASDAQ: FHCO) is announcing today that its second-generation FC2 Female Condom®, which received regulatory approval from the Food and Drug Administration in March as an HIV prevention method, is now available for purchase in the United States.

The company will make the announcement in Atlanta at a meeting of the Southeastern Urban Initiative for Reproductive Health, a coalition of reproductive health advocates from Southern states that is seeking increased federal funding for HIV prevention.

“America’s HIV epidemic isn’t going away. In fact, it’s getting worse, and African American and Latino women are disproportionately impacted,” said Dazon Dixon Diallo, Founder and President of SisterLove, a grassroots service organization based in Atlanta that supports HIV/AIDS prevention and reproductive health programs for women. “It’s time to provide women in heavily impacted communities with expanded access to affordable women-controlled options, and the female condom becomes that choice. Women will use it if they have it.”

“We’re thrilled that FC2 is now available in the United States,” said Mary Ann Leeper, FHC’s senior strategic adviser, who will deliver a keynote address on the female condom and woman-initiated prevention at the Atlanta meeting. “We developed the female condom to provide women with access to HIV prevention that they can initiate. We know that women and men practice safer sex when they have access to more prevention methods, and we believe that access to the female condom can help millions of American women negotiate safer sex with their partners.”

FC2 may be purchased from the Company’s two public sector distributors: **Total Access Group, Inc.** [www.totalaccessgroup.com](http://www.totalaccessgroup.com) and **Global Protection Corporation**, [www.globalprotection.com/store](http://www.globalprotection.com/store). In addition, FHC has launched a website, [www.fc2femalecondom.com](http://www.fc2femalecondom.com), which includes tiered pricing information for ordering a minimum quantity of 25,000 units directly from the Company. Price per unit will decline based on the volume purchased. The maximum price to purchase FC2 from the Company’s distributors is \$0.82/unit regardless of quantity, approximately a 30% decrease from the unit price paid for FC1.

FC2 will be available in certain retail outlets, and FHC is seeking a partner with appropriate experience to promote FC2 directly to consumers in the U.S.

### **FHC Makes Commitment to Expanded Access and Education**

Seven of the top 10 states ranked by the rate of AIDS cases are in the U.S. South, and FHC will announce today that it is initiating a program to work with a number of southern reproductive health service organizations to provide free allotments of FC2 Female Condoms as part of an introductory awareness and education program, including training for health care providers on how to integrate female condom education into reproductive health counseling.

Data from the Centers for Disease Control and Prevention (CDC) show that women represent a growing proportion of Americans living with HIV and AIDS. Over the past two decades, the percentage of women among all people living with HIV in the U.S. has increased from 8 percent to 27 percent. African American and Latino women are also disproportionately impacted by the epidemic. African American women account for 66 percent of new AIDS cases among American women, while Latino women are five times more likely than white women to be diagnosed with AIDS.

The AIDS case rate is significantly higher in the U.S. South than in other regions of the country, and the prevalence of HIV and AIDS cases in some southern communities is comparable to prevalence figures for West Africa.

More than 70 reproductive health and HIV/AIDS advocacy organizations in the U.S. have called on donors and implementing agencies to expand women's access to the female condom, which remains the only safe and effective method of woman-initiated HIV prevention currently available.

### **About The Female Health Company**

The Female Health Company (FHC), headquartered in Chicago, IL, is the maker of the *FC Female Condom (FC1 and FC2)*, a revolutionary option offering women dual protection against both sexually transmitted diseases, including HIV/AIDS, and unintended pregnancy. FHC was created as a worldwide company in February 1996 with the purchase of Chartex Resources Ltd., the holder of exclusive worldwide rights to *FC1*. The Company holds exclusive product and technology patents for *FC1* in the United States, Australia, Brazil, Canada, France, Germany, Italy, Spain, the United Kingdom, the People's Republic of China, South Korea and Japan. *FC2* patents have been granted in Australia and South Africa and are pending in various other countries. FHC is the sole manufacturer and marketer of the *FC1* and *FC2* female condoms in the world. The Female Health Company and its partners currently market the Female Condom under *FCFemale Condom®*, *FC2 Female Condom®*, *Reality®*, *Femidom®*, *Femy®*, and *Care®*.

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For Immediate Release

**Contacts:** William R. Gargiulo, Jr. 231.526.1244  
Donna Felch 312.595.9123



## **The Female Health Company Receives USAID-funded Order for 12 Million FC2 Units**

CHICAGO, September 8, 2009, The Female Health Company ([NASDAQ-CM: FHCO](#)) announced that it has signed a contract with John Snow, Inc.(JSI), for the supply of 12 million FC2 female condoms for HIV/AIDS prevention programs supported by the U.S. Agency for International Development (USAID) in developing countries worldwide. Under JSI, the USAID | DELIVER PROJECT will work to increase the availability of essential health supplies to clients and customers around the world.

For many years, USAID has been among one of the largest international donors of contraceptives and condoms. The Agency developed an operational plan for its HIV/AIDS “expanded response” strategy which includes the establishment of the Commodity Fund (CF) to centrally-finance male and female condoms for HIV/AIDS programs and to ensure their expedited delivery to countries. Through the Commodity Fund and the President’s Emergency Plan for AIDS Relief (PEPFAR), USAID provides male and female condoms to Missions for HIV/AIDS prevention activities.

O. B. Parrish, Chairman and CEO of FHC, praised USAID’s actions stating, “In continuing female condom procurement, USAID is demonstrating its commitment to supporting HIV/AIDS prevention efforts around the world. This commitment is particularly critical as the global community recognizes the increasing numbers of females affected by AIDS.” UNAIDS reports that worldwide, 33.2 million people, 15.4 million of which are women aged 15 years and older, are now living with HIV. The Global Coalition on Women and AIDS, a UNAIDS Initiative, is calling for more money in AIDS programs that work for women including closing the funding gap for the female condom and microbicides development.”

### **About The Female Health Company**

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People's Republic of China, South Korea and Japan. FC2 patents have been granted in Australia, Canada and South Africa and are pending in various other countries. FHC is the sole manufacturer and marketer of the FC1 and FC2 female condoms in the world. The Female Health Company and its partners currently market the Female Condom under FCFemale Condom®, FC2 Female Condom®, Reality®, Femidom®, Femy®, and Care®.

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**The Female Health Company to Present at Rodman &  
Renshaw's Annual Healthcare Conference  
on Thursday, September 10, 2009**

CHICAGO, September 4, 2009 -- The Female Health Company (NASDAQ-CM: [FHCO - News](#)), which manufactures and markets the *FC1* and *FC2 Female Condom*®, today announced that the Company's CEO, O.B. Parrish, and its CFO, Donna Felch, are scheduled to make a presentation at **Rodman & Renshaw's 11<sup>th</sup> Annual Healthcare Conference** at 12:05 p.m. on Thursday, September 10, 2009.

The Conference will be held September 9-11, 2009 at the New York Palace Hotel in New York City. Additional information on the Conference is available on the Internet at <http://www.rodmanandrenshaw.com/conferences?id=30>.

The Female Health Company's presentation will be webcast "live" on the Internet at <http://www.wsw.com/webcast/rrshq15/fhco>.

**About Rodman & Renshaw**

Rodman & Renshaw is a full-service investment banking firm that is dedicated to providing investment banking services to companies that have significant recurring capital needs due to their growth and development strategies. The firm also provides research, sales and trading services to institutional investor clients that focus on such companies.

Through its life sciences investment banking team, Rodman & Renshaw provides a broad range of investment banking services to biotechnology, specialty pharmaceutical, medical device and other companies operating in the life science space. The team consists of seasoned professionals, many of whom have PhDs or other advanced medical or scientific degrees. Their experience and expertise enable the firm to deliver the specialized advice and differentiated services its clients demand.

Additional information on Rodman & Renshaw is available on the Internet at [www.rodmanandrenshaw.com](http://www.rodmanandrenshaw.com).

## **About The Female Health Company**

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For Immediate Release

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**The Female Health Company Reports 23% Increase in  
Third Quarter Revenues**

**Operating Income Rises 275% to \$1.5 Million**

**Increases Earnings Guidance**

*Third quarter highlights:*

- *275% Operating Profit increase to \$1.5 Million*
- *Gross Profit Margin widens to 48% of net revenues vs. 39% in prior-year quarter*
- *54% Gross Profit Increase*
- *Pretax Income Rises 79% from prior-year period*
- *23% increase in Net Income Attributable to Common Shareholders*

*Year-to-date highlights:*

- *Gross Margin widens to 49% of net revenues vs. 41% in first nine months of fiscal year 2008*
- *Operating income up 114%*
- *Operating margin expands to 21% of net revenues vs. 11% in first nine months of FY2008*
- *Pretax Income increases 112% from prior-year period*
- *Diluted E.P.S. rise 65% to \$0.15 vs. \$0.09 in first nine months of FY 2008*

CHICAGO, August 7, 2009- The Female Health Company (NASDAQ-CM: [FHCO - News](#)), which manufactures and markets the FC and FC2 Female Condom®, today reported its operating results for the third quarter and first nine months of FY2009. The Company will host an investor conference call at 11:00 a.m. Eastern Time today, August 7, 2009, to discuss its operating results and other topics of interest (see details below).

“We are very pleased to report that operating income increased 275% in the third quarter and 114% in the first nine months of fiscal 2009, when compared with the prior-year periods, substantially outpacing the increases in net revenues,” stated O.B. Parrish, Chief Executive Officer of The Female Health Company. “These impressive financial results reflect the increasing impact of FC2 upon our operating performance, as evidenced by the improvement in third quarter gross margin to 48% of net revenues from 39% in the prior-year quarter. It is also important to note that the increase in unit shipments was greater

than the increase in revenues, due to the higher percentage of FC2 in our sales mix and the inclusion of royalty units. FC2 accounted for 47% of unit sales for the nine months ended June 30, 2009, versus 35% during the first nine months in fiscal 2008. FC2 sells at a lower price, but contributes a higher gross margin than the FC1 female condom.”

