As filed with the Securities and Exchange Commission on September 21, 2000

Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM SB-2
REGISTRATION STATEMENT
UNDER THE
SECURITIES ACT OF 1933

THE FEMALE HEALTH COMPANY
(Name of Small Business Issuer in its Charter)

<TABLE>
<CAPTION>

<S>	<C>	<C>
Wisconsin	3069	39-1144397
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

</TABLE>

<TABLE>
<CAPTION>

<S>	<C>
875 North Michigan Avenue Suite 3660 Chicago, Illinois 60611 (312) 280-1119	O.B. Parrish, Chairman of the Board and Chief Executive Officer 875 North Michigan Avenue Suite 3660 Chicago, Illinois 60611 (312) 280-1119
(Address and Telephone Number of Principal Executive Offices and Principal Place of Business)	(Name, Address and Telephone Number of Agent for Service)

</TABLE>

Copies to:

James M. Bedore, Esq.
Reinhart, Boerner, Van Deuren
Norris & Rieselbach, s.c.
1000 North Water Street, Suite 2100
Milwaukee, WI 53202
(414) 298-1000

Approximate date of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [x]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

CALCULATION OF REGISTRATION FEE

<TABLE>
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TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
<S>	<C>	<C>	<C>	<C>
Common Stock, $0.01 par value	650,000	$ 0.48 (1)	$ 312,000	$ 83

<FN>

(1) Calculated in accordance with Rule 457(c) based on the average of the bid and asked prices of the Common Stock as reported on the Over the Counter Bulletin Board on September 18, 2000, solely for the purposes of calculating the amount of the registration fee.
</TABLE>

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said section 8(a), may determine.

PROSPECTUS

PRELIMINARY PROSPECTUS
SUBJECT TO COMPLETION-DATED SEPTEMBER 21, 2000

THE FEMALE HEALTH COMPANY

650,000 SHARES OF COMMON STOCK

This prospectus may be used only by the stockholders listed under the section entitled "Selling Stockholders" in the prospectus for their resale of up to 650,000 shares of our common stock. We will not receive any proceeds from the sale of the shares by the selling stockholders.

Our common stock is quoted on the Over the Counter Bulletin Board under the symbol "FHCO." On September 19, 2000, the closing sale price of the common stock was $0.59375.

YOU SHOULD CONSIDER THE "RISK FACTORS" BEGINNING ON PAGE 6 BEFORE PURCHASING OUR COMMON STOCK.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

September ___, 2000

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PROSPECTUS SUMMARY

THIS SUMMARY PROVIDES AN OVERVIEW OF SELECTED INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS AND DOES NOT CONTAIN ALL OF THE INFORMATION YOU SHOULD CONSIDER. THEREFORE, YOU SHOULD ALSO READ THE MORE DETAILED INFORMATION IN THIS PROSPECTUS AND OUR FINANCIAL STATEMENTS.

OUR BUSINESS

The Female Health Company is essentially a global start-up company. Our business consists solely of the manufacture and sale of the female condom, known in the United States as Reality and under various other trade names in foreign countries. We were incorporated in Wisconsin in 1971 and established in our

current form as The Female Health Company on February 1, 1996.

Initially, we expended significant time and resources in the development of the female condom and securing FDA approval to market the female condom in the United States. During this time, we also operated our original recreational products business. After considering various alternatives, in 1995 our Board of Directors selected the female condom as the central focus for our strategic direction. As a result, in January 1996, we sold our recreational products business, changed our name to The Female Health Company and devoted ourselves solely to the commercialization of the female condom.

As part of this restructuring, on February 1, 1996, we acquired the stock of Chartex Resources Limited, the manufacturer and owner of worldwide rights to, and our then sole supplier of, the female condom. As a result of these transactions, our sole business now consists of the manufacture, marketing and sale of the female condom. We own global intellectual property rights for the female condom, including:

- - patents in the United States, the European Union, Japan and various other countries;

- - a Pre-Market Approval granted by the United States Food and Drug Administration (FDA) approving and permitting marketing of the female condom in the United States;

- - a CE mark in the European Union representing that the product, as a medical device, has been approved by the European Union for marketing in the member countries of the European Union;

- - regulatory approvals in various other countries, including Japan; and

- - proprietary manufacturing technology.

We also lease a state of the art manufacturing facility in London, England, capable of producing 60 million female condoms per year. The facility has been inspected and approved by the FDA and the European Union.

Our principal executive offices are located at 875 North Michigan Avenue, Suite 3660, Chicago, Illinois 60611, and our telephone number is 312-280-1119.

THE OFFERING

<TABLE>
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<S>	<C>
Common stock offered by the selling stockholders	650,000 shares
Common stock outstanding as of September 7, 2000	13,328,699 shares (1)
Over the Counter Bulletin Board symbol	FHCO

_____
<FN>

(1) Does not include:

- - 4,363,500 shares of common stock issuable upon exercise of warrants outstanding as of September 7, 2000;

- - 2,923,000 shares of common stock issuable upon exercise of stock options outstanding as of September 7, 2000;

- - 660,000 shares of common stock issuable upon conversion of outstanding preferred stock; and

- - shares issuable upon conversion of the $1.5 million convertible debentures outstanding.
</TABLE>

SUMMARY FINANCIAL INFORMATION

The summary financial information below is derived from our financial statements appearing elsewhere in this prospectus. You should read this information in conjunction with those financial statements, including the notes to the financial statements.

<TABLE>
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	YEAR ENDED SEPTEMBER 30,	NINE MONTHS ENDED

	1997	1998	1999	JUNE 30, 2000
<S>	<C>	<C>	<C>	<C>
STATEMENTS OF OPERATIONS DATA:				
Net revenues.	$ 2,916,408	$ 5,451,399	$ 4,715,477	$ 3,923,425
Cost of products sold	3,475,709	5,273,369	4,598,747	3,612,216
Net loss.	(6,251,149)	(3,357,316)	(3,750,309)	(3,126,029)
Net loss attributable to common stockholders.	(6,266,114)	(4,306,985)	(3,884,228)	(3,225,119)
Net loss per common share outstanding	$ (0.74)	$ (0.43)	$ (0.36)	$ (0.26)

	SEPTEMBER 30, 1999	JUNE 30, 2000
<S>	<C>	<C>
CONSOLIDATED BALANCE SHEET DATA:		
Working capital	$ 522,081	$ (1,152,428)
Total assets.	6,507,143	4,722,069
Long-term debt and capital lease Obligations.	-	-
Stockholders' equity (deficit). .	1,722,970	(293,940)

RISK FACTORS

You should carefully consider the following risk factors, as well as the other information contained in this prospectus, before purchasing our common stock.

WE NEED ADDITIONAL CAPITAL TO SUPPORT OUR OPERATIONS. WE MAY NOT BE ABLE TO RAISE SUFFICIENT AMOUNTS OF ADDITIONAL CAPITAL WHEN NEEDED AND, IF WE DO RAISE ADDITIONAL CAPITAL, IT COULD DILUTE THE HOLDINGS OF OUR SHAREHOLDERS.

Sales of our sole product, the female condom, are currently insufficient to cover our fixed manufacturing overhead, advertising and general and administrative costs. Consequently, we must secure additional capital to fund operating losses. We may not be successful in raising sufficient amounts of additional capital when needed and, even if we are able to raise additional capital, the terms of our financing activities may be costly and/or dilute the holdings of our shareholders.

We estimate that we may need up to $1.3 million before the end of 2000 to fund our anticipated cash needs for working capital, capital expenditures and debt obligations, depending on the level of sales of our product. However, at this stage in our development, the amount and timing of our future capital requirements cannot be precisely determined. Many of the factors affecting our capital requirements, including new market launches by our international partners and sales orders from existing customers, are outside of our control.

We have an Equity Line Agreement to sell up to $6 million of our common stock to Kingsbridge Capital Limited, a private investor. We have sold $582,000 to Kingsbridge under this agreement through the date of this prospectus. Our future use of the Equity Line Agreement is subject to a number of significant conditions which we have summarized on page 17 of this prospectus.

We expect to raise additional capital through one or more of the following means:

- - the sale of debt or equity securities, including under the Equity Line Agreement with Kingsbridge if we meet the conditions to use the agreement;

- - the sale of assets or rights; or

- - by discounting receivables and/or letters of credit to facilitate collection.

We can make no assurance that we will be successful in raising additional capital. Further, we can make no assurance that any amount, if raised, will be sufficient to continue our operations until sales of the female condom generate sufficient revenues to fund operations. We may also find it difficult to raise funds from any debt financing because our existing creditors hold a first security interest in all of our assets.

WE EXPECT TO RELY ON OUR EQUITY LINE AGREEMENT TO RAISE NEEDED CAPITAL, BUT WE MAY NOT BE ABLE TO SATISFY ALL OF THE CONDITIONS TO USE IT WHEN NEEDED. ALSO, IF WE DO USE OUR EQUITY LINE AGREEMENT, IT COULD DILUTE THE HOLDINGS OF OUR SHAREHOLDERS.

Our Equity Line Agreement with Kingsbridge gives us the right, subject to

various conditions, to sell to Kingsbridge shares of our common stock for cash consideration up to $6 million. We have sold a total of $582,000 of common stock to Kingsbridge through the date of this prospectus. We may sell additional shares to Kingsbridge at any time on or before February 12, 2001 only if we comply with the conditions in the Equity Line Agreement or Kingsbridge waives the conditions. The conditions to our ability to sell our common stock under the Equity Line Agreement include the following:

- - the registration statement for resales of stock by Kingsbridge must remain in effect;

- - the sale must not cause Kingsbridge's ownership of our common stock to exceed 9.9% of the outstanding shares of our common stock;

- - the trading price of our common stock over a five trading day period preceding the date of the sale must equal or exceed $1.00 per share; and

- - the average daily trading volume of our common stock for a 20 trading day period preceding the date of the sale must equal or exceed 17,000 shares.

We may not be able to meet the conditions to use the Equity Line Agreement when needed. For example, between May 16, 2000 and September 7, 2000, our common stock trading price closed below $1 per share on all 77 trading days. Kingsbridge may waive any of the conditions for our use of the Equity Line Agreement, but we can make no assurance that it will choose to do so. If we are unable to use the Equity Line Agreement when needed, we may be forced to seek other sources of capital which may not be available to use on acceptable terms, if at all.

Any stock which we sell to Kingsbridge under the Equity Line Agreement will be sold at a discount to the stock's then market price as provided in the agreement. The discount is 12% of the market price of a share of our common stock at the time if the market price is $2.00 or more and 18% if the market price is less than $2.00. As a result, any sales of common stock by us under the Equity Line Agreement could significantly increase our net loss per share or decrease our net income per share and cause the market price of our common stock to decrease.

We have also agreed to pay Hartinvest-Medical Ventures, the entity that solicited Kingsbridge, a commission of 7% on all amounts received from Kingsbridge under the agreement. This commission may, at the option of Hartinvest-Medical Ventures, be paid in shares of our common stock valued at the same price at which we sell shares to Kingsbridge under the agreement. If Hartinvest-Medical Ventures elects to receive payment of its commissions in common stock, the issuance of the shares would further dilute our shareholders and could cause our stock price to decrease.

OUR SUCCESS IS COMPLETELY DEPENDENT UPON THE SUCCESS OF THE FEMALE CONDOM.

We expect to derive our future revenues from sales of the female condom, our sole current product. Our current level of expenditures has been established to support a higher level of revenues. For us to begin generating cash from operations, sales of the female condom will have to increase to approximately 22 million per year based upon the current average selling price per unit, which would represent approximately 37% of our manufacturing capacity compared to approximately 11% of our manufacturing capacity that we used in fiscal 1999. If sales do not increase from current levels to this degree or if the cost to obtain this level of sales is prohibitive, we will continue to experience operating losses and, ultimately, our viability will be in jeopardy. Our ability to achieve a higher level of revenues is uncertain because the product is in the early stages of its commercialization. Accordingly, the ultimate level of acceptance of the female condom by public health advocates as well as users around the world, which includes the decision to use the female condom versus other available products, is not yet known.

SINCE OUR COMMON STOCK IS NO LONGER LISTED ON THE AMERICAN STOCK EXCHANGE, YOU MAY HAVE GREATER DIFFICULTY BUYING AND SELLING OUR COMMON STOCK.

On February 5, 1999, our common stock was delisted from the American Stock Exchange since it did not meet all of the criteria for continued listing. Commencing on approximately February 10, 1999, the common stock has been quoted on the OTC Bulletin Board under the symbol "FHCO." You may find it more difficult to obtain accurate quotations of the price of the our common stock and to sell the common stock on the open market than was the case when the common stock was listed on the American Stock Exchange. In addition, companies whose stock is listed on the American Stock Exchange must adhere to the rules of that exchange. These rules include various corporate governance procedures which, among other items, require a company to obtain shareholder approval prior to completing various types of important transactions including issuances of common stock equal to 20% or more of the company's then outstanding common stock for less than the greater of book or market value or most issuances of stock options. Since our stock is quoted on the OTC Bulletin Board, we are not subject to those or any comparable rules.

WE HAVE A HISTORY OF SIGNIFICANT LOSSES AND, DUE TO THAT AND OTHER FACTORS, OUR INDEPENDENT AUDITOR HAS ISSUED A QUALIFIED OPINION ON OUR FINANCIAL STATEMENTS.

We had a net loss attributable to common stockholders of $3.2 million for the first nine months of fiscal 2000, $3.9 million for fiscal 1999, $4.3 million for fiscal 1998 and $6.3 million for fiscal 1997. As of June 30, 2000, we had an accumulated deficit of $48.4 million, a working capital deficit of $1.2 million and stockholders' deficit of $0.3 million. Historically, we have experienced cash operating losses relating to expenses to develop, manufacture and promote the female condom. Consistent with the availability of resources, we expect to make substantial expenditures in fiscal 2000 in an effort to support our manufacturing operations and increase awareness and distribution of the female condom around the globe. Until our internally generated funds are sufficient to meet cash requirements, we will remain dependent upon our ability to generate sufficient capital from outside sources. We can make no assurance that we will achieve a profitable level of operations in the near term or at all.

