THE FEMALE HEALTH COMPANY

A Thriving Future
NASDAQ: FHCO

2016 Annual Meeting
Q1 2016 At a Glance

NASDAQ

Core product
FC2 Female Condom

Gross margin
~66%

Operating margin
~29%

Total current assets
$24 million

Profitable Starting
2006

Debt Free

$10M Unused Credit Facility
## FY 2015 – 2014 Results

<table>
<thead>
<tr>
<th></th>
<th>FY 2015 (millions, except EPS)</th>
<th>FY 2014 (millions, except EPS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units</td>
<td>61.0</td>
<td>42.5</td>
</tr>
<tr>
<td>Revenue</td>
<td>$32.6</td>
<td>$24.5</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>$19.0</td>
<td>$13.1</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$6.6</td>
<td>$3.9</td>
</tr>
<tr>
<td>Tax Expense</td>
<td>$2.3</td>
<td>$1.5</td>
</tr>
<tr>
<td>Net Income</td>
<td>$4.3</td>
<td>$2.4</td>
</tr>
<tr>
<td>EPS - Diluted</td>
<td>$0.15</td>
<td>$0.08</td>
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<tr>
<td>Tax-cash payments</td>
<td>$0.29</td>
<td>$0.77</td>
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<tr>
<td>Adjusted EBITDA</td>
<td>$7.7</td>
<td>$5.4</td>
</tr>
<tr>
<td>EPS – Diluted, as adjusted</td>
<td>$0.27</td>
<td>$0.19</td>
</tr>
</tbody>
</table>

- Revenue +33%
- Gross Margin +45%
- Operating Income +69%
- EPS – Diluted +88%
- Second highest unit sales
- Won Brazil tender for up to 50 million units: actual orders 40 million
- No debt
- More than 500 million female condoms sold to date
### Q1 2016 – 2015 Results

<table>
<thead>
<tr>
<th></th>
<th>Q1 2016 (millions, except EPS)</th>
<th>Q1 2015 (millions, except EPS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units</td>
<td>15.4</td>
<td>12.2</td>
</tr>
<tr>
<td>Revenue</td>
<td>$8.2</td>
<td>$6.7</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>$5.4</td>
<td>$3.8</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$2.4</td>
<td>$1.5</td>
</tr>
<tr>
<td>Tax Expense</td>
<td>$0.8</td>
<td>$0.7</td>
</tr>
<tr>
<td>Net Income</td>
<td>$1.5</td>
<td>$0.8</td>
</tr>
<tr>
<td>EPS - Diluted</td>
<td>$0.05</td>
<td>$0.03</td>
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<tr>
<td>Tax-cash payments</td>
<td>$0.07</td>
<td>$0.06</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$2.6</td>
<td>$1.8</td>
</tr>
<tr>
<td>EPS – Diluted, as adjusted</td>
<td>$0.09</td>
<td>$0.06</td>
</tr>
</tbody>
</table>

- Revenue +24%
- Gross Margin +41%
- Operating Income +65%
- EPS – Diluted +67%
- Profitable for 10 successive years
- No debt
- NOL’s utilized to reduce cash payments for income taxes
Tax Loss Carryforward

FHC:
- No longer records P&L NOL benefit
- Records tax charge
- Continues to benefit from NOL cash impact
- Example:
  Q1 FY2016
  Tax Charge - $ 829,453
  Taxes Paid - $ 69,856
  Cash Saved - $ 759,597
Unit Sales

100% sales of lower price, higher margin, next generation FC2

CAGR 16%

Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>FC1</th>
<th>FC1 &amp; FC2</th>
<th>FC2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>19.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>25.9</td>
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<tr>
<td>2008</td>
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<td>2009</td>
<td>40.2</td>
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<tr>
<td>2010</td>
<td>38.9</td>
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<tr>
<td>2011</td>
<td>32.9</td>
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<tr>
<td>2012</td>
<td>61.6</td>
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</tr>
<tr>
<td>2013</td>
<td>54.8</td>
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</tr>
<tr>
<td>2014</td>
<td>42.5</td>
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<td></td>
</tr>
<tr>
<td>2015</td>
<td>61.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>15.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q1
Net Revenues