For the three months ended June 30, 2009, the Company’s net revenues increased 23% to approximately \$7.0 million, compared with approximately \$5.7 million in the third quarter of FY2008. Unit sales increased 48% (includes royalty units) when compared with the three months ended June 30, 2008. The Company’s net income attributable to common stockholders increased 23% to \$626,441, or \$0.02 per diluted share, during the third quarter of FY2009, compared with \$509,067, or \$0.02 per diluted share, in the corresponding period of the previous fiscal year. Financial results for the third quarter of FY2009 included a foreign currency transaction loss of \$816,148, versus a currency transaction loss of \$36,680 in the prior-year quarter. The third quarter of FY2009 also included income tax expense of \$20,832, whereas financial results for the third quarter of FY2008 included an income tax benefit of \$167,000.

Gross profit increased 54% to \$3.3 million (48% of net revenues) in the most recent quarter, compared with \$2.2 million (39% of net revenues) in the third quarter of FY2008. Operating income increased to \$1.5 million (21% of net revenues) in the three months ended June 30, 2009, compared with operating income of \$0.4 million (7% of net revenues) in the quarter ended June 30, 2008.

The Company expects significant quarter to quarter revenue variations due to the receipt of large orders, production scheduling, and shipping of products.

For the nine months ended June 30, 2009, the Company’s net revenues increased 10% to \$19.6 million, compared with \$17.8 million in the nine months ended June 30, 2008. Unit sales were up 26% (includes royalty units) for the nine months ended June 30, 2009 relative to the same period in FY2008. For the nine months ended June 30, 2009, net income attributable to common stockholders increased 68% to \$4.2 million, or \$0.15 per diluted share, compared with \$2.5 million, or \$0.09 per diluted share, in the corresponding period of the previous fiscal year. Results for the first nine months of FY2009 included a foreign currency transaction gain of \$183,672, compared with a \$73,625 foreign currency transaction gain in the corresponding period of the previous fiscal year. The Company had an income tax expense of \$110,411 in the nine months ended June 30, 2009, whereas financial results for the first nine months of FY2008 included an income tax benefit of \$544,000.

In FY2008, when the Company had recently begun to demonstrate its ability to utilize tax losses, it recognized tax benefits of \$167,000 and \$544,000 for the three and nine months ended June 30, 2008. For fiscal 2009 and future years, the Company has regularly evaluated, and will continue to regularly evaluate, its ability to utilize current or past tax losses, and records benefit recognition annually or when a change in estimate occurs. Consistent with this policy, no tax benefits were recognized in the first nine months of FY2009.

Gross profit increased 34% to \$9.7 million (49% of net revenues) in the first nine months of FY2009, compared with \$7.2 million (41% of net revenues) in the same period last year. Operating income increased 114% to \$4.2 million (21% of net revenues) in the nine months ended June 30, 2009, compared with operating income of \$2.0 million (11% of net revenues) in the first nine months of FY2008.

The Company currently has Federal and state net operating loss carryforwards of approximately \$42 million and \$22 million, respectively, expiring in years 2009 to 2028. The Company's United Kingdom (UK) subsidiary, The Female Health Company-UK plc., has UK net operating losses of approximately \$65 million. The UK tax loss carryforwards can be carried forward indefinitely to offset future UK taxable income.

“With the recent FDA approval of FC2, some of FHC's major customers that require such approval are transitioning to the second generation product, which should further improve the Company's financial results going forward,” added Parrish. “Growing global acceptance of the Female Condom, the only available barrier method initiated by women that protects against HIV/AIDS and unintended pregnancy, will provide the basis for our growth in the foreseeable future. The Female Condom is now available in over 100 countries, and we believe it will play an increasingly important role in the global battle against HIV/AIDS in the future. The FC2 Female Condom is currently being distributed in 92 countries.”

“We are increasing our earnings guidance for FY2009. Our previous guidance was that unit sales would increase 25% and that operating earnings would increase 50-75% over FY2008. Our revised guidance is that we continue to expect unit sales to increase 20-25% but that operating earnings will increase 60-85% over the approximately \$3.2 million recorded for FY2008,” concluded Parrish.

During the nine months ended June 30, 2009, the Company generated \$6.0 million in cash from operations. The Company has no outstanding debt and \$1.5 million in unused credit lines. As of June 30, 2009, the Company had approximately \$3.3 million of cash in the bank (excluding restricted cash), which represented a 74% increase in unrestricted cash balances since September 30, 2008. During the first nine months of FY2009, the Company recorded capital expenditure of approximately \$1.3 million and repurchased 915,161 shares of its common stock at an average price of \$3.55 per share.

#### Evaluation of FC1 Manufacturing

On August 5, 2009, the Company entered into a period of consultation with its UK workforce following the decision of two of the Company's largest customers to switch their purchases from FC1 to FC2. As is required by British labor law, the Company will go through an evaluation process, working in tandem with employee representatives, in which various manufacturing alternatives are considered. If the Company is unable to identify a satisfactory alternative, the facility's manufacturing operations may cease. If that is the conclusion reached, the Company would incur various one-time costs such as redundancy payments to terminated employees and a charge for excess leased capacity. Cash charges involved would be funded internally.

Regardless of the conclusion with respect to the Company's UK manufacturing operations, the Company will continue its other UK operations, which include sales and marketing of FHC's female condom, management and direction of the Global Technical Support Team, product development, and quality assurance and technical support of its Malaysian manufacturing facility.

Following the fourth quarter of FY2009, the Company expects it will be able to estimate the one-time charge for all related costs that would result if a decision would be made to cease manufacturing at the UK facility. The estimated cost accrual will impact both fourth quarter and FY 2009 results. These one-time costs, which cannot yet be accurately estimated, are not included in the earnings guidance provided.

### **Investor Conference Call**

*As previously announced, the Female Health Company will host an investor conference call at 11:00 a.m. Eastern time, August 7, 2009. Shareholders and other interested parties may participate in the conference call by dialing 800-860-2442 (international/local participants dial 412-858-4600) and asking to be connected to "The Female Health Company" conference call, a few minutes before 11:00 a.m. EDT on August 7, 2009. A replay of the call will be available through August 21, 2009 by dialing 877-344-7529 (international callers dial 412-317-0088) and referencing the conference code ID 432698.*

### **About The Female Health Company**

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For more information about the Female Health Company visit the Company's website at <http://www.femalehealth.com> and <http://www.femalecondom.org>. If you would like to be added to the Company's e-mail alert list, please send an e-mail to [FHCInvestor@femalehealthcompany.com](mailto:FHCInvestor@femalehealthcompany.com).

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*well as the expected transition of customers to FC2 and its effect on the Company's financial results. These statements are based upon the Company's current plans and strategies, and reflect the Company's current assessment of the risks and uncertainties related to its business, and are made as of the date of this release. The Company assumes no obligation to update any forward-looking statements contained in this release as a result of new information or future events, developments or circumstances. Such forward-looking statements are inherently subject to known and unknown risks and uncertainties. The Company's actual results and future developments could differ materially from the results or developments expressed in, or implied by, these forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, but are not limited to, the following: product demand and market acceptance; competition in the Company's markets and the risk of new competitors and new competitive product introductions; the Company's reliance on its international partners in the consumer sector and on the level of spending on the female condom by country governments; global donors and other public health organizations in the global public sector; the economic and business environment and the impact of government pressures; risks involved in doing business on an international level, including currency risks, regulatory requirements, political risks, export restrictions and other trade barriers; the Company's production capacity, efficiency and supply constraints; the result of the evaluation process relating to the Company's UK facility and the amount and timing of any charge for estimated costs relating to any cessation of the UK facility's manufacturing operations; and other risks detailed in the Company's press releases, shareholder communications and Securities and Exchange Commission filings, including the Company's Form 10-K for the fiscal year ended September 30, 2008. Actual events affecting the Company and the impact of such events on the Company's operations may vary from those currently anticipated.*

**The Female Health Company**  
**Unaudited Condensed Consolidated Balance Sheets**

	June 30, 2009	June 30, 2008
Cash	\$ 3,345,528	\$ 1,586,842
Restricted cash	109,020	236,887
Accounts receivable, net	5,165,672	5,964,736
Inventory	2,114,521	2,161,161
Prepaid and other current assets	489,381	415,311
Deferred income taxes	1,600,000	1,369,000
Total current assets	12,824,122	11,733,937
Other non-current assets	57,344	248,753
Net property, plant & equipment	2,562,547	1,503,219
Total assets	\$ 15,444,013	\$ 13,485,909
Accounts payable	\$ 1,158,445	\$ 1,073,434
Accrued expenses	2,664,811	2,213,070
Preferred dividends payable	21,815	27,654
Total current liabilities	3,845,071	3,314,158
Obligations under capital leases	51,095	68,752
Deferred gain on sale of facilities	705,825	963,862
Deferred grant income	169,486	235,268
Total liabilities	4,771,477	4,582,040
Total stockholders' equity	10,672,536	8,903,869
Total liabilities and stockholders' equity	\$ 15,444,013	\$ 13,485,909