Our independent auditor's reports on our consolidated financial statements for the fiscal years ended September 30, 1999, 1998 and 1997 were qualified as to our ability to continue as a going concern. While many factors are considered by the auditor in reaching its opinion, the primary reason for the going concern opinion was due to our continued deficit cash flows from operations, driven largely by continued operating losses. Our net cash used in operations was $0.8 million for the first nine months of fiscal 2000, $2.8 million for fiscal 1999, $2.8 million for fiscal 1998 and $5.0 million for fiscal 1997.

In the near term, we expect operating costs to continue to exceed funds generated from operations due principally to our fixed manufacturing costs relative to our current production volumes. We can make no assurance that we will achieve positive cash flows from our operations in the near term or at all. We believe we must first achieve, on a continuing basis, positive cash flow from operations and net operating profits in order for our independent auditors to re-evaluate their going concern opinion.

BECAUSE OUR PRODUCT FACES SIGNIFICANT COMPETITION FROM OTHER PRODUCTS, SUCH AS THE MALE CONDOM, WE MAY NOT BE ABLE TO ACHIEVE ANTICIPATED GROWTH LEVELS OR PROFIT MARGINS.

We may be unable to compete successfully against current and future competitors, and competitive pressures could have a negative effect on our revenues, cash flows and profit margins. Although we believe that there is currently no other female condom sold in the world, other parties may seek to develop an intravaginal pouch which does not infringe our patents. These products, if developed, could be distributed by companies with greater financial resources and customer contacts than us. In addition, there are a number of other products currently marketed which have a higher degree of accepted efficacy for preventing pregnancy than does the female condom. These products include male condoms, birth control pills, Norplant and Depo Provera. However, other than the female condom, only the latex male condom is generally recognized as being efficacious in preventing unintended pregnancies and sexually transmitted diseases. Companies manufacturing these competing products are generally much larger than we are and have access to significantly greater resources than we do. In addition, the female condom is generally sold at prices comparatively greater than the price of the latex male condom. Accordingly, the female condom will not be able to compete with the latex male condom solely on the basis of price.

FUTURE SALES OF OUR COMMON STOCK IN THE PUBLIC MARKET MAY REDUCE THE STOCK'S TRADING PRICE.

A large number of our shares of common stock which are currently outstanding or which we may issue in the near future may be immediately resold in the public market. Sales of our common stock in the public market or the perception that sales may occur, could cause the market price of our common stock to decline even if our business is doing well. Virtually all of the 13,328,699 shares of our common stock and 660,000 shares of our convertible preferred stock outstanding as of September 7, 2000 may be immediately resold in the public market, although sales of our shares by our directors, executive officers or other persons who may control us may be subject to restrictions under Rule 144, including limitations on the number of shares that may be sold. We may also issue up to $6 million of common stock under our Equity Line Agreement with Kingsbridge. The shares of common stock which we may sell to Kingsbridge under the Equity Line Agreement will be available for immediate resale to the public because we have filed a registration statement with the Securities and Exchange Commission to register the resale by Kingsbridge of these shares. Further, as of

September 7, 2000, we have issued options and warrants to purchase 7,286,500 shares of common stock. We have filed or intend to file registration statements

under the Securities Act to register the sale of the shares underlying these options and warrants and, accordingly, any shares received upon exercise of these options or warrants will also be freely tradable, except for shares received by our directors, executive officers or other persons who may control us which are subject to the restrictions under Rule 144.

OUR STOCK PRICE HAS BEEN EXTREMELY VOLATILE AND, AS A RESULT, THE PRICE COULD BE DOWN AT A TIME WHEN YOU DESIRE TO SELL YOUR SHARES.

The market price of our common stock has been and may continue to be affected by quarter-to-quarter variations in our operating results, announcements by our competitors and other factors. In addition, the stock market has from time to time experienced extreme price and volume fluctuations, particularly among the stock of emerging growth companies, which have often been unrelated to the operating performance of particular companies. Factors not directly related to our performance, such as governmental regulation or negative industry reports, may also have a significant adverse impact on the market price of our common stock.

BECAUSE OUR COMMON STOCK IS A "PENNY STOCK," TRADING IN IT IS SUBJECT TO THE PENNY STOCK RULES WHICH COULD AFFECT YOUR ABILITY TO RESELL THE STOCK IN THE MARKET.

The Securities Enforcement and Penny Stock Reform Act of 1990 imposes restrictions when making trades in any stock such as our common stock which is defined as a "penny stock." The SEC's regulations generally define a penny stock as an equity security that has a price of less than $5.00 per share, other than securities which are traded on markets such as the New York Stock Exchange, the American Stock Exchange or the Nasdaq Stock Market. As a result of being a penny stock, the market liquidity for our common stock may be adversely affected since the regulations on penny stocks could limit the ability of broker-dealers to sell our common stock and thus your ability to sell our common stock in the secondary market. The regulations restricting trades in penny stock include:

- - a requirement that stock brokers deliver to their customers, prior to any transaction involving a penny stock, a disclosure schedule explaining the penny stock market and the risks associated with the penny stock market; and

- - a requirement that broker-dealers who recommend penny stocks to persons other than their established customers and a limited class of accredited investors must make a special written suitability determination for the purchaser and receive the purchaser's written agreement to the transaction prior to the sale of the securities.

AS A MANUFACTURER AND MARKETER OF A CONSUMER PRODUCT, WE COULD EXPERIENCE PRODUCT LIABILITY CLAIMS.

The nature of our product may expose us to significant product liability risks. We maintain product liability insurance with coverage limits of $5 million per year on the female condom. We can make no assurance that we will be able to maintain this insurance on acceptable terms or that the insurance will provide adequate coverage against product liability claims. While no product liability claims on the female condom have been brought against us to date, a successful product liability claim against us in excess of our insurance coverage could be extremely damaging to us.

SINCE WE SELL PRODUCT IN FOREIGN MARKETS, WE ARE SUBJECT TO FOREIGN CURRENCY AND OTHER INTERNATIONAL BUSINESS RISKS THAT COULD ADVERSELY AFFECT OUR OPERATING RESULTS.

We manufacture the female condom in a leased facility located in London, England. In addition, a material portion of our future sales are likely to be in foreign markets. Manufacturing costs and sales to foreign markets are subject to inherent risks and challenges that could adversely affect our revenues, cash flows and profit margins, including:

- - normal currency risks associated with changes in the exchange rate of foreign currencies relative to the United States dollar;

- - unexpected changes in international regulatory requirements and tariffs;

- - difficulties in staffing and managing foreign operations;

- - greater difficulty in accounts receivable collection;

- - political or economic changes, especially in developing nations; and

- - price controls and other restrictions on foreign currency.

To date, we have not used currency hedging strategies to manage our currency risks. On an ongoing basis, we will continue to evaluate our commercial transactions and will consider employing currency hedging strategies

if appropriate.

OUR PRODUCT IS SUBJECT TO SUBSTANTIAL GOVERNMENT REGULATION WHICH EXPOSES US TO RISKS THAT WE WILL BE FINED OR EXPOSED TO CIVIL OR CRIMINAL LIABILITY, RECEIVE NEGATIVE PUBLICITY OR BE PREVENTED FROM SELLING OUR PRODUCT.

The female condom is subject to regulation by the FDA under the Food, Drug and Cosmetic Act, and by other state and foreign regulatory agencies. Under the Food, Drug and Cosmetic Act, medical devices must receive FDA clearance before they can be sold. FDA regulations also require us to adhere to "Good Manufacturing Practices," which include testing, quality control and documentation procedures. Our compliance with applicable regulatory requirements is monitored through periodic inspections by the FDA and other foreign regulatory agencies. If we fail to comply with applicable regulations, we could:

- - be fined or exposed to civil or criminal liability;

- - face suspensions of clearances, seizures or recalls of products or operating restrictions;

- - receive negative publicity; or

- - be prevented from selling our product in the United States or in foreign markets.

OUR SHAREHOLDERS MAY BE PERSONALLY LIABLE FOR UP TO $.01 FOR EACH SHARE HELD IF WE FAIL TO REPAY OUR DEBTS TO OUR EMPLOYEES FOR UNPAID COMPENSATION.

Since we are a Wisconsin corporation, our shareholders may be personally liable for our debts to our employees for services performed. Wisconsin law limits the potential amount of our shareholders' liability to the par value of our shares, which is $.01 per share, for each share held. Potential liability is also limited to debts for a maximum of six months' services.

FORWARD-LOOKING STATEMENTS MAY PROVE TO BE INACCURATE

We have made forward-looking statements in this prospectus that are subject to risks and uncertainties. When we use the words "believes," "expects," "anticipates" or similar expressions, we are making forward-looking statements. Because many factors can materially affect results, including those listed under "Risk Factors," you should not regard our inclusion of forward-looking information as a representation by us or any other person that our objectives or plans will be achieved. Our assumptions relating to budgeting, research, sales, results and market penetration and other management decisions are subjective in many respects and thus are susceptible to interpretations and periodic revisions based on actual experience and business developments. The impact of any of these factors may cause us to alter our capital expenditures or other budgets, which may in turn affect our business, financial position, results of operations and cash flows. Therefore, you should not place undue reliance on forward-looking statements contained in this prospectus, which speak only as of the date of this prospectus. Factors that might cause actual results to differ from those anticipated in the forward-looking statements include, but are not limited to, those described in "Risk Factors."

USE OF PROCEEDS

The proceeds from the sale of the shares offered by this prospectus will be received directly by the selling stockholders. We will not receive any proceeds from the sale of the shares.

PRICE RANGE OF COMMON STOCK

Our common stock is currently quoted on the OTC Bulletin Board under the symbol "FHCO." As of September 7, 2000, there were approximately 452 holders of record of our common stock.

Prior to February 5, 1999, our common stock was listed on the American Stock Exchange. The following table lists the historical high and low sale prices of a share of our common stock on the American Stock Exchange for periods prior to February 5, 1999 and on the OTC Bulletin Board for periods on or after February 9, 1999:

<TABLE>
<CAPTION>

	COMMON STOCK SALE PRICE	
	HIGH	LOW
<S>	<C>	<C>

1998 Fiscal Year:		
Quarter ended:		
December 31, 1997	4-3/8	3
March 31, 1998	3-9/16	2
June 30, 1998	3-5/8	2-3/8
September 30, 1998	3-9/16	1-3/8
1999 Fiscal Year:		
Quarter ended:		
December 31, 1998	2	1-1/8
March 31, 1999	2-1/16	1-1/16
June 30, 1999	2	7/8
September 30, 1999	1-11/16	11/16
2000 Fiscal Year		
Quarter ended:		
December 31, 1999	1-19/32	25/32
March 31, 2000	1-1/4	3/4
June 30, 2000	1-3/32	1/2

</TABLE>

The sale price quotations above reflect inter-dealer prices, without retail mark-ups, mark-downs or commissions.

DIVIDEND POLICY

We have not paid a dividend on our common stock and do not anticipate paying any dividends in the foreseeable future.

DETERMINATION OF OFFERING PRICE

The common stock offered by this prospectus may be offered for sale by the selling stockholders from time to time in transactions on the OTC Bulletin Board, in negotiated transactions, or otherwise, or by a combination of these methods, at fixed prices which may be changed, at market prices at the time of sale, at prices related to market prices or at negotiated prices. As such, the offering price is indeterminate as of the date of this prospectus. See "Plan of Distribution."

CAPITALIZATION

The following table includes information regarding our unaudited short-term indebtedness and stockholders' equity as of June 30, 2000.

<TABLE>
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	JUNE 30, 2000 (UNAUDITED)
<S>	<C>
Short-term indebtedness:	
Notes payable, related party, net of unamortized discount.	$ 1,163,522
Convertible debentures, net of unamortized discount	1,358,911
Total short-term indebtedness.	2,522,433
Stockholders' equity:	
Class A Convertible Preferred Stock-Series 1, par value $.01 per Share, 5,000,000 shares authorized, 660,000 shares issued and outstanding as of June 30, 2000.	6,600
Common stock, par value $.01 per share, 22,000,000 shares authorized, 13,325,341 shares issued and outstanding as of June 30, 2000.	133,254
Additional paid-in capital	47,987,899
Unearned consulting fees	(76,360)
Accumulated other comprehensive income	91,964
Accumulated deficit.	(48,405,221)
Treasury stock, at cost.	(32,076)
Total stockholders' equity	$ (293,940)

</TABLE>

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to provide an analysis of our financial condition and results of operations and should be read in conjunction with our financial statements and the notes to our financial statements

contained elsewhere in this prospectus. The discussion also includes forward-looking statements. As indicated in "Forward-Looking Statements May Prove To Be Inaccurate," you should not place undue reliance on forward-looking statements.

OVERVIEW

Over the past few years, we have completed significant aspects of the development and commercialization of the female condom. These initiatives have resulted in our attainment of proprietary manufacturing technology and product design patents, necessary regulatory approvals, endorsements from various organizations within the world medical community and the development of significant manufacturing capacity. These steps, taken as part of our plan to develop and sell a product with global commercial and humanitarian value, have required the expenditure of significant amounts of capital and resulted in significant operating losses including the period 1996 through the present.

We have begun the process of developing the market for the female condom around the world. As part of this plan, we have entered into a number of distribution agreements and are pursuing other arrangements for the marketing and sale of the female condom. We believe that as the number of markets in which the female condom is sold increases, sales will grow and, if our sales increase significantly, we will become profitable. However, we can make no assurance that we will achieve profitability in the near term or at all.

RESULTS OF OPERATIONS

NINE MONTHS ENDED JUNE 30, 2000 COMPARED TO SIX MONTHS ENDED JUNE 30, 1999

We had net revenues of $3,923,425 and a net loss of $3,225,119 for the nine months ended June 30, 2000 compared to net revenues of $3,409,695 and a net loss of $3,143,280 for the nine months ended June 30, 1999.

Our operating loss for the nine months ended June 30, 2000 was $1,942,792 compared to $2,726,534 for the same period last year for a decrease of 29%. As discussed in more detail in the following paragraphs, the decrease in our net operating loss was a result of gross profit improvements and reductions in operating expenses principally from a decline in advertising and promotion expenses. Gross profit was $311,209 for the nine month period in 2000 versus a gross loss of $378,090 for the same 1999 period. The increase in the net loss resulted from an increase in non-operating interest expenses and amortization of debt issuance costs more than offsetting the reduced operating loss.

For the nine months ended June 30, 2000, sales increased $513,730, or 15%, compared with the same period last year. The higher net revenues occurred because of increased unit sales shipped to international customers.

