



The Female Health Company Successfully Completes Transformational Merger With Aspen Park Pharmaceuticals Under Modified Terms

--Merger Combines FHC's Existing FC2 Product with APP's Deep Drug Development Product Portfolio that Addresses Multi-Billion Dollar Industry Segments--

CHICAGO and NEW YORK, October 31, 2016 -- The Female Health Company (FHC) ([FHCO](#)) today announced that it has successfully completed a transformational merger with Aspen Park Pharmaceuticals, Inc. (APP) under modified terms. The combined company brings together FHC's existing FC2 Female Condom product with APP's extensive drug development portfolio of products that addresses multi-billion dollar industry segments.

"We are extremely pleased to consummate this opportunity for our company and our shareholders," said O.B. Parrish, Co-founder of FHC. "Our shareholders have shown substantial support for the merger with APP and it is in that spirit that the boards of both companies approved and agreed to the modified terms of the transaction. Importantly, the consideration paid for APP's business consists solely of existing authorized and currently available shares of FHC common and preferred stock. This transaction delivers on our objective to add and diversify our product offering with potentially high revenue, high margin products, while also mitigating the risks associated with being a single product company. The new Board of Directors and management team can now begin in earnest the process of moving forward with our strategic growth plans."

"As The Female Health Company's new President and Chief Executive Officer, I am ready to lead our company's efforts to expand our business and generate significant shareholder value," said Mitchell Steiner, MD, formerly CEO of APP. "This merger creates a pharmaceutical company and medical device company with multiple opportunities for substantial near-term revenues. Our product portfolio includes a number of drug candidates that utilize a special development process, which allows for a potentially faster and less expensive and less risky path to secure approval. We are eager to bring to the marketplace these exciting products that fulfill unmet needs and expand the market for FC2."

Under the amended merger agreement, FHC issued two million shares of common stock and 546,756 shares of FHC Class A Preferred Stock – Series 4 to the APP shareholders. Each share of preferred stock will automatically convert into 40 common shares at a future date, contingent upon subsequent shareholder approval of such conversion by the affirmative vote of the majority of votes cast, and subsequent shareholder approval of an amendment to FHC's articles of incorporation to increase the number of authorized shares of common stock by the affirmative vote of at least two-thirds of the shares of common stock outstanding at that time. Consummation of the merger did not require current shareholder approval.

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As of October 14, 2016, nearly 80 percent of all votes cast, and approximately 65 percent of all outstanding shares, had voted FOR the three remaining proposals requiring supermajority approval (66 and 2/3 percent), with over 17 percent or approximately five million of FHC's outstanding shares still having not voted. While the significant majority of U.S. public corporations have a majority vote standard for such proposals, a standard which would have resulted in approval of all of the proposals by the original date of the Special Meeting on September 20, FHC is subject to a two-thirds vote requirement due to a provision of Wisconsin law applying to corporations organized before January 1, 1973.

FHC's Board of Directors received an updated opinion from FHC's financial advisor stating that, as of the date of such opinion, the modified merger consideration pursuant to the amended and restated merger agreement was fair to FHC from a financial point of view.

The 546,756 shares of FHC Class A Preferred Stock – Series 4 will have only one vote per share and will generally vote with FHC common shares on a one share to one share basis. On an as converted basis, which is wholly dependent upon future shareholder approval as described above, APP shareholders will own approximately 23,870,000 FHC common shares, constituting approximately 45% of the outstanding common shares as of the closing date.

FHC remains a Wisconsin corporation and the corporate name of the combined company remains The Female Health Company, but the combined company will do business as Veru Healthcare with regard to pharmaceuticals and consumer health and as The Female Health Company with regard to public health. Shares of FHC will continue to trade on NASDAQ under the same trading symbol "FHCO."

Management and Governance

The combined company's Board of Directors is comprised of the following nine members: Elgar Peerschke, who will serve as Chairman, O.B. Parrish, who will serve as Vice Chairman, David R. Bethune, Mario Eisenberger, M.D., Harry Fisch, M.D., Mary Margaret Frank, Ph.D., Lucy Lu, M.D., Georges Makhoul and Mitchell S. Steiner, M.D. Andy Love will serve as Board Observer.

The Combined Female Health Company

The combined company will be organized as follows: Veru Healthcare will manage the **Pharmaceuticals and Medical Devices** and **Consumer Health** divisions and The Female Health Company will manage the global **Public Health** sector FC2 business.