**The Female Health Company**  
**Unaudited Condensed Consolidated Income Statements**

	Three Months Ended June 30,	
	2009	2008
Net revenues	\$ 6,966,767	\$ 5,658,125
Cost of sales	3,619,120	3,480,400
Gross profit	3,347,647	2,177,725
Advertising and promotion	35,188	50,969
Selling, general and administrative	1,816,488	1,715,515
Research and development	10,280	14,865
Total operating expenses	1,861,956	1,781,349
Operating income	1,485,691	396,376
Interest, net and other expense (income)	455	(13,964)
Foreign currency transaction loss	816,148	36,680
Income before income taxes	669,088	373,660
Income tax expense (benefit)	20,832	(167,000)
Net income	648,256	540,660
Preferred dividends	21,815	31,593
Net income attributable to common stockholders	\$ 626,441	\$ 509,067
Basic earnings per common share outstanding	\$ 0.02	\$ 0.02
Basic weighted average common shares outstanding	25,453,243	26,144,583
Diluted earnings per common share outstanding	\$ 0.02	\$ 0.02
Diluted weighted average common shares outstanding	27,775,458	28,117,178

**The Female Health Company**  
**Unaudited Condensed Consolidated Income Statements**

	Nine Months Ended June 30,	
	2009	2008
Net revenues	\$ 19,631,114	\$ 17,794,153
Cost of sales	9,949,338	10,577,665
Gross profit	9,681,776	7,216,488
Advertising and promotion	136,359	161,345
Selling, general and administrative	5,265,256	4,899,747
Research and development	105,055	202,241
Total operating expenses	5,506,670	5,263,333
Operating income	4,175,106	1,953,155
Interest, net and other income	(7,844)	(30,629)
Foreign currency transaction gain	(183,672)	(73,625)
Income before income taxes	4,366,622	2,057,409
Income tax expense (benefit)	110,411	(544,000)
Net income	4,256,211	2,601,409
Preferred dividends	69,170	112,438
Net income attributable to common stockholders	\$ 4,187,041	\$ 2,488,971
Basic earnings per common share outstanding	\$ 0.16	\$ 0.10
Basic weighted average common shares outstanding	25,588,734	26,117,888
Diluted earnings per common share outstanding	\$ 0.15	\$ 0.09
Diluted weighted average common shares outstanding	27,863,338	28,101,867

For Immediate Release



**Contacts:** William R. Gargiulo, Jr. 231-526-1244  
Donna Felch, CFO 312-595-9123

## **THE FEMALE HEALTH COMPANY SCHEDULES THIRD QUARTER CONFERENCE CALL FOR AUGUST 7, 2009**

CHICAGO, July 31, 2009 -- The Female Health Company (NASDAQ-CM: [FHCO](#)) today announced that it will host an investor conference call to discuss its operating results for the third quarter and first nine months of FY2009 at 11:00 a.m. Eastern Time (EDT) on Friday, August 7, 2009. The Company expects to report its operating results earlier the same day.

**Shareholders and other interested parties may participate in the conference call by dialing 800-860-2442 (international participants dial 412-858-4600) and asking to be connected to “The Female Health Company Conference Call”, a few minutes before 11:00 a.m. EDT on August 7, 2009.**

**A replay of the call will be available one hour after the call through 5:00 p.m. EDT on August 21, 2009 by dialing 877-344-7529 (international callers dial 412-317-0088) and entering the conference ID 432698.**

### About The Female Health Company

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## The Female Health Company's Chairman and CEO to Ring the NASDAQ Stock Market Opening Bell

**Contacts: Investors**  
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Donna Felch 312.595.9742

CHICAGO, July 7, 2009, The Female Health Company (NASDAQ-CM: [FHCO](#)) today announced that O.B. Parrish, its Chairman and CEO will ring the NASDAQ Stock Market opening bell on Wednesday, July 8, 2009. The Female Health Company is participating in the opening bell ceremony to celebrate its June 8, 2009 move to the NASDAQ Stock Market. A live webcast of the NASDAQ Opening Bell will be available at: [http://www.nasdaq.com/reference/marketsite\\_events.stm](http://www.nasdaq.com/reference/marketsite_events.stm).

### About NASDAQ OMX Group, Inc.

The NASDAQ OMX Group, Inc. is the world's largest exchange company. It delivers trading, exchange technology and public company services across six continents, and with over 3,900 companies, it is number one in worldwide listings among major markets. NASDAQ OMX offers multiple capital raising solutions to companies around the globe, including its U.S. listings market; the OMX Nordic Exchange, including First North; and the 144A PORTAL Market. The company offers trading across multiple asset classes including equities, derivatives, debt, commodities, structured products and ETFs. NASDAQ OMX technology supports the operations of over 60 exchanges, clearing organizations and central securities depositories in more than 50 countries. OMX Nordic Exchange is not a legal entity but describes the common offering from NASDAQ OMX exchanges in Helsinki, Copenhagen, Stockholm, Iceland, Tallinn, Riga, and Vilnius.

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## Media Release

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### FOR IMMEDIATE RELEASE

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(202) 729-4255  
  
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Donna Felch  
(312) 595-9123  
  
William R. Gargiulo, Jr.  
(231) 526-1244

#### **Interviews Available**

O.B. Parrish and Donna Felch of Female Health Company are available for interviews on Fortune's recognition of FHC as one of America's top-100 small publicly traded companies. To schedule an interview, contact Bryan Callahan at [bryan.callahan@ogilvypr.com](mailto:bryan.callahan@ogilvypr.com) or Ashley Smith at [ashley.smith@ogilvypr.com](mailto:ashley.smith@ogilvypr.com).

### ***Fortune Recognizes Female Health Company as One of America's Fastest-Growing Small Companies***

#### ***FHC Ranks 8<sup>th</sup> on Magazine's List of the top 100 Fastest-Growing Small Businesses***

#### ***Company Is Rated First among Healthcare Companies, and First among Six Illinois Businesses***

CHICAGO, IL—July 7, 2009—The Female Health Company (FHC) (NASDAQ-CM: FHCO) today announced that *Fortune* has ranked FHC eighth among the top 100 fastest-growing publicly traded small companies in America. Fortune's annual top-100 list rates companies with revenues of less than \$200 million according to their annualized revenue growth and their total return to investors.

"We're thrilled that *Fortune* has recognized the core strengths and growth potential of Female Health Company's business model," said FHC President and CEO, O.B. Parrish. "We believe that we have built a strong private company dedicated to achieving an essential social mission – providing women with access to the female condom, the only safe and effective method of HIV prevention that women can initiate and control."

Fortune's ninth-annual review of America's top-100 small businesses placed FHC first among emerging healthcare companies, and it ranked Female Health first among small publicly traded companies based in Illinois.

The magazine also profiles FHC in a special feature article that highlights the company's recent success in developing a lower-cost, second-generation female condom (the FC2 Female Condom®) and winning regulatory approval for FC2 from the U.S. Food and Drug Administration (FDA) and clearance by the World Health Organization (WHO) for purchase by U.N. agencies. Reporter Elaine Appleton notes that sizable increases in U.S. funding for AIDS prevention under the President's Emergency Plan for AIDS Relief (PEPFAR), and FC2's distinction as the only woman-initiated HIV prevention method currently available, have helped to stimulate rapid growth in FC2 sales.

In 2008, FHC sold 34.7 million female condom units in 93 countries, a 34 percent increase in sales from 2007. Company revenues also rose 33 percent to \$25.6 million, while net income grew 215 percent – to \$4.8 million.

"FHC has made great progress over the past three years in achieving profitability and improving its margins with the development and introduction of the FC2 Female Condom," said FHC CFO Donna Felch. "FHC has succeeded in significantly reducing the female condom's cost through the introduction of a new material and a different manufacturing process. In doing so, FHC has achieved sustained growth. This is a win-win for women and the company."

FHC has also achieved success by building effective public/private partnerships with the United States Agency for International Development (USAID), the United Nations Population Fund (UNFPA) and a wide array of bilateral aid agencies, private foundations, and international NGOs committed to advancing women's access to HIV prevention. The company invests in providing technical support to public sector health programs on how to introduce the female condom and how to educate women on discussing HIV prevention with their husbands and partners.

"For more than 20 years, we have believed in the power of public/private partnership and in the principle of doing well by doing good," said FHC's Senior Strategic Advisor and former president, Dr. Mary Ann Leeper. "We are excited that years of effort in making the female condom affordable to prevention programs and accessible to women is starting to show measurable results – results that can save lives."

FHC has attracted the attention of socially responsible investment (SRI) funds such as the Appleseed Fund in recent years. Adam Strauss, a portfolio manager of the Appleseed Fund, notes that FHC meets Appleseed's two key criteria: value for investors and social sustainability. "From a value standpoint, we thought that FHC's stock price was extremely low relative to its revenue growth, its increased margins, and the company's low capital requirements," said Strauss. "From a social standpoint, FHC is in the business of saving lives, and you don't get more socially responsible than that. Their product reduces HIV transmission rates, according to studies that examine what happens when women have another HIV prevention option."

"Female Health has been a quiet grower, with few investors aware of its significant revenue and earnings growth rates until only recently, when it was added to both the NASDAQ and RUSSELL," said David Sandberg, a portfolio manager with Red Oak Partners. "We look forward to an exciting future driven off recent FDA approval for their higher margin/lower priced FC2 product, a more than doubling of FC2 production capacity in Malaysia, continued growth in FHC's partnership with a major Indian condom maker, and continued market acceptance of the FC2 product. It's a perfect storm and we remain a happy shareholder."

### **About The Female Health Company**

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**Contacts: Investors**  
William R. Gargiulo, Jr. 231.526.1244  
Donna Felch 312.595.9742



For Immediate Release

## **The Female Health Company Added to Russell 2000® Index**

CHICAGO, June 30, 2009, The Female Health Company (NASDAQ: [FHCO](#)) today announced that it has been added to the *Russell 2000® Index* after the Russell Investment Group reconstituted its comprehensive set of U.S. and global equity indexes on June 26th, 2009.