Units shipped and orders in-house totaled 7.4 million units at June 30, 2000 compared to 4.9 million at June 30, 1999 for an increase of 51%. We expect significant quarter to quarter variation due to the timing of receipt of large orders, subsequent production scheduling, and shipping of products as various countries launch the product. We believe this variation between quarters will continue for several quarters to come until reorders form an increasing portion of total sales.

Cost of goods sold decreased $175,569, or 5%, to $3,612,216 for the nine months ended June 30, 2000 from $3,787,785 for the same period last year. The decrease occurred as a result of a larger portion of our total sales being comprised of international and global public sector business (68%) than during the same period in the prior year (46%). The costs of goods sold per unit for such customers' business is less expensive because of the efficiencies related to the production of the bulk sized product sold.

Advertising and promotional expenditures decreased $50,333, or 23%, to $169,000 for the nine months ended June 30, 2000 from $219,333 for the same period in the prior year. Advertising and promotion relates almost exclusively to the U.S. consumer market, and includes the costs of print advertising, trade and consumer promotions, product samples and other marketing costs. Through expenditures to date, we have established that the female condom is responsive to promotion; but due to our size, we do not possess the resources to conduct a significant marketing program. Accordingly, we are in discussions with potential partners for the U.S. that have the resources to conduct such a marketing program.

Selling, general and administrative expenses decreased $44,110, or 2%, to $2,085,001 in the current period from $2,129,111 for the same period last year. The decrease reflects a decrease in consulting and legal fees than incurred during the same period during the prior year.

Amortization of debt issuance costs increased $176,026 to $245,676 for the nine months ended June 30, 2000 from $69,650 for the same period in the prior year. The comparative increase is due to the amortization period of debt issuance costs which began at the time of the issuance of convertible debentures

in May and June 1999.

Net interest and non-operating expenses increased $692,519 to $937,561 for the current period from $245,042 for the same period the prior year. The increase exists because we had a higher level of debt outstanding during the current fiscal year than the same period last year as a result of the issuance of convertible debentures. The result is a larger amount of non-cash expenses incurred from the amortization of discounts on notes payable and convertible debentures than the first half of the prior year.

FISCAL YEAR ENDED SEPTEMBER 30, 1999 COMPARED TO FISCAL YEAR ENDED SEPTEMBER 30, 1998

We had net revenues of $4.7 million and a net loss attributable to common stockholders of $(3.9) million, or ($0.36) per share, in 1999 compared to net revenues of $5.5 million and a net loss attributable to common stockholders of $(4.3) million, or ($0.43) per share, in 1998.

Without a one-time $817,000 charge for dividend accretion in 1998, we would have experienced an increase in net loss principally related to an increase in non-operating expenses rather than the $0.4 million, or 10%, reduction in the net loss attributable to stockholders from $(4.3) million in 1998 to $(3.9) million in 1999. Net losses for both 1999 and 1998 are attributable to fixed manufacturing overhead and administrative costs associated with operating the manufacturing facility configured to support significantly greater volume levels.

Net revenues decreased $0.7 million, or 13%, in 1999 over the prior year. Declining sales in both the global public sector and city and state agencies within the United States accounted for all of the decrease. We believe the decrease reflects variation in the timing of receipt of significant public sector orders. This variation should decrease as more countries order and reorder the female condom. Net sales to commercial accounts increased as a result of the reinstatement of a major drug store chain and other promotional chain activity.

Our strategy is to act as a manufacturer supplying the public sector and commercial partners throughout the world. Our partners pay for all marketing and shipping costs. Consequently, as our sales volume increases, our operating expenses will not increase significantly.

In 1999, the cost of products sold of $4.6 million was 98% of net sales compared with 1998 cost of products sold of $5.3 million which was 97% of net sales. The reduction of cost of products sold was a result of lower sales volume, offset, in part, by the effect of the sale in 1998 of product which had been written down as of September 30, 1997, reflecting management's estimate of product not expected to be sold prior to its expiration date. In 1998, we were able to sell the product because of the FDA's decision to extend the approved useful life of the female condom to five years from three years. As a result, 1998 cost of products sold was $0.9 million lower than it would have been had we not sold product previously written down. Our manufacturing facility in the United Kingdom utilized approximately 11% of its capacity in 1999 compared with approximately 12% of its capacity in 1998.

Advertising and promotion expenditures decreased 42% to $0.3 million in 1999 compared to $0.4 million in 1998. Advertising and promotion relates exclusively to the US market and includes the costs of print advertising, trade and consumer promotions, product samples and other marketing costs incurred to increase consumer awareness and purchases of the female condom. Through expenditures since the product launch, we have established that demand for the female condom is responsive to promotion; but due to our size, we do not possess the resources to conduct a significant consumer marketing program. Accordingly we are seeking potential partners for the United States that have the resources to conduct a marketing program for the female condom.

Selling, general and administrative expenses were $2.9 million in each of 1999 and 1998. As a percentage of net revenues, selling, general and administrative expenses were 61% in 1999 compared with 53% in 1998. The increase as a percentage of net revenues was due to the decline in net revenues in 1999 as compared to 1998. Selling, general and administrative expenses did not proportionately decline with the decline in net revenues because the reduction in compensation expenses was offset by higher costs from consulting, investor relations, sales and legal.

Net interest and non-operating expenses for 1999 increased $0.5 million, or 251%, to $0.7 million from $0.2 million in 1998. As a result of our higher levels of debt in 1999, principally due to the issuance of convertible debentures and two notes payable, we experienced an increase in interest expenses.

We were able to cover fixed manufacturing overhead costs and reached above the break-even at the gross profit level. However, based on the current average selling price per unit, we must achieve cumulative annual unit sales of

approximately 22 million female condoms, or 37% of manufacturing capacity, to cover operating and non-operating expenses. Non-operating expense includes interest and non-cash charges reflecting discounts on warrants and convertible debentures related to financing. We anticipate that non-operating expense will decrease as unit sales volume increases, fixed overhead costs are covered and our need for funding decreases. Excluding non-operating expense relating to our funding requirements, we believe our cash flows would achieve a break-even level at approximately 15.9 million units.

LIQUIDITY AND SOURCES OF CAPITAL

Historically, we have had significant operating losses. Cash used in operations was $0.8 million for the first nine months of fiscal 2000 and $2.8 million for fiscal 1999. Historically, we have funded operating losses and capital requirements, in large part, through the sale of common stock or debt securities convertible into common stock.

During fiscal 1999, we received the following from financing activities:

- - approximately $1.3 million in proceeds from newly-issued notes payable;

- - $1.5 million, net of transaction costs, from the sale of convertible debentures and warrants;

- - $1.0 million from the issuance of common stock; and

- - $0.1 million from the issuance of common stock upon exercise of options.

We used these amounts to fund our current operations and to repay existing liabilities.

In the near term, we expect operating losses and capital requirements to continue to exceed funds generated from operations due principally to our fixed manufacturing costs relative to current production volumes and the ongoing need to commercialize the female condom around the world. We estimate that our cash burn rate is approximately $0.1 million per month.

On September 29, 1997, we entered into an agreement with Vector Securities International, Inc., an investment banking firm specializing in providing advice to healthcare and life-science companies. Under this agreement, Vector has acted as our exclusive financial advisor for the purposes of identifying and evaluating opportunities available to us for increasing shareholder value. We are discussing with Vector the extension of these arrangements. These opportunities may include selling all or a portion of our business, assets or stock or entering into one or more distribution arrangements relating to our product. We can make no assurance that any opportunities will be available to us or, if any opportunities are available, that we will ultimately elect or be able to complete a transaction.

On May 19, 1999 and June 3, 1999, we issued a total of $1.5 million of convertible debentures and warrants to purchase 1,875,000 shares of our common stock to five accredited investors. The convertible debentures were originally due one year after issuance. However, we have elected under the terms of the convertible debentures to extend the due date to two years after issuance. In connection with this extension, we issued to the investors additional warrants to purchase a total of 375,000 shares of common stock upon the same terms as the other warrants.

On November 19, 1998, we executed an equity line agreement with Kingsbridge Capital Limited, a private investor. This agreement gives us the right, subject to the conditions described below, to sell to Kingsbridge up to $6.0 million of our common stock. The agreement expires on February 12, 2001. The agreement provides for minimum and maximum stock sales ranging from $100,000 to $1,000,000 depending on our stock price and trading volume. Stock sales cannot occur more frequently than every 20 trading days. Any stock sold by us to Kingsbridge under the agreement will be sold at a discount to the stock's then trading price as provided in the agreement. The discount is 12% from the then current average market price of our common stock if the average market price is at least $2 and 18% from the then current average market price if the average market price is less than $2. In addition, we are required to pay our placement agent sales commissions in common stock or cash, at the placement agent's option, equal to 7% of the funds we raise under the agreement and issue warrants to the placement agent to purchase shares of common stock at an exercise price of $2.17 per share, equal to 10% of the shares of common stock we sell under the agreement. We also issued to Kingsbridge a warrant to purchase 200,000 shares of our common stock at $2.17 per share.

We are required to sell at least $1 million of common stock to Kingsbridge during the term of the agreement. If we do not sell the minimum amount of common stock, we will be required to pay Kingsbridge a 12% fee on that portion of the $1 million minimum not sold during the term of the agreement. As of the date of this prospectus, we have completed four sales to Kingsbridge of a total of 680,057 shares of our common stock for the combined cash proceeds of

$582,000. Each sale was made while our common stock price was below $2.00 per share and, therefore, the common stock was sold at the 18% discount. The timing and amount of the stock sales under the agreement are totally at our discretion, subject to our compliance with each of the following conditions at the time we request a stock sale under the agreement:

- - the registration statement we filed with the SEC for resales of stock by Kingsbridge must remain in effect;

- - all of our representations and warranties in the agreement must be accurate and we must have complied with all of our obligations in agreement;

- - there may not be any injunction, legal proceeding or law prohibiting our sale of the stock to Kingsbridge;

- - the sale must not cause Kingsbridge's ownership our common stock to exceed 9.9% of the outstanding shares of our common stock;

- - the trading price of our common stock over a five trading day preceding the date of the sale must equal or exceed $1.00 per share; and

- - the average daily trading volume of our common stock for a 20 trading day period preceding the date of the sale must equal or exceed 17,000 shares.

The trading price of our common stock was below $1.00 per share as of June 30, 2000. Although Kingsbridge waived the condition relating to the trading price of our common stock for the fourth sale completed during the quarter ended June 30, 2000, we can make no assurance that Kingsbridge will waive this condition or any other condition under the equity line agreement if we cannot satisfy such conditions to use the equity line agreement if needed in the future.

We have a $1 million note due March 25, 2001 and a $250,000 note payable due February 12, 2001 to Mr. Stephen Dearholt, one of our directors. We also have a $50,000 note payable due February 18, 2001 to Mr. O.B. Parrish, our Chairman of the Board and Chief Executive Officer.

On June 14, 2000, we sold 500,000 shares of common stock to two investors, including 400,000 shares to a trust for the benefit of one of Mr. Dearholt's children, at a price of $0.50 per share, representing a discount of 6% of the market price of our common stock on that date.

We estimate that we may need up to $1.3 million before the end of calendar year 2000 to fund our anticipated cash needs for working capital, capital expenditures and debt obligations, depending on the level of sales of the female condom. However, at this stage in our development, the amount and timing of our future capital requirements cannot be precisely determined. Many of the factors affecting our capital requirements, including new market launches by our international partners and sales orders from existing customers, are outside of our control. While the we believe that our existing capital resources, including expected proceeds from sales of common stock under our agreement with Kingsbridge if we are able to satisfy the conditions for its use, will be adequate to fund our currently anticipated capital needs, if they are not, we may need to raise additional capital until our sales increase sufficiently to cover operating expenses. In addition, we may not be able to satisfy the conditions required to sell stock under our agreement with Kingsbridge when needed. For example, between May 16, 2000 and September 7, 2000, our common stock trading price closed below $1 per share on all 77 trading days.

Until internally generated funds are sufficient to meet cash requirements, we will remain dependent upon our ability to generate sufficient capital from outside sources. While we believe that revenue from sales of the female condom will eventually exceed operating costs and that ultimately operations will generate sufficient funds to meet capital requirements, we can make no assurance that we will achieve positive cash flows from our operations in the near term, or ever. We also can make no assurance that we will be able to source all or any portion of our required capital through the sale of debt or equity or, if raised, the amount will be sufficient to fund our operations until sales of the female condom generate sufficient revenues to fund operations. Any funds raised may be costly to us and/or dilutive to stockholders. We may also find it difficult to raise funds from any debt financing because our existing creditors hold a first security interest in all of our assets. If the we are not able to source the required funds or any future capital which becomes required, we may be forced to sell assets or rights or cease operations.

BUSINESS

GENERAL

We manufacture, market and sell the female condom around the world. The female condom is the only product under a woman's control which can prevent

unintended pregnancy and sexually transmitted diseases ("STDs"), including HIV/AIDS.

The female condom has undergone extensive testing for efficacy, safety and acceptability, not only in the United States but also in over 40 additional countries. Several of the studies show that having the female condom available increases protected sex acts and decreases the incidence of STDs.

The product is currently sold or available in various venues including the commercial sector and public sector clinics in over 75 countries. It is commercially marketed directly by us in the United States and the United Kingdom and through marketing partners in 15 countries, including Canada, Japan and France. We are currently in discussions with potential distributors for certain European countries, India, The People's Republic of China and other countries.

As noted above, the female condom is sold to the global public sector. In the U.S., the product is marketed to city and state public health clinics as well as not-for-profit organizations such as Planned Parenthood. Following several years of testing the efficacy and acceptability of the female condom, in 1996, we entered into a three-year agreement with the Joint United Nations Programme on AIDS ("UNAIDS"), which has subsequently been extended. Under this agreement, UNAIDS facilitates the availability and distribution of the female condom in the developing world and we sell the product to developing countries at a reduced price. The current price is 38 pence sterling, or approximately $0.58 per unit. Under this agreement, the product is currently available in 51 countries, including Zambia, Zimbabwe, Tanzania, Brazil, Uganda, South Africa and Haiti. We anticipate multiple launches will occur during the next two years under this agreement, including launches in Kenya, Nigeria, Ghana, Cambodia, Bangladesh, Columbia and Central American countries.