$ in millions

2006 $14.8 2007 $19.3 2008 $25.6 2009 $27.5 2010 $22.2 2011 $18.6 2012 $35.0 2013 $31.5 2014 $24.5 2015 $32.6 2016 $8.2

Q1

FC1  FC1 & FC2  FC2

100% sales of lower price, higher margin, next generation FC2
<table>
<thead>
<tr>
<th>Year</th>
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<tbody>
<tr>
<td>2006</td>
<td>37.0</td>
<td>37.0</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>37.0</td>
<td>41.9</td>
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<tr>
<td>2008</td>
<td>41.9</td>
<td>49.1</td>
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</tr>
<tr>
<td>2009</td>
<td>49.1</td>
<td>58.2</td>
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<td>2010</td>
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<tr>
<td>2013</td>
<td>53.6</td>
<td>58.2</td>
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</tr>
<tr>
<td>2014</td>
<td>58.2</td>
<td>65.6</td>
<td></td>
</tr>
<tr>
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<td>65.6</td>
<td></td>
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Note: 100% sales of lower price, higher margin, next generation FC2.
HIV/AIDS

- Leading cause of death globally for women age 15-44
- 80% of female cases contracted via heterosexual transmission
- Male and female condoms are the only prevention products available
- No near-term more effective broad-use alternative prevention products on the horizon

STIs

- Explosive incidence numbers around the world
- In U.S., Center for Disease Control (CDC) sees 20 million new cases annually of the 3 STIs tracked; half of cases occur within the 15-24 age group and accounts for almost $16 billion in healthcare costs

(1) Source: World Health Organization

- In Sub-Saharan Africa, women represent >58% of adults with HIV/AIDS infections
- Worldwide, women living with HIV/AIDS is 50% of the global total

Source: World Health Organization
# Zika Virus

**February 1, 2016**

**WHO Declares Global Emergency**

## Babies
- Devastating birth defects
  - Microcephaly – head and brain abnormalities

## Adults
- Possible link to Guillain-Barré Syndrome
  - Neurological disorder that can cause muscle weakness, paralysis, and death

## Transmission
- Via mosquito bite
- Sexually transmitted

## Impact
- 34 countries and territories impacted
- 6 more showing indications of such transmission and 7 experiencing a parallel rise of microcephaly and Guillain-Barré
- As many as 4 million people could be impacted by 2016 year end

## Prevention
- Women who become infected while or before becoming pregnant may give birth to babies with significant birth defects including head and brain abnormalities.
- Female and male condoms are the only products that can concurrently prevent pregnancy and infection through sexually transmitted infections.

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(1) Source: World Health Organization and CDC
On February 12, 2016
UNAIDS Calls For 20 Billion
Condoms A Year By 2020

• Every day more than 1 million people acquire a sexually transmitted infection.

• 80 million unintended pregnancies occur every year.

• “UNAIDS is calling for increased investments by donors and governments for promotion and distribution of male and female condoms in order to ensure everyone has access to condoms to protect themselves and their partners from HIV, STIs, and unintended pregnancies – investing in condoms saves lives” UNAIDS Deputy Executive Director Luiz Loures.

• UNAIDS estimates that since the 1980s condoms have prevented 50 million HIV infections and saved lives

(1) Source: United Nations Joint Programme on HIV/AIDS
Long-Term FC2 Demand Will Continue To Grow

- Zika virus outbreak – potential global epidemic
- UNAIDS calls for 20 billion male and female condoms per year by 2020\(^{(1)}\)
- Continued Global Focus on HIV
  - Feminization of AIDS – #1 cause of death women age 15-44
  - 35 million living with AIDS, 2.3 million newly infected in 2012
- Exploding incidence of STIs worldwide
  - 20M new cases per year in US, half occurring in people aged 15-24
- Potential Direct-to-Consumer Market/Online Sales
- Advocacy by independent women’s groups
  - Create gender equality; increase funding for global distribution of female condoms
  - Zika virus likely to increase advocacy

\(^{(1)}\) Source: UNAIDS – February 12, 2016
Key Project Status

• Direct to Consumer Promotion
  – 6 month study completed this quarter

• Diversification of Product Line
  – Specific opportunities identified and under evaluation