The Female Health Company

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Chicago, IL 60654

5-9-2012

Non-dividend distribution to shareholders of common stock

As The Female Health Company has an accumulated deficit of earnings and profit, tax characterization of its cash distributions to shareholders is first determined with reference to the Company's current earnings and profits. When that calculation was made in December 2012, it was determined that 97.94% of the May 9, 2012 cash distribution of $0.05 per share was not a dividend distribution under Code Section 301(c)(1).

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 the old basis. 97.94% of the May 9, 2012 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).

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 97.94%.
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
IRC Sections 301 (c), 316

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 ▶
2012

Signature ▶ Donna Jilek, VP & CFO
Print your name ▶ Donna Jilek
Date ▶ 12/12/12
Title ▶ CFO

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

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 84201-0054