PRODUCT

The female condom is made of polyurethane, a thin but strong material which is resistant to rips and tears during use. The female condom consists of a soft, loose fitting sheath and two flexible rings. One of the rings is used to insert the device and hold it in place. The other ring remains outside the vagina after insertion. The female condom lines the vagina, preventing skin from touching skin during intercourse. The female condom is prelubricated and disposable and is intended for use during only one sex act.

MALE CONDOM MARKET

It is estimated the global annual market for male condoms is 5.4 billion units. The major segments are in the global public sector, the U.S., Japan, India and China.

GLOBAL MARKET POTENTIAL

The World Health Organization ("WHO") estimates there are more than 300 million new cases of STDs worldwide each year, excluding HIV, and most of those diseases are more easily transmitted to women than to men. UNAIDS estimates that there are currently approximately 34 million people worldwide who are infected with HIV/AIDS and there are approximately 16,000 people per day who are newly infected. In the United States, the Center for Disease Control noted that in 1995, five of the ten most frequently reported diseases were STDs. The Center also has noted that one in five Americans over the age of 12 has Herpes and one in every three sexually active people will get an STD by age 24. Women are currently the fastest growing group infected with HIV and are expected to comprise the majority of new cases by the coming year.

Currently, there are only two products that prevent the transmission of HIV/AIDS through sexual intercourse-the latex male condom and the female condom.

We are currently in discussion with WHO and UNAIDS regarding the role the female condom will play as part of the International Partnership Against Aids in Africa. The partnership is a coalition of African governments, the United Nations, donors and the private and community sectors. Its mission is over the next decade to help reduce the number of new HIV infections in Africa, promote care of HIV positive persons and to mobilize society to halt the advance of AIDS.

ADVANTAGES VERSUS THE MALE CONDOM

The female condom is currently the only available barrier contraceptive method controlled by women which allows them to protect themselves against unintended pregnancy and STDs, including HIV/AIDS. The most important advantage is that a woman can control whether or not she is protected as many men do not like to wear male condoms and may refuse to do so.

The polyurethane material that is used for the female condom offers a number of benefits over latex, the material that is most commonly used in male condoms. Polyurethane is 40% stronger than latex, reducing the probability that the female condom sheath will tear during use. Clinical studies and everyday

use have shown that latex male condoms can tear as much as 4% to 8% of the times they are used. Unlike latex, polyurethane quickly transfers heat, so the female condom immediately warms to body temperature when it is inserted, which may result in increased pleasure and sensation during use. The product offers an additional benefit to the 7% to 20% of the population that is allergic to latex and who, as a result, may be irritated by latex male condoms. To our knowledge, there is no reported allergy to date to polyurethane. The female condom is also more convenient, providing the option of insertion hours before sexual arousal and as a result is less disruptive during sexual intimacy than the male condom which requires sexual arousal for application.

COST EFFECTIVENESS

Over the past two years several studies have been completed which show that providing the female condom in public clinics in both the United States and countries in the developing world, is at a minimum cost effective and usually cost saving. This is important information for governments to have in determining where their public health dollars are allocated. These studies have been or are about to be published and also presented at various scientific meetings around the world.

WORLDWIDE REGULATORY APPROVALS

The female condom received PMA approval as a Class III Medical Device from the FDA in 1993. The extensive clinical testing and scientific data required for FDA approval laid the foundation for approvals throughout the rest of the world, including receipt of a CE Mark in 1997 which allows us to market the female condom throughout the European Union. In addition to the United States and the European Union, several other countries have approved the female condom for sale, including Canada, Japan, Russia, Australia, South Korea and Taiwan.

We believe that, in addition to its patent coverage, the female condom's PMA approval and FDA classification as a Class III Medical Device create a significant barrier to entry in the U.S. We estimate that it would take a minimum of four to six years to implement, execute and receive FDA approval or a PMA to market another type of female condom.

We believe there are no material issues or material costs associated with our compliance with environmental laws related to the manufacture and distribution of the female condom.

STRATEGY

Our strategy is to act as a manufacturer, selling the female condom to the global public sector, United States public sector and commercial partners for country-specific marketing. The public sector and commercial partners assume the cost of shipping and marketing the product. As a result, as volume increases, our operating expenses will not increase significantly.

COMMERCIAL MARKETS

We market the product directly in the United States and United Kingdom. We have commercial partners which have launched the product in 15 countries, including Canada, Japan and France. The most recent launch was in Japan on April 25, 2000 by our partner, Taiho Pharmaceuticals. To date, the launch and results are proceeding as planned. We also recently entered into an exclusive distribution agreement appointing Mayer Laboratories, Inc. as our exclusive distributor to the commercial market in the United States.

RELATIONSHIPS AND AGREEMENTS WITH PUBLIC SECTOR ORGANIZATIONS

Currently, it is estimated that more than 1.7 billion male condoms are distributed worldwide by the public sector each year. The female condom is seen as an important addition to prevention strategies by the public sector because studies show that making the female condom available decreases the amount of unprotected sex by as much as one-third over offering only a male condom.

We have an agreement with UNAIDS to supply the female condom to developing countries at a reduced price which is negotiated each year based on our cost of production. The current price per unit is approximately 0.38 pounds, or $0.58.

In the United States, the product is marketed to city and state public health clinics, as well as not-for-profit organizations such as Planned Parenthood. Currently, 10 major cities and 15 state governments, including the states of New York, Pennsylvania, Florida, Mississippi, California, Louisiana, Maryland, New Jersey, South Carolina and Illinois, and the cities of Chicago, Philadelphia, New York and Houston, have purchased the product for distribution with a number of others expressing interest. All major cities and states have re-ordered product since their initial shipments.

STATE-OF-ART MANUFACTURING FACILITY

We manufacture the female condom in a 40,000 square foot leased facility in

London, England. The facility is currently capable of producing 60 million units per year. With additional equipment, this capacity can be significantly increased.

GOVERNMENT REGULATION

In the U.S., the female condom is regulated by the FDA. Section 515(a)(3) of the Safe Medical Amendments Act of 1990 authorizes the FDA to temporarily suspend approval and initiate withdrawal of the PMA if the FDA finds that the female condom is unsafe or ineffective, or on the basis of new information with respect to the device, which, when evaluated together with information available at the time of approval, indicates a lack of reasonable assurance that the device is safe or effective under the condition of use prescribed, recommended or suggested in the labeling. Failure to comply with the conditions of FDA approval invalidates the approval order. Commercial distribution of a device that is not in compliance with these conditions is a violation of the Safe Medical Amendments Act of 1990.

COMPETITION

The female condom competes in part with male condoms. Latex male condoms cost less and have brand names that are more widely recognized than the female condom. In addition, male condoms are generally manufactured and marketed by companies with significantly greater financial resources than we. It is also possible that other parties may develop a female condom. Competing products could be manufactured, marketed and sold by companies with significantly greater financial resources than we have.

EMPLOYEES

As of September 7, 2000, we had 71 full-time employees within the U.S. and the U.K. and one part-time employee. None of our employees are represented by a labor union. We believe that our employee relations are good.

BACKLOG

At September 7, 2000, we had unfilled orders of $1.0 million. The comparable amount as of the same date of the prior year was $1.1 million. All of these unfilled orders are expected to be filled during fiscal 2000. The unfilled orders are a result of requested shipping dates from our customers rather than delays in manufacturing.

PATENTS AND TRADEMARKS

We currently hold product and technology patents in the United States, Japan, the United Kingdom, France, Italy, Germany, Spain, the European Patent Convention, Canada, The People's Republic of China, New Zealand, Singapore, Hong Kong and Australia. These patents expire between 2005 and 2113. Additional product and technology patents are pending in Brazil, South Korea, Germany and several other countries. The patents cover the key aspects of the female condom, including its overall design and manufacturing process. We license the trademark "Reality" in the United States and have trademarks on the names "femidom" and "femy" in a number of foreign countries. We have also secured, or applied for, 27 trademarks in 14 countries to protect the various names and symbols used in marketing the product around the world. In addition, the experience that has been gained through years of manufacturing the female condom has allowed us to develop trade secrets and know-how, including proprietary production technologies, that further secure our competitive position.

RESEARCH AND DEVELOPMENT

We had research and development costs from continuing operations of $67,429 for nine months ended June 30, 2000, $122,196 in fiscal 1999 and $2,500 in fiscal 1998. These expenditures were primarily related to conducting acceptability studies and analyzing second generation products.

INDUSTRY SEGMENTS AND FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS

See Note 10 to Notes to Consolidated Financial Statements, included elsewhere in this prospectus.

HISTORY

The female condom was invented by a Danish physician who obtained a U.S. patent for the product in 1988. The physician subsequently sold rights to the condom to Chartex Resources Limited. In the years that followed, Chartex, with resources provided by a nonprofit Danish foundation, developed the manufacturing processes and completed other activities associated with bringing the female condom to market in a number of non-U.S. countries. Wisconsin Pharmacal Company, Inc., which then had a license from Chartex to the female condom in the U.S., Canada and Mexico, pursued the pre-clinical and clinical studies and overall development of the product for worldwide use and U.S. FDA approval of

the product.

We are the successor to Wisconsin Pharmacal Company, Inc., a company which previously manufactured and marketed a wide variety of disparate specialty chemical and branded consumer products in addition to licensing rights to the female condom described above.

In fiscal 1995, our Board of Directors approved a plan to complete a series of actions designed, in part, to maximize the potential of the female condom. First, we restructured and transferred all of our assets and liabilities, other than those related primarily to the female condom, to a newly-formed, wholly-owned subsidiary, WPC Holdings, Inc. In January 1996, we sold WPC Holdings to an unrelated third party. Then, in February 1996, we acquired Chartex, renamed The Female Health Company - UK in 1997, the manufacturer and owner of worldwide rights to, and our then sole supplier of, the female condom. As a result of the sale of WPC Holdings and the acquisition of Chartex, we evolved to our current state with our sole business consisting of the manufacture, marketing and sale of the female condom.

The FDA approved the female condom for distribution in 1993 and our manufacturing facility in 1994. Since that time, we have sold over 34 million female condoms around the world.

PROPERTIES

We lease approximately 4,500 square feet of office space at 875 North Michigan Avenue, Suite 3660, Chicago, Illinois 60611 under a lease that expires in 2001. We also lease approximately 1,900 square feet for corporate offices at 919 North Michigan Avenue, Suite 2208, Chicago, Illinois 60611 under a lease that expires January 31, 2001. However, we have subleased these premises to a third party. We utilize warehouse space and sales fulfillment services of an independent public warehouse located near Minneapolis, Minnesota, for storage and distribution of the female condom. We manufacture the female condom in a 40,000 square foot leased facility located in London, England under a lease that expires in 2015. The FDA-approved manufacturing process is subject to periodic inspections by the FDA as well as the European Union quality group. Current capacity at the manufacturing facility is approximately 60 million female condoms per year. We believe the properties are adequately insured.

LEGAL PROCEEDINGS

We are not currently involved in any material pending legal proceedings.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We file reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy any reports, proxy statements or other information we file at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. or at the SEC's public reference rooms in Los Angeles, California, New York, New York and Chicago, Illinois. You can obtain information concerning the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. In addition, we have filed the registration statement of which this prospectus is a part and other filings with the SEC through its Electronic Data Gathering, Analysis and Retrieval system, and our filings are publicly available through the SEC's site on the World Wide Web on the Internet located at www.sec.gov.

This prospectus does not contain all of the information in the registration statement of which this prospectus is a part and which we have filed with the SEC. For further information about us and the securities offered by this prospectus, you should review the registration statement, including the exhibits filed as a part of the registration statement, at the public reference rooms. We may update information about us by filing appendices or supplements to this prospectus.

MANAGEMENT

DIRECTORS AND EXECUTIVE OFFICERS

Our directors and executive officers are as follows:

<TABLE>
<CAPTION>

NAME	TITLE	AGE
<S>	<C>	<C>
O.B. Parrish	Chairman of the Board, Chief Executive Officer and Director	67
Mary Ann Leeper, Ph.D	President, Chief Operating Officer and Director Vice President-Sales	60
Jack Weissman	Vice President, Director and General Manager of The Female Health Company (UK) Plc.	52

Michael Pope	Vice President-International Affairs	43
Mitchell Warren	Director of Finance and Administration	34
Robert R. Zic	Secretary and Director	37
William R. Gargiulo, Jr.	Director	72
David R. Bethune	Director	59
Stephen M. Dearholt	Director	53
Michael R. Walton	Director	62
James R. Kerber	Director	68

</TABLE>

Mr. Parrish has served as our Chief Executive Officer since 1994, and as our Chairman of the Board and a Director since 1987. Mr. Parish also served as our acting Chief Financial Officer and Accounting Officer from February 1996 to March 1999. Mr. Parrish is a shareholder and has served as the President and as a Director of Phoenix Health Care of Illinois, Inc. since 1987. Phoenix Health Care of Illinois owns 295,501 shares of our common stock. Mr. Parrish also was the Co-Chairman and a Director of Inhalon Pharmaceuticals, Inc. until its sale to Medeva Plc, and is Chairman and a Director of ViatiCare Financial Services, LLC, a financial services company, Chairman and a Director of MIICRO Inc., a neuroimmaging company, and a Director of Amerimmune Pharmaceuticals, Inc. Mr. Parrish is also a trustee of Lawrence University. From 1977 until 1986, Mr. Parrish was the President of the Global Pharmaceutical Group of G.D. Searle & Co., a pharmaceutical/consumer products company. From 1974 until 1977, Mr. Parrish was the President of Searle International, the foreign sales operation of Searle. Prior to that, Mr. Parrish was Executive Vice President of Pfizer's International Division.

Dr. Leeper has served as our President and Chief Operating Officer since 1996, as a Director since 1987, as President and Chief Executive Officer of The Female Health Company division from May 1994 until January 1996 (when the division was consolidated with The Female Health Company), and as our Senior Vice President - Development from 1989 until January 1996. Dr. Leeper is a shareholder and has served as a Vice President and Director of Phoenix Health Care of Illinois since 1987. From 1981 until 1986, Dr. Leeper served as Vice President - Market Development for Searle's Pharmaceutical Group and in various Searle research and development management positions. As Vice President - Market Development, Dr. Leeper was responsible for worldwide licensing and acquisition, marketing and market research. In earlier positions, she was responsible for preparation of new drug applications and was a liaison with the

FDA. Dr. Leeper currently serves on the Board of Directors of the Temple University School of Pharmacy and on the Board of Directors of the Northwestern University School of Music. She is on the Board of CEDPA, an international not-for-profit organization working on women's issues in the developing world. Dr. Leeper is also a director of Influx, Inc., a pharmaceutical research company.

