Report of Organizational Actions Affecting Basis of Securities

Part I Reporting Issuer
1 Issuer's name
   The Female Health Company

2 Issuer's employer identification number (EIN)
   39-1144397

3 Name of contact for additional information
   Donna Felch

4 Telephone No. of contact
   312-595-9123, ext. 232

5 Email address of contact
   fhcinvestor@femalehealthcompany.com

6 Number and street (or P.O. box if mail is not delivered to street address) of contact
   515 N. State Street, Suite 2225

7 City, town, or post office, state, and zip code of contact
   Chicago, IL 60654

8 Date of action
   5-10-2011

9 Classification and description
   Non-dividend distribution to shareholders of common stock

10 CUSIP number
   3146202

11 Serial number(s)

12 Ticker symbol
   FHCO

13 Account number(s)

Part II Organizational Action
Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

As The Female Health Company has an accumulated deficit of earnings and profits, tax characterization of its cash distributions to shareholders is determined by a calculation of the Company's current earnings and profits. When that calculation was made in December 2011, it was determined that 78.93951% of the May 10, 2011 cash distribution of $0.05 per share was not a dividend distribution under Code Section 301(c)(1).

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

78.93951% of the May 10, 2011 cash distribution of $0.05 per share is treated as either a reduction of basis under Code Section 301(c)(2) or gain (if the distribution is in excess of basis) under Code Section 301(c)(3).

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

Per share amount not treated as a dividend under Code Section 301(c)(1) is calculated by multiplying the $0.05 per share cash distribution received by 78.93951%.
Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

IRC Section 301 (c)

18 Can any resulting loss be recognized? ▶ Not Applicable

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

2011

Signature ▶ Donna Felch
Print name ▶ DONNA FELCH
Date ▶ 2/14/12
Title ▶ U. P. & C. F. O.

Paid Preparer Use Only

Print/Type preparer’s name ▶
Preparer’s signature ▶
Date ▶
Check [ ] if self-employed
PTIN ▶
Firm’s name ▶
Firm’s address ▶
Firm’s EIN ▶
Phone no. ▶

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84401-0054