Pharmaceuticals and Medical Devices will include:

- *Tamsulosin DRS*, a novel oral formulation for men with benign prostatic hyperplasia (BPH) and swallowing difficulties. U.S. market for alpha blockers to treat BPH is estimated to be \$4.5 billion annually per IMS. 505(b)(2) product candidate. Plan to file FDA new drug application (NDA) in 2017.
- *MSS-722*, being developed as the first oral agent for the treatment of idiopathic male infertility. Orphan drug status pending. U.S. market is estimated to be \$700 million annually. 505(b)(2) product candidate.
- *APP-944*, an oral drug being developed for the treatment of hot flashes caused by prostate cancer hormone therapies. U.S. market is estimated to be \$600 million annually. 505(b)(2) product candidate.
- *APP-111*, a novel new chemical entity (NCE) being developed as a first-in-class oral chemotherapeutic agent that targets tubulin in men with advanced prostate cancer, U.S. market is estimated to be \$5 billion annually. Also a novel NCE being developed as a first-in-class oral anti-tubulin targeting chemotherapy for women with advanced breast or ovarian cancer. (Will initiate NCE drug development for advanced breast or ovarian cancer after lead indication for advanced prostate cancer in men.)
- *APP-112*, NCE, oral drug being developed for treatment of acute gout flares that has the potential to have a better safety profile than the currently used colchicine. U.S. market is estimated to be \$725 million annually.
- Disposable Contraceptive Device, *FC2 Female Condom*[®] (FC2), currently the only available female condom that is approved by the FDA for marketing in the U.S. and cleared by the World Health Organization (WHO). FC2 provides dual protection against unintended pregnancy and sexually transmitted infections (STIs), including HIV/AIDS and the Zika virus.

Consumer Health will include:

- *FC2 Female Condom*[®] (FC2) for consumer markets.
- *PREBOOST*[™], OTC medicated individual wipes for reducing the incidence of premature ejaculation. U.S. premature ejaculation market is estimated to be \$500 million annually per IMS. FDA OTC drug monograph compliant.

Public Health will include:

- *FC2 Female Condom*[®] (FC2) for global public sector markets.

About The Female Health Company

The Female Health Company (FHC) is a diversified therapeutics and medical device company. The combined company will be organized as follows: **Veru Healthcare** will manage the **Pharmaceuticals and Medical Devices** division, which will focus on the development and commercialization of pharmaceutical and medical device products for men's and women's health and oncology, as well as the **Consumer Health** division, which will commercialize sexual health products for the consumer market, including FC2 and *PREBOOST*[™]. **The Female Health Company** will manage the global **Public Health** sector FC2 business, which markets the FC2 Female Condom[®] (FC2) to government and quasi-governmental health agencies around the world.

More information about the Female Health Company and its products can be found at www.femalehealth.com, www.veruhealthcare.com and www.femalecondom.org. For corporate and investor-related information about the company, please visit www.FHCinvestor.com.

"Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995:

The statements in this release which are not historical fact are "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are based upon FHC's current plans and strategies, and reflect FHC's current assessment of the risks and uncertainties related to its business, and are made as of the date of this release. FHC assumes no obligation to update any forward-looking statements contained in this release as a result of new information or future events, developments or circumstances. Such forward-looking statements are inherently subject to known and unknown risks and uncertainties. FHC's actual results and future developments could differ materially from the results or developments expressed in, or implied by, these forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, but are not limited to, the following: product demand and market acceptance; competition in FHC's markets and the risk of new competitors and new competitive product introductions; risks relating to the ability of the combined company to obtain sufficient financing on acceptable terms when needed to fund development and company operations; any operational or cultural difficulties with the integration of the businesses of FHC and APP; risks related to the development of APP's product portfolio, including clinical trials, regulatory approvals and time and cost to bring to market; many of APP's products are at an early stage of development and the combined company may fail to successfully commercialize APP's products; risks related to intellectual property, including licensing risks; government contracting risks, including the appropriations process and funding priorities, potential bureaucratic delays in awarding contracts, process errors, politics or other pressures, and the risk that government tenders and contracts may be subject to cancellation, delay or restructuring; a governmental tender award indicates acceptance of the bidder's price rather than an order or guarantee of the purchase of any minimum number of units, and as a result government ministries or other public sector customers may order and purchase fewer units than the full maximum tender amount; FHC's reliance on its international partners in the consumer sector and on the level of spending on the female condom by country governments, global donors and other public health organizations in the global public sector; the economic and business environment and the impact of government pressures; FHC's reliance on its major customers and risks related to delays in payment of accounts receivable by major customers; risks involved in doing business on an international level, including currency risks, regulatory requirements, political risks, export restrictions and other trade barriers; FHC's production capacity, efficiency and supply constraints; risks related to the costs and other effects of litigation; and other risks detailed in FHC's press releases, shareholder communications and Securities and Exchange Commission filings, including FHC's Form 10-K for the year ended September 30, 2015 and FHC's proxy statement filed on August 8, 2016. These documents are available on the "SEC Filings" section of our website at www.femalehealth.com/investors. All forward-looking statements are based on information available to us as of the date hereof, and FHC does not assume any obligation and does not intend to update any forward-looking statements, except as required by law.

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