Mr. Weissman has served as our Vice President - Sales since June 1995. From 1992 until 1994, Mr. Weissman was Vice President - Sales for Capital Spouts, Inc., a manufacturer of pouring spouts for gable paper cartons. During the period from 1989 to 1992, Mr. Weissman acted as General Manager - HTV Group, an investment group involved in the development of retail stores. Mr. Weissman joined Searle's consumer products group in 1979 and held positions of increasing responsibility, including National Account Manager and Military Sales Manager. From 1985 to 1989, Mr. Weissman was Account Manager - Retail Business Development, for the NutraSweet Company, a Searle subsidiary. Prior to Searle, Mr. Weissman worked in the consumer field as Account Manager and Territory Manager for Norfolk Thayer and Whitehall Laboratories.

Mr. Pope has served as our Vice President since 1996 and as Director and General Manager of The Female Health Company (UK) Plc, formerly Chartex International, Plc, since our 1996 acquisition of Chartex. Mr. Pope has also served as a Director of The Female Health Company, Ltd., formerly Chartex Resources Limited, since 1995. From 1990 until 1996, Mr. Pope was Director of Technical Operations for Chartex which included responsibility for manufacturing, engineering, process development and quality assurance. Mr. Pope was responsible for the development of the high speed proprietary manufacturing technology for the female condom and securing the necessary approvals of the manufacturing process by regulatory organizations, including the FDA. Mr. Pope was also instrumental in developing and securing Chartex's relationship with its Japanese marketing partner. Prior to joining Chartex, from 1986 to 1990, Mr. Pope was Production Manager and Technical Manager for Franklin Medical, a manufacturer of disposable medical devices. During the period from 1982 to 1986, Mr. Pope was Site Manager, Engineering and Production Manager, Development Manager and Silicon Manager for Warne Surgical Products.

Mr. Warren has served as our Vice President - International Affairs since February 2000 and as our Director of International Affairs from January 1999 to February 2000. From 1993 to 1998, Mr. Warren was employed by Population Services International (PSI), an international social marketing and communications organization, first as Executive Director of PSI/South Africa and then of PSI/Europe. From 1989 to 1993, Mr. Warren was Program Director of Medical Education for South African Blacks.

Mr. Zic has served as our Director of Finance and Administration since March 1999. From 1998 to 1999, Mr. Zic held the dual positions of Acting Controller and Acting Chief Financial Officer at Ladbroke's Pacific Racing Association. From 1995 to 1998, Mr. Zic served as the Chief Accounting Manager and Assistant Controller at Argonaut Insurance Company. In this capacity, he was responsible for the financial and accounting operations at Argonaut's ten divisions and the external and internal financial reporting of Argonaut and its four subsidiaries. From 1990 to 1994, Mr. Zic was the Assistant Controller of CalFarm Insurance Company, where he was responsible for the company's external financial reporting duties. Mr. Zic's career began in 1986 as an auditor with Arthur Andersen & Co.

Mr. Gargiulo has served as a Director since 1987, as our Secretary since 1996, as our Vice President from 1996 to September 30, 1998, as our Assistant Secretary from 1989 to 1996, as Vice President International of The Female Health Company Division from 1994 until 1996, as our Chief Operating Officer from 1989 to 1994, and as our General Manager from 1988 to 1994. Mr. Gargiulo is a Trustee of a trust which is a shareholder of Phoenix Health Care of Illinois. From 1984 until 1986, Mr. Gargiulo was the Executive Vice President of the Pharmaceutical Group of G.D. Searle & Co., in charge of Searle's European operations. From 1976 until 1984, Mr. Gargiulo was the Vice President of Searle's Latin American operations.

Mr. Bethune has served as a Director since January 1996. Mr. Bethune has been Chairman and Chief Executive Officer of Atrix Laboratories since 1999. From 1997 to 1998, Mr. Bethune held the position of President and Chief Operating Officer of the IVAX Corporation. From 1996 to 1997, Mr. Bethune was a consultant to the pharmaceutical industry. From 1995 to 1996, Mr. Bethune was President and Chief Executive Officer of Aesgen, Inc., a generic pharmaceutical company. From 1992 to 1995, Mr. Bethune was Group Vice President of American Cyanamid Company and a member of its Executive Committee until the sale of the company to American Home Products. He had global executive authority for human biologicals, consumer health products, pharmaceuticals and opthalmics, as well as medical

research. Mr. Bethune is on the Board of Directors of the Southern Research Institute, Atrix Pharmaceuticals and the American Foundation for Pharmaceutical Education, Partnership for Prevention. He is a founding trustee of the American Cancer Society Foundation and an associate member of the National Wholesale Druggists' Association and the National Association of Chain Drug Stores. He is the founding chairman of the Corporate Council of the Children's Health Fund in New York City and served on the Arthritis Foundation Corporate Advisory Council.

Mr. Dearholt has served as a Director since April 1996. Mr. Dearholt is a co-founder of and has been a partner in Response Marketing, one of the largest privately owned life insurance marketing organizations in the United States, since 1972. He has over 23 years of experience in direct response advertising and database marketing of niche products. Since 1985, he has been a 50% owner of R.T. of Milwaukee, a private investment holding company which operates a stock brokerage business in Milwaukee, Wisconsin. In late 1995, Mr. Dearholt arranged, on very short notice, a $1 million bridge loan which assisted us in our purchase of Chartex. Mr. Dearholt is also very active in the nonprofit sector. He is currently on the Board of Directors of Children's Hospital Foundation of Wisconsin, an honorary board member of the Zoological Society of Milwaukee, and the national Advisory Council of the Hazelden Foundation. He is a past board member of Planned Parenthood Association of Wisconsin, and past Chairman of the Board of the New Day Club, Inc.

Mr. Walton has served as a Director since April 1999. Mr. Walton is President and owner of Sheboygan County Broadcasting Co., Inc., a company he founded in 1972. In addition to its financial assets, Sheboygan County Broadcasting Co. currently owns four radio stations. The company has focused on start-up situations, and growing value in underperforming, and undervalued business situations. It has purchased and sold properties in Wisconsin, Illinois and Michigan. Prior to 1972, Mr. Walton was owner and President of Walton Co., an advertising representative firm which he founded in New York City. He has held sales and management positions with Forbes Magazine, The Chicago Sun Times and Gorman Publishing Co., a trade magazine publisher specializing in new magazines which was subsequently sold to a large international publishing concern. Mr. Walton has served on the Boards of the American Red Cross, the Salvation Army and the Chamber of Commerce.

Mr. Kerber has served as a Director since April 1999. Mr. Kerber has been a business consultant to the insurance industry since January 1996. He has over 40 years of experience in operating insurance companies, predominantly those associated with life and health. From October 1994 until January 1996, he was

Chairman, President, Chief Executive Officer and director of the 22 life and health insurance companies which comprise the ICH Group. In 1990, Mr. Kerber was founding partner in the Life Partners Group where he was Senior Executive Vice President and a director. Prior to that, he was involved with operating and consolidating over 200 life and health companies for ICH Corporation, HCA Corporation and US Life Corporation.

Our Board of Directors has an Audit Committee. The Board's Audit Committee is comprised of Messrs. Bethune, Dearholt and Kerber. The responsibilities of the Audit Committee, in addition to other duties which may be specified by the Board of Directors, include the following:

- - recommendation to the Board of Directors of independent auditors;

- - review of the timing, scope and results of the independent auditors' audit examination;

- - review of periodic comments and recommendations by the auditors and of our response to the auditors' periodic comments and recommendations; and

- - review of the scope and adequacy of internal accounting controls.

The Audit Committee met two times during the fiscal year ended September 30, 1999.

Our Board of Directors met 20 times during the fiscal year ended September 30, 1999.

The Board of Directors approves grants of options under the 1989, 1990 and 1994 Stock Option Plans. Any employee who is a member of the Board abstains from voting on grants of options to him or her. Outside directors receive one-time automatic grants of options under the Outside Director Stock Option Plan.

There is no standing nominating or similar committee of the Board of Directors.

Directors who are not also our employees receive a one-time grant of options to purchase 30,000 shares of our common stock upon their initial election to the Board of Directors. The options are granted at an exercise price equal to the last sale price of our common stock on the date of grant. We also pay each outside director $1,000 for each meeting of the Board of Directors attended by the director (excluding telephonic meetings) and reimburse the outside director for his expenses in attending the meeting.

All directors serve until the next annual meeting of our shareholders and until his or her successor has been elected or until his or her prior death, resignation or removal. Each executive officer holds office until his or her successor has been appointed or until his or her prior death, resignation or removal.

EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

The table below gives information regarding all annual, long-term and other compensation paid by us to each of our executive officers whose total annual salary and bonus exceeded $100,000 for services rendered during any of the years indicated below. The individuals listed in this table are referred to elsewhere in this prospectus as the "named executive officers."

<TABLE>
<CAPTION>

		ANNUAL COMPENSATION		LONG-TERM COMPENSATION AWARDS	
NAME AND PRINCIPAL POSITION	FISCAL YEAR	SALARY ($)		RESTRICTED STOCK AWARDS(1) ($)	SECURITIES UNDERLYING OPTIONS/SARS (#)
<S>	<C>	<C>		<C>	<C>
O.B. Parrish . . . . . Chairman and . . . . Chief Executive. . . Officer	1999	90,000		--	200,000
	1998	90,000		117,955(2)	204,000
	1997	90,000		--	164,000(3)
Mary Ann Leeper, Ph.D. President and. . . . Chief Operating. . . Officer	1999	225,000		--	500,000
	1998	225,000		84,210(2)	290,000
	1997	225,000		--	200,000(3)

<FN>

(1) Represents fair market value of restricted common stock on the date of

grant based on the $2.88 closing price of our common stock on the date of grant.

(2) At September 30, 1998, the named executive officer owned 25,000 shares of restricted common stock, having a fair market value of $71,875 on that date, based on the closing price of our common stock on that date, and a fair market value of $40,625 on September 30, 1999, based on the closing price of our common stock on that date. For Mr. Parrish, also includes his pro rata portion of 25,000 shares of restricted stock granted to Phoenix Health Care of Illinois, based on his 64% ownership of Phoenix Health Care of Illinois. For Dr. Leeper, also includes her pro rata portion of the restricted stock based on her approximately 16.7% ownership of Phoenix Health Care of Illinois. All of these shares were granted on May 5, 1998 and vested in full on the first anniversary of the grant date. The owner is entitled to receive any dividends declared on these shares of restricted stock.

(3) Includes 164,000 and 200,000 options for Mr. Parrish and Dr. Leeper, respectively, which were granted in 1995 and 1996 fiscal years but repriced in 1997.
</TABLE>

OPTION GRANTS DURING LAST FISCAL YEAR

The following table provides certain information regarding stock options granted to the named executive officers during the fiscal year ended September 30, 1999.
<TABLE>
<CAPTION>

OPTION GRANTS IN LAST FISCAL YEAR

NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED (#)	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE PRICE ($/SH)	EXPIRATION DATE
<S>	<C>	<C>	<C>	<C>
O.B. Parrish	200,000(1)	12.4	0.85	6/02/09
Mary Ann Leeper, Ph.D.	500,000(1)	31.1	0.85	6/02/09

<FN>
_____
(1) One-third of the options vest on our achieving sales of 13,000,000 units of the female condom in a 12 month period and having positive operating earnings. One-third of the options vest on our achieving sales of 23,000,000 units of the female condom in a 12 month period and having positive operating earnings. One-third of the options vest if the average closing price of our common stock for any period of five consecutive trading days is at least $5.00 per share.
</TABLE>

FISCAL YEAR-END OPTION/SAR VALUES

The following table sets forth the number and value of unexercised options held by the named executive officers at September 30, 1999:
<TABLE>
<CAPTION>

NAME	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FISCAL YEAR END EXERCISABLE/UNEXERCISABLE	VALUE OF UNEXERCISED IN THE-MONEY OPTIONS AT FISCAL YEAR-END EXERCISABLE/UNEXERCISABLE
<S>	<C>	<C>
O.B. Parrish	88,000/376,000	$ 0/0
Mary Ann Leeper, Ph.D.	96,667/693,333	$ 0/0
</TABLE>

EMPLOYMENT AGREEMENTS

We entered into an employment agreement with Dr. Leeper effective May 1, 1994. The original term of Dr. Leeper's employment extended to April 30, 1997 and after April 30, 1997 her employment term renews automatically for additional three-year terms unless notice of termination is given. The employment agreement has automatically renewed for a term ending on April 30, 2003. We may terminate the employment agreement at any time for cause. If Dr. Leeper is terminated without cause, we are obligated to continue to pay Dr. Leeper her base salary and any bonus to which she would otherwise have been entitled for a period equal to the longer of two years from date of termination or the remainder of the then applicable term of the employment agreement. In addition, we are obligated to continue Dr. Leeper's participation in any of our health, life insurance or disability plans in which Dr. Leeper participated prior to her termination of employment. Dr. Leeper's employment agreement provided for a

base salary of $175,000 for the first year of her employment term, $195,000 for the second year of her employment term and $225,000 for the third year of her employment term, subject to the achievement of performance goals established by Dr. Leeper and the Board of Directors.

If the employment agreement is renewed beyond the initial three-year term, it requires her base salary to be increased annually by the Board of Directors based upon her performance and any other factors that the Board of Directors considers appropriate. For fiscal 1998 and 1999, Dr. Leeper's base salary was $225,000 per year. The employment agreement also provides Dr. Leeper with various fringe benefits including an annual cash bonus of up to 100% of her base salary. The Board of Directors may award the cash bonus to Dr. Leeper in its discretion. To date, Dr. Leeper has not been awarded a cash bonus.

