

# Corporate Profile



THE FEMALE HEALTH COMPANY

|                        |               |                           |             |
|------------------------|---------------|---------------------------|-------------|
| <b>Recent Price:</b>   | \$1.50        | <b>Stock Symbol:</b>      | <b>FHCO</b> |
| <b>12-Month Range:</b> | \$1.32-\$1.90 | <b>Shares Outstanding</b> | 23.8M       |
| <b>Market Cap:</b>     | \$35.7M       | <b>Approximate Float</b>  | 15.76M      |

The Female Health Company (OTCBB:FHCO), based in Chicago, owns certain worldwide rights to FC Female Condom™ including patents which have been issued in the United States, United Kingdom, Japan, France, Italy, Germany, Spain, The People's Republic of China, Canada, New Zealand, South Korea and Australia. FC Female Condom™ is the only FDA approved product controlled by a woman that protects against sexually transmitted diseases including HIV/AIDS, and unintended pregnancy. The Company also recently announced launch of its second generation (more cost efficient) FC2 product.

FC is available through public sector agencies in more than 80 countries and throughout the United States. It is also sold commercially in 17 countries- including the United States, the United Kingdom, Australia, Brazil, Canada, Denmark, France, Germany, Holland, Italy, Japan, Mexico, Spain, Suriname, Switzerland, Turkey and Venezuela.



The Female Health Company and its proprietary FC female condom is the only FDA approved female-initiated prevention technology on the market today. The Company forges strategic linkages and collaborates with both public and private sector organizations involved in related product development efforts.

On May 9, 2006 FHCO announced it has received an initial order for 500,000 FC Female Condoms (FC1) for the National AIDS Control Organization (NACO) of the Ministry of Health & Family Welfare, Government of India. The order was placed through UNFPA, the United Nations Population Fund. The Condoms will be used in NACO's Reproductive Health and HIV/AIDS prevention programs and distribution will initially be focused on commercial sex workers in four high prevalence states in India.

In May, 2006, the UN reported that India now has the largest HIV population with 5.7 million cases, surpassing South Africa's 5.5 million infected people. However, since India's population is much larger, its incidence rate is less than 1% of the population versus South Africa's 19% infection rate. The United Nations Joint Program on AIDS (UNAIDS) reported in 2005 that a significant portion of new infections in India is occurring in women who are married and who have been infected by husbands who frequented sex workers. UNAIDS further stated that commercial sex serves as a major driver of the epidemic in most parts of India.

The Female Health Company (FHC) also recently announced that it had entered into a Memorandum of Understanding with Hindustan Latex Limited (HLL), a Government of India Enterprise, to negotiate, in good faith, formal agreements related to the manufacture of FC2, the Company's second generation product, in India. HLL was appointed as FHC's exclusive marketer and distributor in India.

O.B. Parrish, Chairman and C.E.O. of FHC stated "The initiation of the NACO female condom program in India represents a major milestone in FHC's efforts to bring FC female condoms to the women of India. FHC, and our partner HLL, are now prepared to enter into formal negotiations to establish manufacturing capability for FC2 in India, thereby further developing the Indian opportunities for FC." Mr. M. Ayyappan, Chairman and Managing Director of HLL added, "HLL is committed to support the HIV/AIDS prevention and population stabilization initiatives of the Government of India. We feel highly confident that expansion of FC female condom use in India will help in empowering poor and vulnerable women to protect themselves from HIV and other STDs. Our organization is committed to support civil society and Government Initiatives for creating access of FC among the poor and vulnerable women in India."

HLL 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 annual production capacity of over 900 million pieces.

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*The public health rationale for introducing a method that provides protection against pregnancy and STD/HIV is clear. Globally, health and human rights advocates have been demanding that scientists develop fertility regulation methods that are safe and reversible, under the control of the user, not systemic in action, which protect the user against STIs and HIV and do not need to be provided by a health service. The female condom comes closer to these requirements than any other family planning method.*

## Investment Highlights:

- The spread of HIV/AIDS continues to worsen in many parts of the world and is now the most devastating pandemic in recorded history. Studies by the United Nations and World Health Organization have shown that prevention of HIV/ AIDS is critical, because the cost of treatment of the disease on a global scale is unacceptably high.
- The World Health Organization (“WHO”) have listed FHCO’s FC female condom (FC1) as an essential product. It is an important tool that empowers women in the global battle against the disease. FHCO has a multi-year agreement with UNAIDS to supply the female condom to developing countries at a price that is negotiated each year.
- If The Female Health Company can capture just 3% of the global public sector condom market for male condoms ( 6-9 billion units annually with FC-2) , which is considered a realistic goal over a several-year period, its unit sales would increase more than ten-fold to approximately 200 million female condoms annually.
- On September 30, 2005, the Company announced the international availability of its second-generation FC2 female condom at a significantly lower price (for high volume contracts) than the FC1. The FC2, which is made of nitrile, a synthetic material that looks and performs in a statistically similar manner to the FC1 (made of more expensive polyurethane), will be sold to public sector organizations at prices significantly lower than FC1 under high volume contracts. The company has submitted a dossier to WHO for listing FC2 as an essential product and is in discussions with the FDA regarding US requirements. It has been approved by the European Union.
- The Company has retired all of its outstanding debt in the past twelve months, while continuing to express R&D cost related to FC2, and it has over \$1.5 million in cash.

## Press Releases

The Female Health Company Reports Second Quarter Fiscal Year 2006 Results  
(Mon, May 15)

The Female Health Company Receives Initial Order from Indian Government, Signs MOU with Hindustan Latex for the Manufacture of FC2 in India  
(Tue, May 9)

Female Health Company and Fuji Latex Sign Agreement  
(Thu, Apr 6)

## THE FEMALE HEALTH COMPANY Condensed Operating Information

| Year End Sept. 30       | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>6mons. Ended 3/31/06</u> |
|-------------------------|-------------|-------------|-------------|-------------|-----------------------------|
| Net Revenue (000)       | \$8,417     | \$9,045     | \$8,982     | \$11,162    | \$7,101                     |
| Net Income (Loss) (000) | (\$3,481)   | (\$2,370)   | (\$2,019)   | (\$1,356)   | \$96                        |
| Income (Loss) Per Share | (\$0.22)    | (\$0.13)    | (\$0.11)    | (\$0.07)    | \$0.00                      |
| Unit Sales (000)        | 12,661      | 13,358      | 12,182      | 13,895      | N/A                         |

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