

For Immediate Release

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**The Female Health Company Reports
First Quarter Fiscal Year 2007 Results**

CHICAGO, February 14, 2007- The Female Health Company (OTC Bulletin Board: [FHCO - News](#)) reported net revenues of \$4,198,879 and net loss attributable to common stockholders of \$(226,924) or \$(0.01) per diluted share for the three months ended December 31, 2006 compared to net revenues of \$3,408,062 and net income attributable to common stockholders of \$59,952 or \$0.00 per diluted share for the three months ended December 31, 2005.

Net revenues increased \$790,817 for the current quarter, or 23%, compared with the same prior year period as a result of increased global public sector sales.

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

Gross profit decreased \$142,162, or 10%, to \$1,278,398 for the three months ended December 31, 2006 from \$1,420,560 for the three months ended December 31, 2005, primarily as the result of an unfavorable product mix. During the quarter, a significant percentage of the unit sales were made under a low margin contract compared to the same period last year which contained negligible sales under that contract. The Company's obligation to accept orders under this contract has expired. The Company expects to negotiate a new contract with the purchaser for future orders reflecting current market conditions.

The increase in cost of products sold is due to increased unit sales and temporary operating inefficiencies that caused disproportionately higher direct materials, labor and indirect production costs.

Operating expenses increased \$178,222, or 14%, to \$1,496,804 for the three months ended December 31, 2006 from \$1,318,583 for the three months ended December 31, 2005 as a result of increases in advertising and promotional expenses, research and development costs, and selling, general and administrative expenses during the current quarter compared to the comparable period last year.

The Company posted an operating loss for the three months ended December 31, 2006 of \$(186,281) compared to an operating income of \$100,595 for the same period last year. The operating loss was the result of a revenue improvement being offset by a more than proportionate increase in cost of products sold and increased operating expenses.

The Company also announced today that its second production line at its Malaysian facility for FC2, its second generation product, is now operational. The Company expects to initiate significant shipments of FC2 during the second quarter. Sales of FC2 during the first quarter were nominal.

As previously announced, the Female Health Company will host an investor conference call at 11:00 a.m. Eastern time, February 14, 2007. Shareholders and other interested parties may participate in the conference call by dialing 866-406-5408 (international/local participants dial 973-582-2770) and referencing the conference code 8331284, a few minutes before 11:00 a.m. EST on February 14, 2007. A replay call will be available through February 21, 2007 by dialing 877-519-4471 (international callers dial 973-341-3080) and referencing the conference code is 8331284.

About The Female Health Company, Inc. –

The Female Health Company, based in Chicago, Illinois, manufactures and markets the FC Female Condom®, which is primarily distributed by public health organizations and donor groups in over 90 developing countries around the world. World-wide, the Female Condom is available in various programs in 108 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 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

THE FEMALE HEALTH COMPANY
Unaudited Condensed Consolidated Balance Sheet

	December 31, 2006	December 31, 2005
Cash	\$ 1,197,639	\$ 1,003,639
Restricted cash	236,782	169,844
Accounts receivable, net	3,694,012	3,067,906
Inventory	1,361,487	1,051,432
Prepaid and other current assets	376,465	249,102
Total current assets	<u>6,866,385</u>	<u>5,541,923</u>
Other non-current assets	191,482	239,872
Net property, plant & equipment	978,174	334,472
TOTAL ASSETS	<u>\$ 8,036,041</u>	<u>\$ 6,116,267</u>
Accounts payable	\$ 889,779	\$ 892,619
Accrued expenses	983,812	933,663
Preferred dividends payable	6,834	6,826
Total current liabilities	<u>1,880,425</u>	<u>1,833,108</u>
Deferred gain on sale of facility	1,115,687	1,076,977
Total liabilities	<u>2,996,112</u>	<u>2,910,085</u>
Total stockholders' equity	<u>5,039,929</u>	<u>3,206,182</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 8,036,041</u>	<u>\$ 6,116,267</u>

THE FEMALE HEALTH COMPANY
Unaudited Condensed Consolidated Income Statements

	For the 3 Months Ended December 31,	
	2006	2005
NET REVENUES	\$ 4,198,879	\$ 3,408,062
GROSS PROFIT	1,278,398	1,420,560
Advertising and promotion	59,038	50,105
Selling, general & administrative	1,373,062	1,237,032
Research and development	64,704	31,446
Total Operating Expenses	1,496,804	1,318,583
OPERATING (LOSS) INCOME	(218,406)	101,977
Interest, net and other (income) expense	(32,125)	1,382
Pretax (loss) income	(186,281)	100,595
Income taxes	-	-
NET (LOSS) INCOME	(186,281)	100,595
Preferred dividends	40,643	40,643
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ (226,924)	\$ 59,952
NET (LOSS) INCOME PER BASIC COMMON SHARE OUTSTANDING	\$ (0.01)	\$ 0.00
Basic weighted average common share outstanding	23,952,040	23,506,726
NET (LOSS) INCOME PER DILUTED COMMON SHARE OUTSTANDING	\$ (0.01)	\$ 0.00
Diluted weighted average common share outstanding	26,444,924	26,053,108