CHANGE OF CONTROL AGREEMENTS

In fiscal 1999, we entered into Change of Control Agreements with each of O.B. Parrish, our Chairman and Chief Executive Officer, Mary Ann Leeper, our President and Chief Operating Officer, and Michael Pope, our Vice President. These agreements essentially act as springing employment agreements which provide that, upon a change of control, as defined in the agreement, we will continue to employ the executive for a period of three years in the same capacities and with the same compensation and benefits as the executive was receiving prior to the change of control, in each case as specified in the agreements. If the executive is terminated without cause or if he or she quits for good reason, in each case as defined in the agreements, after the change of control, the executive is generally entitled to receive a severance payment from us equal to the amount of compensation remaining to be paid to the executive under the agreement for the balance of the three-year term.

PRINCIPAL SHAREHOLDERS

The following table provides information regarding the beneficial ownership of our common stock as of September 7, 2000 by:

- - each stockholder known by us to be the beneficial owner of more than 5% of our common stock;

- - each director;

- - each named executive officer; and

- - all directors and executive officers as a group.

We have determined beneficial ownership in accordance with the rules of the Securities and Exchange Commission. Unless otherwise indicated, the persons and entities included in the table have sole voting and investment power with respect to all shares beneficially owned, subject to applicable community property laws. Shares of common stock subject to options that are either currently exercisable or exercisable within 60 days of June 30, 2000 are treated as outstanding and beneficially owned by the option holder for the purpose of computing the percentage ownership of the option holder. However, these shares are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

<TABLE>
<CAPTION>

	SHARES BENEFICIALLY OWNED	
NAME	NUMBER	PERCENT
<S>	<C>	<C>
O.B. Parrish (1)	506,501	3.8%
William R. Gargiulo, Jr. (1)	352,168	2.6
Mary Ann Leeper, Ph.D. (1)	462,168	3.4
David R. Bethune (2)	50,000	*
Michael R. Walton.	527,810	4.0
James R. Kerber.	343,710	2.6
Stephen M. Dearholt (3).	2,521,720	17.3
Gary Benson (4).	5,883,047	30.9
All directors and executive officers as a group (eleven persons) (1)(3)(5)	4,144,955	27.8

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<FN>

* Less than 1%.

(1) Includes 294,501 shares owned by Phoenix Health Care of Illinois and 30,000 shares under option to Phoenix Health Care of Illinois. Under the rules of the Securities and Exchange Commission, Messrs. Parrish and Gargiulo and Dr. Leeper may share voting and dispositive power as to these shares since Mr. Gargiulo is a trustee of a trust which is a shareholder, and Mr. Parrish and Dr.

Leeper are officers, directors and shareholders, of Phoenix Health Care of Illinois. For Dr. Leeper, also includes 40,900 shares owned by her and 96,667 shares under option to her; for Mr. Parrish, also includes 71,500 shares owned by him, 22,500 shares under warrants to him and 88,000 shares under option to him; and for Mr. Gargiulo, also includes 10,500 shares owned by him, 16,667 shares under option to him and 500 shares held by the William R. Gargiulo 1991 Convertible Trust of which Mr. Gargiulo and his spouse are the trustees and share voting and investment power over such shares.

(2) Represents options which are currently exercisable.

(3) Includes 524,742 shares owned directly by Mr. Dearholt. Also includes 69,500 shares held by the Dearholt, Inc. Profit Sharing Plan, 9,680 shares held by Response Marketing Money Purchase Plan, 36,200 shares held in a self-directed IRA; 162,898 shares held by the Mary C. Dearholt Trust of which Mr. Dearholt, a sibling and his mother are trustees; 18,100 shares held by Mr. Dearholt's minor child; 418,100 shares held by the John W. Dearholt Trust of which Mr. Dearholt is a co-trustee with a sibling, and 60,000 shares of preferred stock held by the Mary C. Dearholt Trust, of which Mr. Dearholt, a sibling and his mother are trustees, that are convertible share-for-share into our common stock. Mr. Dearholt shares the power to vote and dispose of 640,998 shares of common stock (including 60,000 shares of preferred stock convertible into common stock) held by the Mary C. Dearholt Trust, the John W. Dearholt Trust and the James W. Dearholt Trust. Mr. Dearholt has sole power to vote and dispose of the remaining shares of common stock, except that North Central Trust has the sole power to vote and dispose of the 9,680 shares of common stock held by the Response Marketing Money Purchase Plan. Also includes warrants to purchase 1,172,500 shares of common stock and options to purchase 50,000 shares.

(4) Includes warrants to purchase 1,500,000 shares of common stock and assumes the conversion as of September 7, 2000 of all principal and accrued but unpaid interest under convertible debentures in the principal amount $1,500,000. The original principal balance plus any accrued but unpaid interest of the convertible debentures may be converted into common stock at Mr. Benson's election at any time based on a per share price equal to the lesser of (a) 70% of the market price of our common stock at the time of conversion; or (b) $1.00. Mr. Benson's address is 2925 Dean Parkway, Minneapolis, Minnesota 55416.

(5) Includes 50,000 shares under option held by Mr. Bethune.

</TABLE>

RELATED PARTY TRANSACTIONS

On February 18, 1999, we borrowed $50,000 from O.B. Parrish, our Chairman and Chief Executive Officer. The borrowing was completed through the execution of a $50,000, one-year promissory note payable by us to Mr. Parrish and a Note Purchase and Warrant Agreement and Stock Issuance Agreement. Mr. Parrish was granted warrants to purchase 10,000 shares of our common stock at an exercise price of $1.35 per share. The exercise price of the warrants equaled 80% of the average market price of our common stock for the five trading days prior to the date of issuance. The warrants expire upon the earlier of their exercise or nine years after the date of their issuance. Effective February 18, 2000, we extended the due date of the note to February 18, 2001, and in connection with this extension, we issued to Mr. Parrish warrants to purchase 12,500 shares of our common stock at an exercise price of $0.72 per share, which equaled 80% of the average market price of our common stock for the five trading days prior to the date of issuance. The warrants expire upon the earlier of their exercise or ten years after the date of their issuance. Under the Stock Issuance Agreement, if we fail to pay the $50,000 promissory note when due, we must issue 10,000 shares of our common stock to Mr. Parrish. The issuance will not, however, alleviate our liability under the note. We also granted Mr. Parrish securities registration rights for any common stock he receives from us under these warrants or the Stock Issuance Agreement.

On February 12, 1999, we borrowed $250,000 from Mr. Dearholt. The borrowing was effectuated in the form of a $250,000, one-year promissory note payable by us to Mr. Dearholt. As part of this transaction, we entered into a Note Purchase and Warrant Agreement and a Stock Issuance Agreement. Mr. Dearholt received a warrant to purchase 50,000 shares of our common stock at an exercise price of $1.248 per share. The exercise price of the warrants equaled 80% of the average market price of our common stock for the five trading days prior to the date of issuance. The warrants expire upon the earlier of their exercise or nine years after the date of their issuance. Effective February 12, 2000, we extended the due date of the note to February 12, 2001, and in connection with this extension, we issued to Mr. Dearholt warrants to purchase 62,500 shares of our common stock at an exercise price of $0.77 per share, which equaled 80% of the average market price of our common stock for the five trading days prior to the date of issuance. The warrants expire upon the earlier of their exercise or ten years after the date of their issuance. Under the Stock Issuance Agreement, if we fail to pay the $250,000 under the note when due, we must issue 50,000 shares of our common stock to Mr. Dearholt. This issuance will not, however, alleviate our liability under the note. We also granted Mr. Dearholt securities registration rights for any common stock he receives from us under these warrants or the Stock Issuance Agreement.

During 1998, as compensation for consulting services, we awarded Phoenix Health Care of Illinois, Inc., a corporation which is owned in part and controlled by O.B. Parrish, Mary Ann Leeper and William R. Gargiulo, Jr., 25,000 shares of restricted stock with a market value of approximately $93,750.

On March 25, 1997, 1998, 1999 and 2000, we extended a $1 million, one-year promissory note payable by us to Mr. Dearholt for a previous loan Mr. Dearholt made to us. The promissory note is now payable in full on March 25, 2001 and bears interest at 12% annually, payable monthly. We used $0.2 million of the note proceeds to provide working capital needed to fund the initial stages of our U.S. marketing campaign and $0.8 million of the note proceeds to fund operating losses. The borrowing transactions were effected in the form of a promissory note from us to Mr. Dearholt and related Note Purchase and Warrant Agreements and a Stock Issuance Agreement. Under the 1997, 1998 and 1999 Note Purchase and Warrant Agreements, we issued to Mr. Dearholt warrants to purchase 200,000 shares of common stock in 1997 at an exercise price of $1.848 per share, 200,000 shares of common stock in 1998 at an exercise price of $2.25 per share and 200,000 shares of common stock in 1999 at an exercise price of $1.16 per share. In connection with the extension of the note to March 25, 2001, we issued warrants to purchase 250,000 shares of our common stock in 2000 at an exercise price of $0.71 per share. In each case, the exercise price of the warrants equaled 80% of the market price of our common stock on the date of issuance. The warrants expire upon the earlier of their exercise or on March 25, 2005 for the warrants issued in 1997, March 25, 2007 for the warrants issued in 1998, March 25, 2009 for the warrants issued in 1999, and March 25, 2010 for the warrants issued in 2000. Under the Stock Issuance Agreement, if we fail to pay the $1 million under the note when due, we must issue 200,000 shares of our common stock to Mr. Dearholt. This issuance will not, however, alleviate our liability under the note. We also granted Mr. Dearholt securities registration rights for any common stock he receives from us under these warrants or the Stock Issuance Agreement. In consideration of Mr. Dearholt's agreement to extend the note's due date to March 25, 2000, we extended the expiration date of warrants held by Mr. Dearholt to purchase 200,000 shares of our common stock from March 25, 2001 to March 25, 2002.

On September 24, 1999, we completed a private placement of 666,671 shares of our common stock to various investors at a purchase price of $0.75 per share, representing a discount of 12% from the closing price of a share of our common stock on the Over the Counter Bulletin Board on that date. Stephen M. Dearholt, one of our directors, purchased 266,667 shares for $200,000 in this private placement. The terms of Mr. Dearholt's purchase were identical to the terms offered to the other, unrelated investors. As part of this private placement, we granted all of the investors, including Mr. Dearholt, registration rights which require that we register the investors' resale of these shares.

On June 14, 2000, we completed a private placement of 400,000 shares of our common stock to The John W. Dearholt Trust at a price of $0.50 per share, representing a discount of 6% from the closing price of our common stock on the Over the Counter Bulletin Board on that date. Stephen M. Dearholt is a co-trustee of this trust. As part of this private placement, we granted the investor registration rights which require that we register the investor's resale of those shares. The registration statement, of which this prospectus is a part, registers this investor's resale from time to time of those shares.

It has been and currently is our policy that transactions between us and our officers, directors, principal shareholders or affiliates are to be on terms no less favorable to us than could be obtained from unaffiliated parties. We intend that any future transactions between us and our officers, directors, principal shareholders or affiliates will be approved by a majority of the directors who are not financially interested in the transaction.

DESCRIPTION OF CAPITAL STOCK

Our authorized capital stock consists of 27 million shares of common stock, $.01 par value per share and 5 million shares of Class A Preferred Stock, $.01 par value per share. The Class A Preferred Stock may be issued in series, at any times and with any terms, that the Board of Directors considers appropriate. To date, the Board of Directors has authorized for issuance 1,040,000 shares of Class A Preferred Stock--Series 1, of which 660,000 shares are currently outstanding and 1,500,000 shares of Class A Preferred Stock--Series 2, of which no shares are currently issued and outstanding since the 729,927 shares of Class A Preferred Stock--Series 2 which were previously issued have all converted into a like number of shares of common stock. Our Amended and Restated Articles of Incorporation provide that any shares of Class A Preferred Stock which are issued and subsequently converted into common stock may not be reissued. Accordingly, we currently have 2,460,000 shares of Class A Preferred Stock authorized and available for issuance in series designated by the Board.

COMMON STOCK

Holders of common stock are entitled to one vote for each share held of

record on all matters to be voted on by the shareholders. Subject to the prior rights of the holders of Class A Preferred Stock, as described below, holders of common stock are entitled to receive dividends when and as declared by the Board of Directors out of funds legally available for the payment of dividends. Upon liquidation or dissolution, holders of common stock are entitled to share, based on the number of shares owned, in our remaining assets which may be available for distribution after payment of our creditors and satisfaction of any accrued but unpaid dividends on the Class A Preferred Stock and the liquidation preferences, if any, of the Class A Preferred Stock. Holders of common stock have no preemptive, subscription or redemption rights. The common stock has no cumulative voting rights. As a result, holders of more than 50% of the outstanding shares of common stock can elect all of our directors.

All outstanding shares of common stock are fully paid and nonassessable. Wisconsin law, however, may make our shareholders personally liable for unpaid wages due employees for up to six months' services, but not in an amount greater than the par value of the shares.

CLASS A PREFERRED STOCK

The Board of Directors is authorized, subject to the limitations described below, to issue from time to time, without shareholder authorization, in one or more designated series, shares of Class A Preferred Stock and to determine the dividend, redemption, liquidation, sinking fund and conversion rights of each particular series. No dividends or other distributions will be payable on the common stock unless dividends are paid in full on the Class A Preferred Stock and all sinking fund obligations for the Class A Preferred Stock, if any, are fully funded. Dividends on the Class A Preferred Stock will be cumulative from the date of issuance. In the event of a liquidation or dissolution, the Class A Preferred Stock would have priority over the common stock to receive the amount of the liquidation preference as specified in each particular series, together with any accrued but unpaid dividends out of our remaining assets. Holders of shares of Class A Preferred Stock will have the right, at any time on or before the redemption of the shares, to surrender the certificate evidencing the shares of Class A Preferred Stock and receive upon conversion of the shares of Class A Preferred Stock, a certificate evidencing one share of common stock for each share of Class A Preferred Stock so surrendered. The holders of Class A Preferred Stock are entitled to cast one vote per share held of record by them at all meetings of our shareholders.