The *Russell 2000® Index* is comprised of companies 1001 through 3000 within the Russell 3000, and is generally viewed as the benchmark for small cap companies. “We are very pleased to learn that The Female Health Company has qualified for inclusion in the *Russell 2000® Index* and believe that this reflects our Company’s continued positive momentum,” stated O.B. Parrish, Chief Executive Officer of The Female Health Company. “Membership in the *Russell 2000® Index* is based upon market capitalizations of qualifying companies, and The Female Health Company’s ‘market cap’ has increased from approximately \$72 million at the end of June 2008 to approximately \$107 million at the May 29, 2009 measurement date. Russell is an industry leader for stock indexes, and we expect our inclusion in the *Russell 2000® Index* to generate greater interest in our stock among institutional investors.”

The Russell family of U.S. indexes is designed to be a comprehensive representation of the investable U.S. equity market. These indexes are value-weighted and include only common stocks belonging to corporations that are incorporated in the United States and its territories. Final membership lists for the *Russell 3000®*, *Russell 1000®*, *Russell 2000®*, *Russell Global*, *Russell Midcap®* and *Russell Microcap®* indexes were posted to the Russell Investments website on June 29, 2009.

Real-time market analysis on the Russell indexes is available at [www.russell.com/indexes/performance/real\\_time\\_market\\_analysis.asp](http://www.russell.com/indexes/performance/real_time_market_analysis.asp).

### **About Russell Investments**

Russell Investments aims to improve financial security for people by providing strategic advice, world-class implementation, state-of-the-art performance benchmarks, and a range of institutional-quality investment products. With more than \$200 billion in assets under management, Russell serves individual, institutional and advisor clients in more than 40 countries. Russell provides access to some of the world’s best money managers. It helps investors put this access to work in corporate defined benefit and defined contribution plans, and in the life savings of individual investors. Russell’s indexes are unmanaged and cannot be invested in directly. Headquartered in Tacoma, Washington, Russell has principal offices in Amsterdam, Auckland, Johannesburg, London, Melbourne, New York, Paris, San Francisco, Seoul, Singapore, Sydney, Tokyo and Toronto.

## **About The Female Health Company**

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For Immediate Release

**Contacts:** William R. Gargiulo, Jr. 231.526.1244  
Donna Felch 312.595.9123



## **The Female Health Company Switches to the NASDAQ Stock Market**

CHICAGO, May 29, 2009- The Female Health Company (NYSE Amex: [FHC](#)) announced today that its Board of Directors has approved the decision to switch the listing of its common stock from the NYSE AMEX LLC to the NASDAQ Stock Market LLC. Effective as of the opening of trading on Tuesday, June 9, 2009 the Company's shares will commence trading on NASDAQ under the symbol [**FHCO**].

"This decision was reached after careful consideration of capital market alternatives and analysis of the electronic market model, which provides added visibility to our investors" said O.B. Parrish, Chairman and C.E.O. of The Female Health Company. "We believe that NASDAQ's electronic multiple market maker structure will provide our company with enhanced exposure and liquidity, while at the same time providing investors with the best prices, the fastest execution, and the lowest cost per trade. As the world's largest electronic stock market, NASDAQ promotes innovation and attracts leading growth companies from a diverse group of sectors. We are proud to be a part of the NASDAQ Stock Market."

NASDAQ is the largest U.S. electronic stock market. With approximately 3,200 companies, it lists more companies and, on average, its systems trade more shares across all areas of business including technology, retail, communications, financial services, transportation, media and biotechnology. NASDAQ is the primary market for trading NASDAQ-listed stocks. For more information about NASDAQ, visit the NASDAQ website at <http://www.nasdaq.com> or the NASDAQ Newsroom <http://www.nasdaq.com/newsroom>.

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## **The Female Health Company Reports 67% Increase in Second Quarter Earnings**

### **Operating Income Rises 172% to Record \$2.3 Million**

*Second quarter highlights:*

- *172% Operating Profit Increase to \$2.3 Million*
- *Gross Profit Margin widens to 53% of net revenues vs. 42% in prior year quarter*
- *46% Gross Profit Increase*
- *E.P.S. of \$0.07 vs. \$0.04 in prior-year quarter*

*Year-to-date highlights:*

- *Gross Margin widens to 50% of net revenue vs. 42% in first half of fiscal year 2008*
- *Operating income up 73%*
- *Operating margin widens to 21% of revenues vs. 13% in first half of FY2008*
- *E.P.S. rise 85% to \$0.13 vs. \$0.07 in first half of FY 2008*

CHICAGO, May 8, 2009- The Female Health Company (NYSE Amex: [FHC - News](#)), which manufactures and markets the *FC* and *FC2 Female Condom®*, today reported its operating results for the second quarter and first half of FY2009. The Company will host an investor conference call at 11:00 a.m. Eastern Time today, May 8, 2009, to discuss its operating results and other topics of interest (see details below).

For the three months ended March 31, 2009, the Company's net revenues increased 14% to \$7.3 million, compared with \$6.4 million in the three months ended March 31, 2008. For the quarter ended March 31, 2009, unit sales increased 21% over the same period in FY 2008. The Company's net income attributable to common stockholders increased 67% to \$1,951,786, or \$0.07 per diluted share, during the second quarter of FY2009, compared with \$1,165,936, or \$0.04 per diluted share, in the corresponding period of the previous fiscal year.

Gross profit increased 46% to \$3.9 million (53% of net revenues) in the most recent quarter, compared with \$2.7 million (42% of net revenues) in the second quarter of FY2008. Operating income increased 172% to \$2.3 million (31% of net revenues) in the three months ended March 31, 2009, compared with operating income of \$0.8 million (13% of net revenues) in the quarter ended March 31, 2008.

“We are very pleased to report quarterly operating earnings exceeding \$2 million for the first time in the Company’s history,” stated O.B. Parrish, Chief Executive Officer of The Female Health Company. “The favorable financial results for the three and six months ended March 31, 2009 reflect the increasing impact of FC2 upon our operating results, as evidenced by the widening of the second quarter gross margin to 53% of net revenues from 42% in the prior-year quarter. FC2 accounted for 46% of unit sales for the six months ended March 31, 2009 vs. 39% for the same period in FY 2008. It is also important to note that the increase in unit shipments was greater than the 14% increase in second quarter revenues, due to the higher percentage of FC2 in our sales mix. FC2 sells at a lower price, but contributes a higher gross margin than the FC1 female condom.”

The Company expects significant quarter to quarter variations due to the receipt of large orders, production scheduling, and shipping of products.

For the six months ended March 31, 2009, the Company’s net revenues increased 4% to \$12.7 million, compared with \$12.1 million in the six months ended March 31, 2008. Unit sales were up 16% for the first half of FY 2009 vs. the same period last year. For the six months ended March 31, 2009, net income attributable to common stockholders increased to \$3.6 million, or \$0.13 per diluted share, compared with \$2.0 million, or \$0.07 per diluted share, in the corresponding period of the previous fiscal year.

Gross profit increased 26% to \$6.3 million (50% of net revenues) in the first six months of FY2009, compared with \$5.0 million (42% of net revenues) in the first half of FY2008. Operating income increased 73% to \$2.7 million (21% of net revenues) in the six months ended March 31, 2009, compared with operating income of \$1.6 million (13% of net revenues) in the same period last year.

The Company recorded a foreign currency transaction loss of \$194,286 in the second quarter of FY2009, versus a foreign currency transaction loss of \$5,053 in the quarter ended March 31, 2008. For the six months ended March 31, 2009, the Company recorded a foreign currency transaction gain of \$999,820, compared with a foreign currency transaction gain of \$110,304 in the corresponding period of the previous fiscal year.

The Company evaluates its ability to realize deferred tax assets on a regular basis. The net income attributable to common stockholders for the three and six months ended March 31, 2008, included a benefit for income taxes of \$377,000, related to such evaluation.

The Company has Federal and state net operating loss carryforwards of approximately \$42 million and \$22 million respectively, expiring in years 2009 to 2028. The Company’s UK subsidiary, The Female Health Company-UK plc. has UK net operating losses of approximately \$65 million. The UK tax loss carryforwards can be carried forward indefinitely to offset future U.K. taxable income.

“With the recent FDA approval of *FC2*, some of FHC’s major customers that require such approval will transition to the second generation product, which should further

improve the Company's financial results," added Parrish. "Growing global acceptance of the *Female Condom*, the only available barrier method initiated by women that allows them to protect themselves against HIV/AIDS and unintended pregnancy, is the basis for our growth. The *Female Condom* is now available in over 100 countries, and we believe it will play an increasingly important role in the global battle against HIV/AIDS in the future. The *FC2 Female Condom* is currently being distributed in 77 countries."

"We are reaffirming our annual guidance for FY 2009 that unit sales should increase 20% to 25% and that operating earnings should rise 50% to 75% from last year's \$3,183,725 record level," concluded Parrish.

During the first half of FY 2009, the Company generated \$3.2 million in cash from operations. The Company has no outstanding debt and \$1.5 million in unused credit lines.

### **Investor Conference Call**

*As previously announced, the Female Health Company will host an investor conference call at 11:00 a.m. Eastern time, May 8, 2009. Shareholders and other interested parties may participate in the conference call by dialing 800-860-2442 (international/local participants dial 412-858-4600) and asking to be connected to "The Female Health Company" conference call, a few minutes before 11:00 a.m. EDT on May 8, 2009. A replay of the call will be available through May 26, 2009 by dialing 877-344-7529 (international callers dial 412-317-0088) and referencing the conference code ID 430401.*

### **About The Female Health Company**

The Female Health Company, based in Chicago, Illinois, manufactures and markets the *FC Female Condom*® (FC1) and the *FC2 Female Condom* (FC2), which are primarily distributed by public health organizations and donor groups in over 90 developing countries around the world. Globally, the Female Condoms are available in various programs in 116 countries. The Company owns certain worldwide rights to the *FC Female Condom*®, including patents that have been issued in the United States, United Kingdom, Japan, France, Italy, Germany, Spain, the European Patent Convention, the People's Republic of China, Canada, South Korea and Australia. *FC2* patents have been granted in Australia and South Africa and are pending in various other countries. *FC1* and *FC2 Female Condom*® are the only available FDA-approved products controlled by a woman that offer dual protection against sexually transmitted diseases, including HIV/AIDS, and unintended pregnancy.

