

For Immediate Release

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## **The Female Health Company Reports Record Revenues and Earnings for Second Quarter of FY2007**

*Second quarter highlights:*

- *44% Revenue Increase*
- *49% Gross Profit Increase*
- *\$317,348 Net Profit – Eight- fold Increase*
- *FC2 Production Capacity to be Doubled*

CHICAGO, May 15, 2007- The Female Health Company (OTC Bulletin Board: [FHCO - News](#)), which manufactures and markets the *FC Female Condom*®, today reported record net revenues and net income during the second quarter of FY2007.

For the three months ended March 31, 2007, net revenues increased 44% to approximately \$5.3 million, compared with approximately \$3.7 million in the three months ended March 31, 2006. Net income attributable to common shareholders increased more than eight-fold to \$317,348, or \$0.01 per diluted share, in the second quarter of FY2007, versus \$36,418, or \$0.00 per share, in the prior-year period. Unit sales also established a new quarterly record.

Gross profit rose 49% to \$2,034,097, compared with \$1,367,979 in the second quarter of FY2006. Operating income increased 382% to \$321,331 in the three months ended March 31, 2007, compared with \$66,654 in the corresponding period of the previous fiscal year.

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 very pleased to report record revenues and earnings for our second quarter of Fiscal 2007,” noted O.B. Parrish, Chief Executive Officer of The Female Health Company. “The 44% increase in second quarter revenues reflects continued growth in orders for the *FC1* female condom, along with significant and growing demand for our *FC2* second-generation female condom. We have recently committed to doubling the production capacity of our *FC2* manufacturing facility in Malaysia by the end of calendar 2007. This will bring our annualized production capacity in Malaysia to approximately 30 million units. With our partner in India, Hindustan Latex Limited, we expect to start-up the first *FC2* production line in that nation of over 1 billion people by mid-year calendar 2007.”

For the six months ended March 31, 2007, revenues increased 34% to approximately \$9.5 million, compared with approximately \$7.1 million in the first half of FY2006. Year-to-date net income attributable to common shareholders of \$90,424, or \$0.00 per diluted share, was slightly below the net income attributable to common shareholders of \$96,370 or \$0.00 per diluted share that was recorded in the corresponding period of the previous fiscal year.

Gross profit increased 19% to \$3.3 million in the first half of FY2007, compared with \$2.8 million in the six months ended March 31, 2006. Operating income declined to \$102,925, versus \$156,663 in the first half of FY2006.

***As previously announced, the Female Health Company will host an investor conference call at 11:00 a.m. Eastern time, May 15, 2007. Shareholders and other interested parties may participate in the conference call by dialing 888-694-4728 (international/local participants dial 973-582-2745) and referencing the conference code 8763804, a few minutes before 11:00 a.m. EDT on May 15, 2007. A replay call will be available through May 22, 2007 by dialing 877-519-4471 (international callers dial 973-341-3080) and referencing the conference code is 8763804.***

#### **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](mailto:FHCInvestor@femalehealthcompany.com)

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

	March 31, 2007	March 31, 2006
Cash	\$ 1,672,441	\$ 1,736,555
Restricted cash	83,450	195,942
Accounts receivable, net	4,114,611	2,416,004
Inventory	1,481,067	962,349
Prepaid and other current assets	570,769	261,927
Total current assets	7,922,338	5,572,777
Other non-current assets	191,928	186,745
Net property, plant & equipment	1,102,639	322,841
Total assets	\$ 9,216,905	\$ 6,082,363
Accounts payable	\$ 1,082,789	\$ 564,355
Accrued expenses	1,465,248	644,815
Preferred dividends payable	9,606	5,587
Total current liabilities	2,557,643	1,214,757
Deferred gain on sale of facilities	1,093,298	1,065,058
Total liabilities	3,650,941	2,279,815
Total stockholders' equity	5,565,964	3,802,548
Total liabilities and equity	\$ 9,216,905	\$ 6,082,363

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

	Three Months Ended March 31,	
	2007	2006
Net revenues	\$5,323,593	\$3,692,871
Gross profit	2,034,097	1,367,979
Advertising and promotion	33,926	58,677
Selling, general and administrative	1,619,803	1,220,605
Research and development	59,037	22,043
Total operating expenses	1,712,766	1,301,325
Operating income	321,331	66,654
Interest, net and other income	35,777	9,524
Net income	357,108	76,178
Preferred dividends	39,760	39,760
Net income attributable to common stockholders	\$317,348	\$36,418
Net income per basic common share outstanding	\$ 0.01	\$0.00
Basic weighted average common shares outstanding	23,973,955	23,745,268
Net income per diluted common share outstanding	\$ 0.01	\$0.00
Diluted weighted average common shares outstanding	27,702,950	26,882,256

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

	Six Months Ended March 31,	
	2007	2006
Net revenues	\$9,522,473	\$7,100,933
Gross profit	3,312,495	2,795,150
Advertising and promotion	92,964	108,782
Selling, general and administrative	2,992,865	2,476,216
Research and development	123,741	53,489
Total operating expenses	3,209,570	2,638,487
Operating income	102,925	156,663
Interest, net and other income	49,330	14,846
Foreign currency transactions (gain) loss	18,572	5,264
Net income	170,827	176,773
Preferred dividends	80,403	80,403
Net income attributable to common stockholders	\$90,424	\$96,370
Net income per basic common share outstanding	\$ 0.00	\$ 0.00
Basic weighted average common shares outstanding	23,962,877	23,624,686
Net income per diluted common share outstanding	\$ 0.00	\$ 0.00
Diluted weighted average common shares outstanding	26,513,336	26,668,403