Class A Preferred Stock--Series 1

As authorized by our Articles of Incorporation, on August 15, 1997, the Board of Directors by resolution designated the relative rights and preferences of the first series of Class A Preferred Stock which was designated "Class A Preferred Stock--Series 1." The Board authorized for issuance 1,040,000 shares of this Series 1 Preferred Stock and 680,000 shares were issued, 660,000 of which are currently outstanding. We have no present intention of issuing any additional shares of Series 1 Preferred Stock. The Series 1 Preferred Stock accrues dividends on a daily basis at the rate of 8% per year on the "liquidation value" of the Series 1 Preferred Stock, which currently is $2.50 per share and is subject to adjustment and increase for accrued dividends. The dividends will accrue through the earliest of the date of repurchase of the Series 1 Preferred Stock, its conversion into common stock or liquidation. Dividends on the Series 1 Preferred

Stock must be paid in full before dividends may be paid on any other class of our stock or before any sums may be set aside for the redemption or purchase of any of the Preferred Stock. Dividends will accrue whether or not they have been declared and whether or not there are funds legally available for the payment of dividends. Dividends are payable on October 1 of each year. Dividends which are not paid on the dividend reference date will accrue and be added to the liquidation value of each share of Series 1 Preferred Stock. No dividends can be declared and set aside for any shares of common stock unless the Board declares a dividend payable on the outstanding shares of Series 1 Preferred Stock, in addition to the dividends which the Series 1 Preferred Stock is otherwise entitled as described above. Additional dividends on the Series 1 Preferred Stock must be declared in the same amount per share of Series 1 Preferred Stock as would be declared payable on the shares of common stock into which each share of Series 1 Preferred Stock could be converted.

On or after August 1, 1998, each share of Series 1 Preferred Stock is convertible into one share of common stock. Upon conversion, certificates for shares of common stock will be issued together with, to the extent legally available, an amount of cash equal to the remaining accrued but unpaid dividends on the shares of Series 1 Preferred Stock so converted. We may redeem the Series 1 Preferred Stock on or after August 1, 2000, unless the holder converts the shares before our redemption is effective, at a price of $2.50 per share plus all accrued but unpaid dividends. Upon a liquidation, the Series 1 Preferred Stock is entitled to a liquidation preference equal to $2.50 per share plus any accrued but unpaid dividends. This amount must be paid prior to any distribution on shares of common stock. Except as provided above, the Series 1 Preferred Stock will have the same rights, preferences and limitations as any other series of Preferred Stock to be issued in the future, whenever designated

and issued.

Class A Preferred Stock--Series 2

On December 30, 1997, the Board of Directors by resolution designated the relative rights and preferences of the second series of Class A Preferred Stock which is designated "Class A Preferred Stock-Series 2." The Board authorized for issuance 1,500,000 shares of this Series 2 Preferred Stock and 729,927 shares were issued. However, as of the date of this prospectus, no shares of Series 2 Preferred Stock are issued and outstanding since they all converted into shares of common stock on a one-for-one basis on April 3, 1998. The Series 2 Preferred Stock does not carry any dividend preference. Upon a liquidation, each share of the Series 2 Preferred Stock outstanding at the time of liquidation is entitled to a liquidation preference equal to the purchase price paid for each share. This amount must be paid prior to any distribution on shares of common stock, however, the liquidation preference on the Series 1 Preferred Stock must be paid before the liquidation preference on the Series 2 Preferred Stock is paid.

The issuance of one or more series of Class A Preferred Stock could have an adverse effect on the rights of the holders of common stock, including dividend rights, rights upon liquidation and voting rights. The Preferred Stock could also be issued by us to defend against the threat of a takeover, if the Board of Directors determines that the takeover is not in our best interests or the best interests of our shareholders. This could occur even if a takeover was favored by a majority of shareholders and was at a premium to the market price of the common stock. We have no current plans or intention to issue additional shares of Class A Preferred Stock.

CONVERTIBLE DEBENTURES

On May 19, 1999 and June 3, 1999, we issued convertible debentures to five investors in the principal amount of $1,500,000. The convertible debentures bear interest at 8% annually and originally had a one-year term. However, we have elected under the terms of the convertible debenture to extend the repayment term for an additional year. Upon this extension, we issued to the investors warrants to purchase 375,000 shares of our common stock having the same terms and conditions as the warrants issued to the investors described below. One million dollars of the convertible debentures is payable on May 19, 2001, with the remaining $500,000 payable on June 3, 2001. Interest on the convertible debentures is payable quarterly either in cash or, at the investor's option, common stock based on the stock's then fair market value.

The investors may elect to convert the original principal balance of convertible debentures plus any accrued but unpaid interest into common stock at any time after one year from the date they were issued based on a per share price equal to the lesser of:

- - 70% of the market price of the common stock at the time of conversion; or

- - $1.00.

Payment of the convertible debentures is secured by a first priority security interest in all of our assets. In addition, if we default in payment of principal or interest on the convertible debentures, we must immediately issue 1,500,000 shares of our common stock to the investors at no cost and that issuance will not in any way impair the other rights the investors possess, including the right to demand payment of the convertible debentures.

WARRANTS

We also issued to the purchasers of the convertible debentures warrants to purchase 1,875,000 shares of our common stock. These warrants are exercisable by the investors at any time within five years after the date of their issuance at an exercise price per share equal to the lesser of:

- - 70% of the market price of our common stock on the date of exercise; or

- - $1.00.

In addition, as part of the consideration that we paid R.J. Steichen & Company, our placement agent in the offering of the convertible debentures and warrants, we also issued warrants to purchase a total of 337,500 shares of our common stock to R.J. Steichen. The warrants issued to R.J. Steichen are exercisable at any time during a period of four years commencing one year after the date of the private placement at an exercise price of $1.00 per share.

The warrants issued to the investors and R.J. Steichen contain provisions that protect the holder against dilution by adjustment of the exercise price and number of shares to be received upon exercise. Adjustments will occur in the event, among others, of a merger, stock split or reverse stock split, stock dividend or recapitalization. We are not required to issue fractional shares upon the exercise of the warrants. The holder of the warrants will not possess any rights as a stockholder until the holder exercises the warrants.

The warrants may be exercised upon surrender on or before the expiration date of the warrants at our offices, with an exercise form completed and executed as indicated, accompanied by payment of the exercise price for the number of shares for which the warrant is being exercised. The exercise price is payable by check or bank draft payable to our order or by wire transfer or, in the case of the R.J. Steichen, by a "cashless exercise," in which the number of shares of common stock underlying the warrant having a fair market value equal to the total exercise price are cancelled as payment of the exercise price.

For the life of the warrants and the convertible debentures, the holder has the opportunity to profit from a rise in the market price of the common stock without assuming the risk of ownership of the shares of common stock issuable upon the exercise of the warrant or conversion of the convertible debentures. The warrant or convertible debenture holder should be expected to exercise the warrant or convertible debenture at a time when we would likely be able to obtain any needed capital by an offering of common stock on terms more favorable than those provided for by the warrant or convertible debenture. Furthermore, the terms on which we could obtain additional capital during the life of the warrant or convertible debenture may be adversely affected.

TRANSFER AGENT

The transfer agent and registrar for the common stock is Firstar Bank, N.A., Milwaukee, Wisconsin.

WISCONSIN ANTI-TAKEOVER PROVISIONS

Section 180.1150 of the Wisconsin Business Corporation Law provides that the voting power of shares of public corporations, such as us, which are held by any person holding in excess of 20% of the voting power of our stock shall be limited to 10% of the full voting power of the shares. This statutory voting restriction does not apply to shares acquired directly from us, acquired in a transaction incident to which our shareholders vote to restore the full voting power of the shares and under other circumstances more fully described in section 180.1150. In addition, this statutory voting restriction is not applicable to shares of common stock acquired before April 22, 1986.

Section 180.1141 of the Wisconsin Business Corporation Law provides that a "resident domestic corporation," such as us, may not engage in a "business combination" with a person beneficially owning 10% or more of the voting power of our outstanding stock for three years after the date the interested shareholder acquired his 10% or greater interest, unless the business combination or the acquisition of the 10% or greater interest was approved before the stock acquisition date by our Board of Directors. After the three-year period, a business combination that was not so approved can be completed only if it is approved by a majority of the outstanding voting shares not held by the interested shareholder or is made at a specified price intended to provide a fair price for the shares held by noninterested shareholders. Section 180.1141 is not applicable to shares of common stock acquired by a shareholder prior to the registration of the common stock under the Securities Exchange Act of 1934 and shares acquired before September 10, 1987.

INDEMNIFICATION

Our directors and officers are entitled to statutory rights to be indemnified by us against litigation-related liabilities and expenses if the director or officer is either successful in the defense of litigation or is otherwise determined not to have engaged in willful misconduct, knowingly violated the law, failed to deal fairly with us or our shareholders or derived an improper personal benefit in the performance of his duties to us. These rights are incorporated in our By-Laws. To the extent that indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons, we have been advised that in the opinion of the Securities and Exchange Commission, the indemnification provisions are against public policy as expressed in the Securities Act and are, therefore, unenforceable.

SELLING STOCKHOLDERS

Information regarding beneficial ownership of our common stock by the selling stockholders as of September 7, 2000 follows. The table assumes that the selling stockholders sell all shares offered under this prospectus. We can make no assurance as to how many of the shares offered that the selling stockholders will in fact sell.

<TABLE>
<CAPTION>

SELLING STOCKHOLDERS	SHARES OWNED BEFORE OFFERING	SHARES BEING OFFERED	SHARES OWNED AFTER OFFERING

	NUMBER	PERCENT		NUMBER	PERCENT
<S>	<C>	<C>	<C>	<C>	<C>
The John W. Dearholt Trust c/o Stephen M. Dearholt 741 N. Milwaukee Street Suite 500 Milwaukee, WI 53202	418,100 (1)	3.1%	400,000	18,100	*
Jerry Popiel Geotek 8036 40th Avenue Denver, CO 80207	150,000	*	100,000	50,000	*
James Chase 7815 North River Road Milwaukee, WI 53217	360,000	2.7%	150,000	210,000	1.6%

_____
<FN>

* Less than 1%.

(1) Stephen M. Dearholt, one of our directors, is a co-trustee of The John W. Dearholt Trust. The number of shares listed on the table does not include 2,103,620 shares of our common stock beneficially owned by Mr. Dearholt. See "Principal Shareholders."
</TABLE>

On June 14, 2000, we completed a private placement of 500,000 shares of our common stock to Mr. Popiel and The John W. Dearholt Trust at a price of $0.50 per share, representing a discount of 6% from the closing price of our common stock on the OTC Bulletin Board on that date. Stephen M. Dearholt, a co-trustee of The John W. Dearholt Trust, is one of our directors. For information regarding Mr. Dearholt and his material transactions with us, see "Management", "Principal Shareholders" and "Related Party Transactions."

On June 15, 2000, we issued 150,000 shares of our common stock to Mr. Chase as compensation for investor relations and consulting services.

We have agreed to bear certain expenses (other than broker discounts and commissions, if any) in connection with the registration statement.

PLAN OF DISTRIBUTION

We have been advised by the selling stockholders that the selling stockholders may sell the shares from time to time in transactions on the OTC Bulletin Board, in negotiated transactions, or otherwise, or by a combination of these methods, at fixed prices which may be changed, at market prices at the time of sale, at prices related to market prices or at negotiated prices. The selling stockholders may effect these transactions by selling the shares to or through broker-dealers, who may receive compensation in the form of discounts, concessions or commissions from the selling stockholders or the purchasers of the shares for whom the broker-dealer may act as an agent or to whom it may sell the shares as a principal, or both. The compensation to a particular broker-dealer may be in excess of customary commissions.

Broker-dealers who act in connection with the sale of the shares may be underwriters. Profits on any resale of the shares as a principal by such broker-dealers and any commissions received by such broker-dealers may be underwriting discounts and commissions under the Securities Act.

Any broker-dealer participating in transactions as agent may receive commissions from the selling stockholders and, if they act as agent for the purchaser of the shares, from the purchaser. Broker-dealers may agree with the selling stockholders to sell a specified number of shares at a stipulated price per share and, to the extent a broker-dealer is unable to do so acting as agent for the selling stockholders, to purchase as principal any unsold shares at the price required to fulfill the broker-dealer commitment to the selling stockholders. Broker-dealers who acquire shares as principal may resell the shares from time to time in transactions (which may involve crosses and block transactions and which may involve sales to and through other broker-dealers, including transactions of the nature described above) in the over-the-counter market, in negotiated transactions or otherwise at market prices prevailing at the time of sale or at negotiated prices, and may pay to or receive from the purchasers of the shares commissions computed as described above. To the extent required under the Securities Act, a supplemental prospectus will be filed, disclosing:

- - the name of the broker-dealers;

- - the number of shares involved;

- - the price at which the shares are to be sold;

- - the commissions paid or discounts or concessions allowed to the broker-dealers, where applicable;

- - that broker-dealers did not conduct any investigation to verify the information in this prospectus, as supplemented; and

- - other facts material to the transaction.

Under applicable rules and regulations under the Exchange Act, any person engaged in a distribution of the shares may not simultaneously engage in market making activities with the common stock for a period beginning when the person becomes a distribution participant and ending upon the person's completion of participation in a distribution, including stabilization activities in the common stock to effect covering transactions, to impose penalty bids or to effect passive market making bids. In addition, we and the selling stockholders will be subject to applicable provisions of the Exchange Act, including Rule 10b-5 and to the extent we and the selling stockholders are distribution participants, Regulation M. These rules and regulations may affect the marketability of the shares.

The selling stockholders will pay all commissions associated with the sale of the shares. The shares offered by this prospectus are being registered to comply with contractual obligations, and the we have paid the expenses of the preparation of this prospectus. We have also agreed to indemnify the selling stockholders against various liabilities, including liabilities under the Securities Act, or, if the indemnity is unavailable, to contribute toward amounts required to be paid.

LEGAL MATTERS

The validity of the securities offered by this prospectus will be passed upon for us by Reinhart, Boerner, Van Deuren, Norris & Rieselbach, s.c., Milwaukee, Wisconsin.

EXPERTS

The consolidated financial statements of The Female Health Company at September 30, 1999 and for the two years in the period ended September 30, 1999 included in this prospectus have been audited by McGladrey & Pullen LLP, independent auditors, as set forth in their report (which contains an explanatory paragraph with respect to conditions which raise substantial doubt about our ability to continue as a going concern), in reliance upon such report given upon the authority of such firm as experts in accounting and auditing. The consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or amounts and classification of liabilities that might result from the outcome of that uncertainty.