For more information about the Female Health Company visit the Company's website at <http://www.femalehealth.com> and <http://www.femalecondom.org>. If you would like to be added to the Company's e-mail alert list, please send an e-mail to [FHCInvestor@femalehealthcompany.com](mailto:FHCInvestor@femalehealthcompany.com).

**"Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995. –**

*The statements in this release which are not historical fact are “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this release include the Company’s financial guidance for fiscal 2009 as well as the expected transition of customers to FC2 and its effect on the Company’s financial results. These statements are based upon the Company’s current plans and strategies, and reflect the Company’s current assessment of the risks and uncertainties related to its business, and are made as of the date of this release. The Company assumes no obligation to update any forward-looking statements contained in this release as a result of new information or future events, developments or circumstances. Such forward-looking statements are inherently subject to known and unknown risks and uncertainties. The Company’s actual results and future developments could differ materially from the results or developments expressed in, or implied by, these forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, but are not limited to, the following: product demand and market acceptance; competition in the Company’s markets and the risk of new competitors and new competitive product introductions; the Company’s reliance on its international partners in the consumer sector and on the level of spending on the female condom by country governments; global donors and other public health organizations in the global public sector; the economic and business environment and the impact of government pressures; risks involved in doing business on an international level, including currency risks, regulatory requirements, political risks, export restrictions and other trade barriers; the Company’s production capacity, efficiency and supply constraints; and other risks detailed in the Company’s press releases, shareholder communications and Securities and Exchange Commission filings, including the Company’s Form 10-K for the fiscal year ended September 30, 2008. Actual events affecting the Company and the impact of such events on the Company’s operations may vary from those currently anticipated.*

**The Female Health Company**  
**Unaudited Condensed Consolidated Balance Sheets**

	March 31, 2009	March 31, 2008
Cash	\$ 1,546,277	\$ 2,464,036
Restricted cash	202,696	236,280
Accounts receivable, net	6,062,108	5,495,489
Inventory	1,576,040	1,967,212
Prepaid and other current assets	333,369	304,061
Deferred income taxes	1,600,000	1,202,000
Total current assets	11,320,490	11,669,078
Other non-current assets	56,664	247,609
Net property, plant & equipment	1,744,063	1,542,121
Total assets	\$ 13,121,217	\$ 13,458,808
Accounts payable	\$ 937,422	\$ 627,503
Accrued expenses	1,756,485	2,105,842
Preferred dividends payable	22,780	51,025
Total current liabilities	2,716,687	2,784,370
Obligations under capital leases	23,102	58,396
Deferred gain on sale of facilities	627,538	989,663
Deferred grant income	151,369	242,407
Total liabilities	3,518,696	4,074,836
Total stockholders' equity	9,602,521	9,383,972
Total liabilities and stockholders' equity	\$ 13,121,217	\$ 13,458,808

**The Female Health Company**  
**Unaudited Condensed Consolidated Income Statements**

	Three Months Ended March 31,	
	2009	2008
Net revenues	\$7,319,509	\$6,401,277
Cost of products sold	3,426,574	3,728,630
Gross profit	3,892,935	2,672,647
Advertising and promotion	30,377	68,858
Selling, general and administrative	1,587,723	1,690,409
Research and development	24,354	86,247
Total operating expenses	1,642,454	1,845,514
Operating income	2,250,481	827,133
Interest, net and other income	590	(7,057)
Foreign currency transaction loss	194,286	5,053
Income before income taxes	2,055,605	829,137
Income tax expense (benefit)	81,039	(377,000)
Net income	1,974,566	1,206,137
Preferred dividends	22,780	40,201
Net income attributable to common stockholders	\$1,951,786	\$1,165,936
Basic earnings per common share outstanding	\$ 0.08	\$ 0.04
Basic weighted average common shares outstanding	25,489,097	26,087,245
Diluted earnings per common share outstanding	\$ 0.07	\$ 0.04
Diluted weighted average common shares outstanding	27,747,588	28,403,263

**The Female Health Company**  
**Unaudited Condensed Consolidated Income Statements**

	Six Months Ended March 31,	
	2009	2008
Net revenues	\$12,664,347	\$12,136,028
Cost of goods sold	6,330,218	7,097,265
Gross profit	6,334,129	5,038,763
Advertising and promotion	101,171	110,376
Selling, general and administrative	3,448,767	3,184,232
Research and development	94,774	187,376
Total operating expenses	3,644,712	3,481,984
Operating income	2,689,417	1,556,779
Interest, net and other income	(8,299)	(16,666)
Foreign currency transactions gain	(999,820)	(110,304)
Income before income taxes	3,697,536	1,683,749
Income tax expense (benefit)	89,579	(377,000)
Net income	3,607,957	2,060,749
Preferred dividends	47,355	80,845
Net income attributable to common stockholders	\$3,560,602	\$1,979,904
Basic earnings per common share outstanding	\$ 0.14	\$ 0.08
Basic weighted average common shares outstanding	25,656,480	26,104,540
Diluted earnings per common share outstanding	\$ 0.13	\$ 0.07
Diluted weighted average common shares outstanding	27,852,443	28,501,611

For Immediate Release



**Contacts:** William R. Gargiulo, Jr. 231-526-1244  
Donna Felch, CFO 312-595-9123

## **THE FEMALE HEALTH COMPANY SCHEDULES SECOND QUARTER CONFERENCE CALL FOR MAY 8, 2009**

CHICAGO, May 1, 2009 -- The Female Health Company (NYSE Amex: FHC) today announced that it will host an investor conference call to discuss its operating results for the second quarter and first half of FY2009 at 11:00 a.m. Eastern Time (EDT) on Friday, May 8, 2009. The Company expects to report its second quarter and first half FY 2009 operating results earlier the same day.

**Shareholders and other interested parties may participate in the conference call by dialing 800-860-2442 (international participants dial 412-858-4600) and asking to be connected to “The Female Health Company Conference Call”, a few minutes before 11:00 a.m. EDT on May 8, 2009. A replay of the call will be available one hour after the call through 5:00 p.m. EDT on May 23, 2009 by dialing 877-344-7529 (international callers dial 412-317-0088) and entering the conference ID 430401.**

### **About The Female Health Company**

The Female Health Company (FHC), headquartered in Chicago, IL, is the maker of the *FC Female Condom (FC1 and FC2)*, a revolutionary option offering women dual protection against both sexually transmitted diseases, including HIV/AIDS, and unintended pregnancy. FHC was created as a worldwide company in February 1996 with the purchase of Chartex Resources Ltd., the holder of exclusive worldwide rights to *FC1*. The Company holds exclusive product and technology patents for *FC1* in the United States, Australia, Brazil, Canada, France, Germany, Italy, Spain, the United Kingdom, the People's Republic of China, South Korea and Japan. *FC2* patents have been granted in Australia and South Africa and are pending in various other countries. FHC is the sole manufacturer and marketer of the *FC1* and *FC2* female condoms in the world. The Female Health Company and its partners currently market the Female Condom under *FC Female Condom®*, *FC2 Female Condom®*, *Reality®*, *Femidom®*, *Femy®*, and *Care®* in the rest of the world.

*“Safe Harbor” statement under the Private Securities Litigation Reform Action of 1995: The statements in this release which are not historical fact are forward-looking statements based upon the Company’s current plans and strategies, and reflect the Company’s current assessment of the risks and uncertainties related to its business, including such things as product demand and market acceptance; the economic and business environment and the impact of government pressures; currency risks; capacity; efficiency and supply constraints; and other risks detailed in the Company’s press releases, shareholder communications and Securities and Exchange Commission filings. Actual events affecting the Company and the impact of such events on the Company’s operations may vary from those currently anticipated.*

For more information about the Female Health Company visit the Company’s web site at <http://www.femalehealth.com> and <http://www.femalecondom.org>.

If you would like to be added to an e-mail alert list, please send an e-mail to [FHCInvestor@femalehealthcompany.com](mailto:FHCInvestor@femalehealthcompany.com)

For Immediate Release

**Contacts:** William R. Gargiulo, Jr. 231.526.1244  
Donna Felch 312.595.9123



**The Female Health Company / HLL Lifecare Limited Receive  
National AIDS Control Organization of India Order for 1.5  
Million FC2 Female Condoms**

CHICAGO, April 23, 2009- The Female Health Company (NYSE Alternext: [FHC - News](#)) which manufactures and markets the FC1 and FC2 Female Condoms®, today announces that its technical collaboration with HLL Lifecare Limited (HLL) (formerly Hindustan Latex Limited) has been successful in winning another order from the National AIDS Control Organization of India. The order, for one and a half million (1,500,000) female condoms, will be manufactured in HLL's factory in Kochi, India. The female condom will be "FC2", the Nitrile polymer version of FHC's female condom. (The technical collaboration between the FHC and HLL has been partly funded by the British Government's Department for International Development through the Business Linkages Challenge Fund. The fund shares costs and risk with business partnerships for improved competitiveness, increased market access and to benefit the poor in Africa, Asia and the Caribbean. For more details of the partnership visit [www.businesslinkageschallengefund.org/HealthFemaleContraception.aspx](http://www.businesslinkageschallengefund.org/HealthFemaleContraception.aspx)).

O.B. Parrish, Chairman and C.E.O. said that, "This order is the result of HLL's and Hindustan Latex Family Planning Promotion Trust's (HLFPPT) continuing commitment to make the female condom accessible to the men and women of India. We are pleased to see the program's continuing growth and especially proud to have enabled production to commence in India for the Indian market. This is the first initiative of its kind."

