



## Media Release

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### FOR IMMEDIATE RELEASE

**Media Contacts:** Bryan Callahan  
(202) 729-4255  
  
Ashley Smith  
(202) 729-4269

**Investor Contacts:** O.B. Parrish  
(312) 595-9123  
  
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**

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®*.

### ***"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.*