Mr. M. Ayyappan, Chairman and Managing Director, HLL Lifecare Limited stated, "This NACO led FC Social Marketing initiative will enable millions of vulnerable women to stay protected from HIV and other sexually transmitted infections. We are extremely happy to supply the Female Condoms for the NACO supported program from our commercial manufacturing facility set up at Kochi in collaboration with FHC."

**About HLL Lifecare Limited**

HLL Lifecare Limited (HLL) ([www.lifecarehll.com](http://www.lifecarehll.com)), a government of India enterprise, was incorporated in 1966 to make superior quality male condoms widely available in India. Today, HLL is one of the world's largest manufacturers of male condoms with an annual production capacity of over 1.3 billion pieces. HLL also manufactures oral contraceptive pills, intra-uterine devices, blood transfusion bags, surgical sutures and

rapid diagnostic kits. Headquartered in Trivandrum, Kerala in South India, HLL has manufacturing facilities with the ISO 9001:2000, ISO 13485:2003 and environmental management system certifications. HLL has the FDA 510(K) registration, CE Mark, KITE mark an, SABS mark for Male condoms. Today, HLL is the leading social marketing organization in the country in the area of contraceptives - with a market share of over 65 percent in the rural and semi urban markets. HLL had recently tied up with the New York-based philanthropic venture Acumen Fund to set up a chain of low-cost high quality hospitals under 'Lifespring' brand in rural India. HLL's brand today reach over 500,000 retail outlets in India and are being exported to over 115 countries today.

### **About The Female Health Company**

The Female Health Company, based in Chicago, Illinois, manufactures and markets the *FC Female Condom*® (FC1) and the FC2 Female Condom (FC2), which are primarily distributed by public health organizations and donor groups in over 90 developing countries around the world. Globally, the Female Condoms are available in various programs in 116 countries. The Company owns certain worldwide rights to the *FC Female Condom*®, including patents that have been issued in the United States, United Kingdom, Japan, France, Italy, Germany, Spain, the European Patent Convention, the People's Republic of China, Canada, South Korea and Australia. *FC1 and FC2 Female Condoms*® are the only available FDA-approved products controlled by a woman that offer dual protection against sexually transmitted diseases, including HIV/AIDS, and unintended pregnancy.

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*Form 10-K for the fiscal year ended September 30, 2008. Actual events affecting the Company and the impact of such events on the Company's operations may vary from those currently anticipated.*

For more information about the Female Health Company visit the Company's website at <http://www.femalehealth.com> and <http://www.femalecondom.org> . If you would like to be added to the Company's e-mail alert list, please send an e-mail to [FHCInvestor@femalehealthcompany.com](mailto:FHCInvestor@femalehealthcompany.com) .

For Immediate Release



**Contacts:**

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## **The Female Health Company to Expand Manufacturing Capacity for FC2 Female Condom by 150%**

CHICAGO, Illinois – (March 12, 2009) - The Female Health Company (NYSE Alternext: [FHC](#)) – today announced plans to install six more production lines for its FC2 Female Condom™, increasing its annualized FC2 production capacity in Malaysia from 30 million units to approximately 75-80 million units.

Currently, The Female Health Company is manufacturing its second-generation product, FC2, on four production lines in Malaysia. The Company, in conjunction with its Indian partner, HLL Lifecare Limited, currently produces FC2 on a fifth production line located in Kochi, India.

Mike Pope, V.P., U.K. and Malaysian operations indicated: “The Malaysian production expansion will bring the total FC2 female condom manufacturing capacity to an annualized rate of approximately 85 million units by early in the fourth quarter of calendar year 2009.”

“Based on growing demand for the female condom reported by our major public sector customers that are involved in the global battle against the HIV/AIDS pandemic and the recent approval of FC2 by the U.S. Food and Drug Administration, we have elected to increase FC2 production capacity as noted.” stated O.B. Parrish, Chief Executive Officer of The Female Health Company. “The demand for the female condom has been increasing rapidly with unit growth of 34% for FY 2008.”

The approval by FDA permits sale of FC2 in the United States and purchases by the United States Agency for International Development for distribution in HIV/AIDS prevention programs throughout the world.

The Company is very pleased that the lower cost FC2 will now increase access by women to the Female Condom on a global basis

### **About The Female Health Company**

The Female Health Company, based in Chicago, Illinois, manufactures and markets the *FC Female Condom®* (FC1) and the *FC2 Female Condom™* (FC2), which are primarily distributed by public health organizations and donor groups in over 90 developing

countries around the world. Globally, the Female Condoms are available in various programs in 116 countries. The Company owns certain worldwide rights to the FC1, including patents that have been issued in the United States, United Kingdom, Japan, France, Italy, Germany, Spain, the European Patent Convention, the People's Republic of China, Canada, South Korea and Australia. FC1 and FC2 are the only available FDA-approved products controlled by a woman that offer dual protection against sexually transmitted diseases, including HIV/AIDS, and unintended pregnancy.

**"Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995. –**

*The statements in this release which are not historical fact are "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this release include expectations regarding the cost of and demand for FC2. These statements are based upon the Company's current plan and strategies, and reflect the Company's current assessment of the risks and uncertainties related to its business, and are made as of the date of this release. The Company assumes no obligation to update any forward-looking statements contained in this release as a result of new information or future events, developments or circumstances. Such forward-looking statements are inherently subject to known and unknown risks and uncertainties. The Company's actual results and future developments could differ materially from the results or developments expressed in, or implied by, these forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, but are not limited to, the following: product demand and market acceptance; competition in the Company's markets and the risk of new competitors and new competitive product introductions; the Company's reliance on its international partners in the consumer sector and on the level of spending on the female condom by country governments, global donors and other public health organizations in the global public sector; the economic and business environment and the impact of government pressures; risks involved in doing business on an international level, including currency risks, regulatory requirements, political risks, export restrictions and other trade barriers; the Company's production capacity; efficiency and supply constraints; and other risks detailed in the Company's press releases, shareholder communication and Securities and Exchange Commission filings, including the Company's Form 10-K for the fiscal year ended September 30, 2008. Actual events affecting the Company and the impact of such events on the Company's operations may vary from those currently anticipated.*

For more information about the Female Health Company visit the Company's website at <http://www.femalehealth.com> and <http://www.femalecondom.org> . If you would like to be added to the Company's e-mail alert list, please send an e-mail to [FHCInvestor@femalehealthcompany.com](mailto:FHCInvestor@femalehealthcompany.com) .



## Media Release

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### **FOR IMMEDIATE RELEASE**

## **Female Health Company Receives FDA Approval for FC2 Female Condom®**

### ***Lower Cost Female Condom Increases Access to Woman-Initiated Protection Against HIV/AIDS***

CHICAGO, IL—March 11, 2009—The Female Health Company (NYSE Alternext: FHC) today announced approval from the U.S. Food and Drug Administration (FDA) for the company's FC2 Female Condom® (FC2), a woman-initiated barrier method that helps to protect against sexually transmitted infections (STIs), HIV/AIDS, and unintended pregnancy. FHC's lower-cost second generation female condom will now be available for purchase and distribution in the United States. FDA approval will also enable the United States Agency for International Development (USAID) to procure FC2 for distribution to global HIV/AIDS programs.

The FDA's approval states that the FC2 Female Condom is indicated for preventing pregnancy, HIV/AIDS, and other sexually transmitted infections (STIs).

#### **FC2: Addressing an Unmet Need for Woman-Initiated HIV Prevention**

The data on changing patterns in the incidence and prevalence of HIV/AIDS and other STIs and the rates of unintended pregnancy suggest that there is an unmet need for women-initiated prevention methods. Unintended pregnancy and HIV infection are significant public health challenges in the U.S. The most recent data from the Centers for Disease Control and Prevention (CDC) indicate that one-half of U.S. pregnancies are unintended, and one in four young people aged 15-20 contracts an STI each year. The proportion of women among people living with HIV/AIDS (PLHIV) in the U.S. has also tripled over the past two decades—from 8 percent of PLHIV in 1985 to 26 percent in 2007. High-risk heterosexual contact is responsible for 80 percent of new HIV infections among American women.

HIV/AIDS is more prevalent among African American and Hispanic women. According to the CDC, the AIDS case rate in 2004 was 23 times higher among African American women and five times higher among Hispanic women than among Caucasian women.

"Nearly three decades after the start of the global AIDS pandemic, FHC's female condoms remain the only safe and effective woman-initiated HIV prevention method approved by the FDA," said Dr. Mary Ann Leeper, FHC's senior strategic advisor. "Today's approval of FC2—a lower-cost, second-generation female condom—is an important development in efforts to deliver affordable access to woman-initiated HIV prevention in the United States and around the world."

FHC's first-generation FC Female Condom® (FC1) originally received FDA approval for distribution in the United States in 1993. FC1 is also included in the World Health Organization's (WHO) essential products list for distribution by United Nations (UN) agencies. Since its approval, 165 million FC1 female condoms have been distributed in 142 countries.

## **Introduction of a More Cost-Effective Manufacturing Process**

The cost of FC1 has remained a key barrier to increased uptake by HIV prevention programs in the U.S. and globally. While numerous studies over the past two decades have indicated that acceptability of FC1 is comparable to the male condom among both male and female users, the high cost of FC1 has limited procurement by government programs and direct purchase by individual consumers.

This cost factor has reduced public access to the only safe and effective woman-initiated method of HIV and STI prevention developed since the start of the global AIDS pandemic. It is estimated that the annual global public sector male condom market is approximately 10 billion units versus about 35 million Female Condoms distributed in FY 2008. This suggests a remarkable opportunity for the Female Condom to strengthen access to HIV/AIDS prevention tools through increased access to the only woman-initiated prevention method.

As a result, five years ago FHC initiated the development of the FC2 Female Condom to expand access to women at risk of HIV and STIs by significantly lowering the cost of the product. FHC has succeeded in reducing FC2's cost through the introduction of a new material and a different manufacturing process. FC1 is made from polyurethane and involves a labor-intensive manufacturing process, while FC2, which looks very similar to FC1, is made from a proprietary nitrile polymer that allows it to be manufactured using a highly automated process. Studies have shown that FC2 performs in a comparable manner to FC1.

As a result of FHC's development program, FC2 will be available to the public sector at a cost as much as 30 percent less than FC1, contingent on volumes of procurement. In addition, the company has indicated that as public sector volume increases, additional cost reductions may be possible.

"Research has shown that the Female Condom can strengthen HIV prevention by providing men and women with access to more prevention options," said Dr. Leeper. "In studies where the FC Female Condom is distributed by prevention programs together with the male condom, the rate of unsafe sex acts decreased and the rate of new STI infections declined significantly as compared to when only male condoms were available. FC Female Condoms put the power of protection in women's hands."

Data on FC2 have been reviewed and approved by other regulatory agencies, including the European Union, WHO, and agencies in India and Brazil. In 2006, the World Health Organization (WHO), based on its own review of the scientific data, agreed that FC2 performs in the same manner as FC1 and cleared FC2 for purchase by UN agencies. Since then, over 23 million FC2 Female Condoms have been distributed in 77 countries. FDA approval of FC2 will allow USAID to procure the second-generation female condom at a lower unit cost for U.S.-funded prevention programs around the world.

## **Performance of FC2 Female Condom in Clinical Trial**

FHC presented data from a randomized, double-blind, crossover, comparative trial of FC2 with FC1. The clinical trial was conducted in 2004 by the Reproductive Health and HIV Research Unit of the University of Witwatersrand in South Africa. Over 200 women participated in the study. The results of the study showed that FC2 is safe and that the risk of FC2 failure modes during use was comparable to FC1. Results from the study were originally published in the journal *Contraception*. (See *Contraception* 73 (2006) 386– 393.)

## **Special Investor Conference Call**

FHC will host an investor conference call tomorrow, March 12, 2009, at 11:00 a.m. Eastern Time to discuss the FDA's approval of the FC2 Female Condom®. Shareholders and other interested parties may participate in the conference call by dialing 800-860-2442 (international participants dial 412-858-4600) and asking to be connected to "The Female Health Company Conference Call", a few minutes before 11:00 a.m. EDT on March 12, 2009. A replay of the call will be available one hour after the call through 5:00 p.m. EDT on March 19, 2009 by dialing 877-344-7529 (international callers dial 412-317-0088) and entering the conference ID 428912.

## **About The Female Health Company**

The Female Health Company, headquartered in Chicago, IL, manufactures and markets the FC Female Condom® (FC1) and the FC2 Female Condom® (FC2), which are primarily distributed by public health organizations and donor groups in over 90 developing countries around the world. Globally, the Female Condoms are available in various programs in 116 countries. The Company owns certain worldwide rights to FC1, including patents that have been issued in the

United States, United Kingdom, Japan, France, Italy, Germany, Spain, the European Patent Convention, the People's Republic of China, Canada, South Korea and Australia. FC1 and FC2 are the only available FDA-approved products controlled by a woman that offer dual protection against sexually transmitted diseases, including HIV/AIDS, and unintended pregnancy.

For more information about the Female Health Company, visit the Company's website at <http://www.femalehealth.com> and <http://www.femalecondom.org>. If you would like to be added to the Company's e-mail alert list, please send an email to [FHCInvestor@femalehealthcompany.com](mailto:FHCInvestor@femalehealthcompany.com).

**“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995**

*The statements in this release which are not historical fact are “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this release include expectations regarding the cost of and demand for FC2. These statements are based upon the Company’s current plans and strategies, and reflect the Company’s current assessment of the risks and uncertainties related to its business, and are made as of the date of this release. The Company assumes no obligation to update any forward-looking statements contained in this release as a result of new information or future events, developments or circumstances. Such forward-looking statements are inherently subject to known and unknown risks and uncertainties. The Company's actual results and future developments could differ materially from the results or developments expressed in, or implied by, these forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, but are not limited to, the following: product demand and market acceptance; competition in the Company's markets and the risk of new competitors and new competitive product introductions; the Company’s reliance on its international partners in the consumer sector and on the level of spending on the female condom by country governments, global donors and other public health organizations in the global public sector; the economic and business environment and the impact of government pressures; risks involved in doing business on an international level, including currency risks, regulatory requirements, political risks, export restrictions and other trade barriers; the Company’s production capacity; efficiency and supply constraints; and other risks detailed in the Company’s press releases, shareholder communication and Securities and Exchange Commission filings, including the Company’s Form 10-K for the fiscal year ended September 30, 2008. Actual events affecting the Company and the impact of such events on the Company’s operations may vary from those currently anticipated.*

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For Immediate Release

**Contacts:** William R. Gargiulo, Jr. 231-526-1244  
Donna Felch, CFO 312-595-9123

**THE FEMALE HEALTH COMPANY SCHEDULES CONFERENCE CALL  
TO DISCUSS FDA APPROVAL OF *FC2 FEMALE CONDOM*® FOR  
MARCH 12, 2009**

CHICAGO, Illinois – March 11, 2009 -- The Female Health Company (NYSE Amex: FHC) today announced that it will host an investor conference call to discuss the FDA's Approval of the *FC2 Female Condom*® on Thursday March 12, 2009 at 11:00 a.m. Eastern Time (EDT). The Company announced its receipt of FDA approval for the *FC2 Female Condom*® in a news release earlier today.

**Shareholders and other interested parties may participate in the conference call by dialing 800-860-2442 (international participants dial 412-858-4600) and asking to be connected to "The Female Health Company Conference Call", a few minutes before 11:00 a.m. EDT on March 12, 2009. A replay of the call will be available one hour after the call through 5:00 p.m. EDT on March 19, 2009 by dialing 877-344-7529 (international callers dial 412-317-0088) and entering the conference ID 428912.**

**About The Female Health Company**

The Female Health Company, headquartered in Chicago, IL, manufactures and markets the *FC Female Condom*® (FC1) and the *FC2 Female Condom*® (FC2), which are primarily distributed by public health organizations and donor groups in over 90 developing countries around the world. Globally, the Female Condoms are available in various programs in 116 countries. The Company owns certain worldwide rights to FC1, including patents that have been issued in the United States, United Kingdom, Japan, France, Italy, Germany, Spain, the European Patent Convention, the People's Republic of China, Canada, South Korea and Australia. FC1 and FC2 are the only available FDA-approved products controlled by a woman that offer dual protection against sexually transmitted diseases, including HIV/AIDS, and unintended pregnancy.

For more information about the Female Health Company, visit the Company's website at <http://www.femalehealth.com> and <http://www.femalecondom.org>. If you would like to be added to the Company's e-mail alert list, please send an email to [FHCInvestor@femalehealthcompany.com](mailto:FHCInvestor@femalehealthcompany.com).

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1995. Forward-looking statements in this release include expectations regarding the cost of and demand for FC2. These statements are based upon the Company's current plan and strategies, and reflect the Company's current assessment of the risks and uncertainties related to its business, and are made as of the date of this release. The Company assumes no obligation to update any forward-looking statements contained in this release as a result of new information of future events, developments or circumstances. Such forward-looking statements are inherently subject to known and unknown risks and uncertainties. The Company's actual results and future developments could differ materially from the results or developments expressed in, or implied by, these forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, but are not limited to, the following: product demand and market acceptance; competition in the Company's markets and the risk of new competitors and new competitive product introductions; the Company's reliance on its international partners in the consumer sector and on the level of spending on the female condom by country governments, global donors and other public health organizations in the global public sector; the economic and business environment and the impact of government pressures; risks involved in doing business on an international level, including currency risks, regulatory requirements, political risks, export restrictions and other trade barriers; the Company's production capacity; efficiency and supply constraints; and other risks detailed in the Company's press releases, shareholder communication and Securities and Exchange Commission filings, including the Company's Form 10-K for the fiscal year ended September 30, 2008. Actual events affecting the Company and the impact of such events on the Company's operations may vary from those currently anticipated.

For Immediate Release

**Contacts:**



**Contacts:**

William R. Gargiulo, Jr.

Donna Felch

231.526.1244

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## **The Female Health Company Expands and Extends its Stock Repurchase Program**

CHICAGO, Illinois – (February 13, 2009) - The Female Health Company (NYSE Alternext: [FHC](#)) announced today that its stock repurchase program has been expanded to 3,000,000 shares and extended until December 31, 2010. The program was initiated in January 2007 to repurchase up to 1,000,000 shares of the Company's common stock through December 31, 2008. In April, 2008, the program was expanded to 2,000,000 shares and extended until December 31, 2009. Through January 31, 2009, the Company had repurchased nearly 1.6 million shares of its common stock for approximately \$4.7 million under this program.

The Company's Board of Directors approved the program expansion and extension because it believes the market has undervalued its stock and that repurchasing it is a good use of surplus cash.

The shares may be purchased from time to time in open market transactions or negotiated transactions at the Company's discretion, subject to market conditions and other factors, including regulatory considerations.

### **About The Female Health Company**

The Female Health Company, based in Chicago, Illinois, manufactures and markets the *FC Female Condom®*, (FC1) and the FC2 Female Condom (FC2), which are primarily distributed by public health organizations and donor groups in over 90 developing countries around the world. Globally, the Female Condoms are available in various programs in 116 countries. The Company owns certain worldwide rights to the *FC Female Condom®*, including patents that have been issued in the United States, United Kingdom, Japan, France, Italy, Germany, Spain, the European Patent Convention, the People's Republic of China, Canada, South Korea and Australia. *FC Female Condom®* is the only available FDA-approved product controlled by a woman that offers dual protection against sexually transmitted diseases, including HIV/AIDS, and unintended pregnancy.

**"Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995. –**

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For more information about the Female Health Company visit the Company's website at <http://www.femalehealth.com> and <http://www.femalecondom.org> . If you would like to be added to the Company's e-mail alert list, please send an e-mail to [FHCInvestor@femalehealthcompany.com](mailto:FHCInvestor@femalehealthcompany.com) .

For Immediate Release

**Contacts:** William R. Gargiulo, Jr. 231.526.1244  
Donna Felch, CFO 312.595.9123



**The Female Health Company  
Reports First Quarter Operating Results, as Gross Profit Margins  
Widen on Increasing Sales of *FC2 Female Condom®***

**Company Reaffirms Guidance Anticipating Record FY2009  
Sales and Earnings**

CHICAGO, Illinois -- February 10, 2009 -- The Female Health Company (NYSE Alternext: [FHC](#)), which manufactures and markets the *FC* and *FC2 Female Condoms®*, today reported its operating results for the first quarter of FY2009.

While unit sales increased during the three months ended December 31, 2008, the Company's net revenues decreased 7% to approximately \$5.3 million, compared with approximately \$5.7 million in the first quarter of the previous fiscal year. The decline in revenues reflects a continuing shift in product shipments towards the Company's *FC2 Female Condom®*, which is priced lower and generates a higher gross profit margin than *FC1*. In addition, unit sales have been temporarily limited by a significant increase in orders for *FC1*, our first generation product, by customers requiring final FDA approval to order *FC2*. At times, the increased demand has exceeded our capacity to produce *FC1*. We elected not to invest in expanding *FC1* production capacity in anticipation of securing *FC2* FDA approval, discontinuing *FC1* and investment in expanding *FC2* production capacity. Given final FDA approval, it is anticipated that these customers will purchase *FC2*, eliminating this temporary limitation.

The Company's net income attributable to common shareholders increased 98% to \$1,608,816, or \$0.06 per diluted share, during the first quarter of FY2009, compared with net income attributable to common shareholders of \$813,968, or \$0.03 per share, in the corresponding period of the previous fiscal year. The Company was positively impacted by the strengthening of the U.S. dollar relative to the British pound sterling in the first quarter of FY2009, resulting in a foreign currency gain of \$1,194,107, compared with a currency gain of \$115,358 in the first quarter of FY2008.

Gross profit increased 3% to \$2,441,194 in the most recent quarter, compared with \$2,366,116 in the first quarter of FY2008. Gross profit as a percentage of revenue totaled 45.7% in the first quarter of FY2009, versus 41.3% in first quarter of FY2008. Operating income decreased to \$438,935, from \$729,645 in the three months ended December 31, 2007, due to significant one-time expenses related to the Company's preparation for, and participation in, the FDA OB/GYN

Device Advisory Committee hearing on December 11, 2008, Other expense increases included compensation costs; and Sarbanes Oxley internal control review consulting.

As noted in previous news releases, the Company expects significant quarter-to-quarter variations in its operating results, due to the timing of large order receipts, production scheduling, and shipping of products.

“We are pleased with first quarter results, which were consistent with management’s expectations,” noted O.B. Parrish, Chief Executive Officer of The Female Health Company. “The increasing acceptance of our second-generation *FC2 Female Condom®* and its favorable impact on our profitability is particularly encouraging. We ended the first quarter with a strong, debt-free balance sheet, approximately \$3.2 million of cash in the bank, and a current ratio of 4.3-to-1.0.”

“The event of greatest significance during our first quarter occurred in December, when the FDA’s OB/GYN Advisory Panel voted unanimously to recommend approval of *FC2*, so long as the labeling specifies the type of clinical study on which the approval was based. We are presently working through labeling details with the FDA for final approval, which will allow us to market *FC2* in the United States and to provide it to the U.S. Agency for International Development (USAID), one of our largest customers.”

“We are reaffirming our annual guidance for FY 2009 that unit sales should increase 20% to 25% and that operating earnings should rise 50% to 75% from last year’s record levels,” concluded Parish.

***As previously announced, the Female Health Company will host an investor conference call at 11:00 a.m. EST today, February 10, 2009. Shareholders and other interested parties may participate in the conference call by dialing 800-860-2442 (international participants dial 412-858-4600) and asking to be connected to “The Female Health Company Conference Call”, a few minutes before 11:00 a.m. EST on February 10, 2009. A replay of the call will be available one hour after the call through 5:00 p.m. EST on February 24, 2009 by dialing 877-344-7529 (international callers dial 412-317-0088) and entering the conference ID 427502.***

### **About The Female Health Company**

The Female Health Company, based in Chicago, Illinois, manufactures and markets the *FC Female Condom®*, (FC1) and the *FC2 Female Condom* (FC2), which are primarily distributed by public health organizations and donor groups in over 90 developing countries around the world. Globally, the Female Condoms are available in various programs in 116 countries. The Company owns certain worldwide rights to the *FC Female Condom®*, including patents that have been issued in the United States, United Kingdom, Japan, France, Italy, Germany,

Spain, the European Patent Convention, the People's Republic of China, Canada, South Korea and Australia. *FC Female Condom*® is the only available FDA-approved product controlled by a woman that offers dual protection against sexually transmitted diseases, including HIV/AIDS, and unintended pregnancy.

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If you would like to be added to an e-mail alert list, please send an e-mail to [FHCInvestor@femalehealthcompany.com](mailto:FHCInvestor@femalehealthcompany.com)

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**The Female Health Company**

## Unaudited Condensed Consolidated Balance Sheets

	December 31, 2008	December 31, 2007
Cash	\$ 3,190,841	\$ 1,604,306
Restricted cash	173,970	236,138
Accounts receivable, net	3,444,439	6,007,114
Inventory	1,817,324	1,785,430
Prepaid and other current assets	282,884	328,516
Deferred income taxes	1,600,000	825,000
Total current assets	10,509,458	10,786,504
Other non-current assets	56,000	246,853
Net property, plant & equipment	1,446,858	1,477,667
Total assets	\$ 12,012,316	\$ 12,511,024
Accounts payable	\$ 1,047,221	\$ 1,129,725
Accrued expenses	1,374,249	1,818,791
Preferred dividends payable	24,575	48,643
Total current liabilities	2,446,045	2,997,159
Obligations under capital leases	30,573	58,888
Deferred gain on sale of facilities	666,233	1,017,317
Deferred grant income	161,382	247,567
Total liabilities	3,304,233	4,320,931
Total stockholders' equity	8,708,083	8,190,093
Total liabilities and stockholders' equity	\$ 12,012,316	\$ 12,511,024

**The Female Health Company**  
**Unaudited Condensed Consolidated Income Statements**

	Three Months Ended December 31,	
	2008	2007
Net revenues	\$5,344,838	\$5,734,751
Cost of products sold	2,903,644	3,368,635
Gross profit	2,441,194	2,366,116
Advertising and promotion	70,794	41,518
Selling, general and administrative	1,861,045	1,493,824
Research and development	70,420	101,129
Total operating expenses	2,002,259	1,636,471
Operating income	438,935	729,645
Interest, net and other income	(8,889)	(9,608)
Foreign currency transaction gain	(1,194,107)	(115,358)
Income before income taxes	1,641,931	854,611
Income tax expense	8,540	-
Net income	1,633,391	854,611
Preferred dividends	24,575	40,643
Net income attributable to common stockholders	\$1,608,816	\$813,968
Net income per basic common share outstanding	\$ 0.06	\$ 0.03
Basic weighted average common shares outstanding	25,820,224	26,121,460
Net income per diluted common share outstanding	\$ 0.06	\$ 0.03
Diluted weighted average common shares outstanding	27,984,633	28,688,345

For Immediate Release



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## **THE FEMALE HEALTH COMPANY SCHEDULES FIRST QUARTER CONFERENCE CALL FOR FEBRUARY 10, 2009**

CHICAGO, February 3, 2009 -- The Female Health Company (NYSE Alternext: [FHC](#)) today announced that it will host an investor conference call to discuss its operating results for the first quarter of FY2009 at 11:00 a.m. Eastern Time (EST) on Tuesday, February 10, 2009. The Company plans to report its first quarter operating results earlier the same day.

**Shareholders and other interested parties may participate in the conference call by dialing 800-860-2442 (international participants dial 412-858-4600) and asking to be connected to “The Female Health Company Conference Call”, a few minutes before 11:00 a.m. EST on February 10, 2009. A replay of the call will be available one hour after the call through 5:00 p.m. EST on February 24, 2009 by dialing 877-344-7529 (international callers dial 412-317-0088) and entering the conference ID 427502.**

### **About The Female Health Company**

The Female Health Company (FHC), headquartered in Chicago, IL, is the maker of the *FC Female Condom* (*FC1* and *FC2*), a revolutionary option offering women dual protection against both sexually transmitted diseases, including HIV/AIDS, and unintended pregnancy. FHC was created as a worldwide company in February 1996 with the purchase of Chartex Resources Ltd., the holder of exclusive worldwide rights to *FC1*. The Company holds exclusive product and technology patents for *FC1* in the United States, Australia, Brazil, Canada, France, Germany, Italy, Spain, the United Kingdom, the People’s Republic of China, South Korea and Japan. Patents are pending for *FC2*. FHC is the sole manufacturer and marketer of the *FC1* and *FC2* female condoms in the world. The Female Health Company and its partners currently market the Female Condom under *FC Female Condom*®, *FC2 Female Condom*®, *Reality*®, *Femidom*®, *Femy*®, and *Care*® in the rest of the world.

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