THE FEMALE HEALTH COMPANY
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

<TABLE>
<CAPTION>

</TABLE>

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
The Female Health Company
Chicago, Illinois

We have audited the accompanying consolidated balance sheet of The Female Health Company and subsidiaries, as of September 30, 1999, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years ended September 30, 1999 and 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Female Health Company and subsidiaries as of September 30, 1999, and the results of their operations and their cash flows for the years ended September 30, 1999 and 1998, in conformity with generally accepted accounting principles.

The accompanying consolidated financial statements have been presented assuming that The Female Health Company will continue as a going concern. As more fully described in Note 13, the Company has experienced slower than expected growth in revenues from its sole product, which has adversely affected the Company's current results of operations and liquidity. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 13. The consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts of classification of liabilities that may result from the outcome of this uncertainty.

/s/ McGladrey & Pullen, LLP
Schaumburg, Illinois
November 11, 1999

THE FEMALE HEALTH COMPANY
CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 1999

<TABLE>
<CAPTION>

<S>	<C>
ASSETS	
Current Assets	
Cash	$ 570,709
Accounts receivable, net of allowance for doubtful accounts of $108,000 and allowance for product returns of $227,000.	1,572,455
Inventories.	1,015,202
Prepaid expenses and other current assets.	477,482
TOTAL CURRENT ASSETS	3,635,848
Other Assets	
Intellectual property, net of accumulated amortization of $455,600	756,902
Other assets	157,111
	914,013

Property, Plant and Equipment	
Equipment, furniture and fixtures.	3,943,710
Less accumulated depreciation.	1,986,428
	1,957,282
	$ 6,507,143
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current Liabilities	
Notes payable, related party, net of unamortized discount of $115,377	$ 1,184,623
Convertible debentures, net of unamortized discount of $680,645.	819,355
Accounts payable	612,043
Accrued expenses and other current liabilities	424,193
Preferred dividends payable.	73,553
Total current liabilities.	3,113,767
Long-Term Liabilities	
Deferred gain on sale of facility.	1,583,260
Other long term liabilities.	87,146
	1,670,406
Stockholders' Equity	
Convertible Preferred Stock, Series 1, par value $.01 per share. Authorized 5,000,000 shares; issued and outstanding 660,000 shares..	6,600
Common Stock, par value $.01 per share. Authorized 22,000,000 shares; issued and outstanding 11,929,580 shares..	119,297
Additional paid-in capital	46,820,778
Unearned consulting fees	(201,374)
Accumulated other comprehensive income	189,847
Accumulated deficit.	(45,180,102)
	1,755,046
Treasury Stock, at cost, 20,000 shares of common stock	(32,076)
	1,722,970
	$ 6,507,143

</TABLE>

See Notes to Financial Statements.

THE FEMALE HEALTH COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED SEPTEMBER 30, 1999 AND 1998

<TABLE>
<CAPTION>

	1999	1998
<S>	<C>	<C>
Net revenues.	$ 4,715,477	$ 5,451,399
Cost of products sold	4,598,747	5,273,369
GROSS PROFIT.	116,730	178,030
Operating expenses:		
Advertising and promotion	251,867	433,821
Selling, general and administrative	2,890,860	2,895,108
Total operating expenses.	3,142,727	3,328,929
OPERATING (LOSS).	(3,025,997)	(3,150,899)
Nonoperating income (expense):		
Interest expense.	(860,523)	(456,662)
Interest income	36,030	133,104
Nonoperating income	100,181	117,141
	(724,312)	(206,417)

NET (LOSS).	(3,750,309)	(3,357,316)
Preferred dividends accreted, Series 2.	--	817,000
Preferred dividends, Series 1	133,919	132,669
Net (loss) attributable to common stockholders.	$(3,884,228)	$(4,306,985)
Net (loss) per common share outstanding	(0.36)	(0.43)
Weighted average common shares outstanding.	10,890,173	9,971,493

</TABLE>

See Notes to Financial Statements.

THE FEMALE HEALTH COMPANY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
YEARS ENDED SEPTEMBER 30, 1999 AND 1998

<TABLE>
<CAPTION>

	Preferred Stock	Common Stock	Additional Paid-in Capital	Unearned Consulting Fees	Accumulated Other Comprehensive Income	Accumulated Deficit
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at September 30, 1997.	$ 6,800	$ 95,145	$40,238,387	-	$ 203,195	$(36,988,889)
Issuance of 729,927 shares of Preferred Stock (net of offering costs of $156,616)	7,299	-	1,836,085	-	-	-
Issuance of 729,927 shares of Common Stock upon conversion of Preferred Stock	(7,299)	7,299	-	-	-	-
Issuance of 29,400 shares of Common Stock upon exercise of stock options	-	294	58,506	-	-	-
Issuance of 25,000 shares of Common Stock for consulting services	-	250	93,500	-	-	-
Issuance of 107,000 shares of Common Stock under stock bonus plan	-	1,070	306,555	-	-	-
Issuance of 10,000 shares of Common Stock upon exercise of warrants.	-	100	19,900	-	-	-
Issuance of 18,000 options to employees. .	-	-	51,660	-	-	-
Issuance of warrants with short-term notes payable	-	-	297,500	-	-	-
Issuance of warrants for professional services.	-	-	114,750	-	-	-
Preferred Stock dividends.	-	-	-	-	-	(132,669)
Preferred Stock dividends accreted	-	-	817,000	-	-	(817,000)
Purchase of 10,000 shares of Common Stock held in Treasury.	-	-	-	-	-	-
Comprehensive income (loss):						
Net (loss)	-	-	-	-	-	(3,357,316)
Foreign currency translation adjustment.	-	-	-	-	101,785	-
Comprehensive income (loss)						
Balance at September 30, 1998 (balance forward).	$ 6,800	$104,158	$43,833,843	-	$ 304,980	$(41,295,874)
Issuance of 482,964 shares of						

Common Stock under the equity line of credit	-	4,685	480,315	-	-	-
Issuance of 20,718 shares of Common Stock upon conversion of Preferred Stock	(200)	200	-	-	-	-
Issuance of 120,000 shares of Common Stock upon exercise of warrants.	-	1,200	128,760	-	-	-
Issuance of 175,000 shares of Common Stock for consulting services	-	1,750	184,188	(185,938)	-	-
Issuance of warrants with convertible debentures	-	-	1,276,300	-	-	-
Issuance of 15,000 shares of Common Stock under stock bonus plan	-	150	23,288	-	-	-
Issuance of 18,000 shares of Common Stock upon exercise of stock options	-	180	16,695	-	-	-
Issuance of warrants with short-term notes payable	-	-	253,515	-	-	-
Issuance of 30,691 shares of Common Stock as payment of preferred stock dividends.	-	307	31,058	-	-	-
Issuance of warrants for consulting services.	-	-	99,483	(99,483)	-	-
Preferred Stock dividends.	-	-	-	-	-	(133,919)
Purchase of 10,000 Shares of Common Stock held in Treasury.	-	-	-	-	-	-
Issuance of 666,671 shares of Common Stock	-	6,667	493,333	-	-	-
Amortization of unearned consulting fees.	-	-	-	84,047	-	-
Comprehensive income (loss):						
Net (loss)	-	-	-	-	-	(3,750,309)
Foreign currency translation adjustment	-	-	-	-	(115,133)	-
Comprehensive income (loss)						
Balance at September 30, 1999.	$ 6,600	$119,297	$46,820,778	$ (201,374)	$ 189,847	$(45,180,102)

	Cost of Treasury Stock	Total
<S>	<C>	<C>
Balance at September 30, 1997.	-	$ 3,554,638
Issuance of 729,927 shares of Preferred Stock (net of offering costs of $156,616)	-	1,843,384
Issuance of 729,927 shares of Common Stock upon conversion of Preferred Stock	-	-
Issuance of 29,400 shares of Common Stock upon exercise of stock options	-	58,800
Issuance of 25,000 shares of Common Stock for consulting services	-	93,750
Issuance of 107,000 shares of Common Stock under stock bonus plan	-	307,625
Issuance of 10,000 shares of Common Stock upon exercise of warrants.	-	20,000
Issuance of 18,000 options to employees.	-	51,660
Issuance of warrants with short-		

term notes payable	-	297,500
Issuance of warrants for professional services.	-	114,750
Preferred Stock dividends.	-	(132,669)
Preferred Stock dividends accreted	-	-
Purchase of 10,000 shares of Common Stock held in Treasury.	(19,330)	(19,330)
Comprehensive income (loss):		-
Net (loss)	-	(3,357,316)
Foreign currency translation adjustment.	-	101,785
Comprehensive income (loss)		(3,255,531)
Balance at September 30, 1998 (balance forward).	$ (19,330)	$ 2,934,577
Issuance of 482,964 shares of Common Stock under the equity line of credit	-	485,000
Issuance of 20,718 shares of Common Stock upon conversion of Preferred Stock	-	-
Issuance of 120,000 shares of Common Stock upon exercise of warrants.	-	129,960
Issuance of 175,000 shares of Common Stock for consulting services	-	-
Issuance of warrants with convertible debentures	-	1,276,300
Issuance of 15,000 shares of Common Stock under stock bonus plan	-	23,438
Issuance of 18,000 shares of Common Stock upon exercise of stock options	-	16,875
Issuance of warrants with short-term notes payable	-	253,515
Issuance of 30,691 shares of Common Stock as payment of preferred stock dividends.	-	31,365
Issuance of warrants for consulting services.	-	-
Preferred Stock dividends.	-	(133,919)
Purchase of 10,000 Shares of Common Stock held in Treasury.	(12,746)	(12,746)
Issuance of 666,671 shares of Common Stock	-	500,000
Amortization of unearned consulting fees.	-	84,047
Comprehensive income (loss):		
Net (loss)	-	(3,750,309)
Foreign currency translation adjustment	-	(115,133)
Comprehensive income (loss)		(3,865,442)
Balance at September 30, 1999.	$ (32,076)	$ 1,722,970

</TABLE>

See Notes to Financial Statements.

THE FEMALE HEALTH COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 1999 AND 1998

<TABLE>
<CAPTION>

	1999	1998
<S>	<C>	<C>
OPERATING ACTIVITIES		
Net (loss)	$(3,750,309)	$(3,357,316)
Adjustments to reconcile net (loss) to net cash (used in) operating activities:		
Depreciation	468,758	533,994
Amortization of intellectual property rights	119,501	123,437
Provision for (recovery of) inventory obsolescence	(6,394)	(857,450)
Provision for doubtful accounts, returns and discounts	22,460	24,717
Issuance of common stock for bonuses and consulting services	23,438	401,375
Issuance and revaluation of warrants and options		166,410
Amortization of unearned consulting fees	84,047	-
Amortization of discounts on notes payable		

and convertible debentures.	671,854	329,327
Amortization of deferred income realized on U.K. grant	(142,723)	(61,274)
Amortization of deferred gain on sale and leaseback of building	(91,772)	(94,795)
Amortization of debt issuance costs.	174,124	-
Changes in operating assets and liabilities:		
Accounts receivable	(507,929)	(538,219)
Inventories	(105,433)	891,421
Prepaid expenses and other current assets	149,617	(92,058)
Accounts payable.	128,165	(411,286)
Accrued expenses and other current liabilities.	(78,733)	188,798
Net cash (used in) operating activities.	(2,841,329)	(2,752,919)
INVESTING ACTIVITIES		
Capital expenditures	(22,637)	(58,827)
Proceeds from repayment of note receivable	-	750,000
Proceeds from return of lease deposits	-	90,859
Net cash (used in) provided by investing activities.	(22,637)	782,032
FINANCING ACTIVITIES		
Proceeds from issuance of preferred stock.	-	1,843,384
Proceeds from issuance of common stock	500,000	-
Proceeds from issuance of common stock under the equity line of credit.	485,000	-
Proceeds from issuance of common stock of options and warrants	146,835	78,800
Proceeds from related party notes issued	1,300,000	1,000,000
Proceeds from convertible debentures issued.	1,305,000	-
Purchase of common stock held in treasury.	(12,746)	(19,330)
Dividend paid on preferred stock	(161,670)	-
Payments on notes payable, related party	(1,000,000)	(1,000,000)
Payments on long-term debt and capital lease obligations	(638,620)	(113,131)
Net cash provided by financing activities.	1,923,799	1,789,723

</TABLE>

THE FEMALE HEALTH COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended September 30, 1999 and 1998

<TABLE>
<CAPTION>

	1999	1998
<S>	<C>	<C>
Effect of exchange rate changes on cash.	$ 30,589	$ 27,984
Net (decrease) in cash	(909,578)	(153,180)
Cash at beginning of year.	1,480,287	1,633,467
Cash at end of year.	$ 570,709	$1,480,287
Supplemental Cash Flow Disclosures:		
Interest paid.	$ 190,444	$ 125,246
Supplemental Schedule of Noncash Investing and Financing Activities:		
Issuance of warrants on convertible debentures and notes payable.	$1,529,815	$ 297,500
Common stock issued for payment of preferred stock dividends	31,365	-
Preferred dividends declared, Series 1	133,919	132,669
Preferred dividends accreted, Series 2	-	817,000

</TABLE>

See Notes to Financial Statements.

THE FEMALE HEALTH COMPANY
NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation and nature of operations: The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, The Female Health Company - UK and The Female Health Company - UK, plc. All significant intercompany transactions and accounts have been eliminated in consolidation. The Female Health Company ("FHC" or the "Company") is currently engaged in the marketing, manufacture and distribution of a consumer health care product known as the Reality female condom, "Reality," in the U.S. and "femidom" or "femy" outside the U.S. The Female Health Company - UK, is the holding company of The Female Health Company - UK, plc, which operates a 40,000 sq. ft. leased manufacturing facility located in London, England.

The product is currently sold or available in either or both commercial (private sector) and public sector markets in 30 countries. It is commercially marketed directly by the Company in the United States and the United Kingdom and through marketing partners globally.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and use assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

Significant accounting estimates include the following:

Trade receivables include a provision for sales returns and trade allowances, which is based on management's estimate of future product returns from customers in connection with unsold product which has expired or is expected to expire before it is sold. The estimated cost for product returns, price discounts and trade allowances are accrued when the initial sale is recorded.

The market value of inventory is based on management's best estimate of future sales and the time remaining before the existing inventories reach their expiration dates.

The Company evaluates intellectual property rights for impairment by comparing the net present value of the asset's estimated future income stream to the asset's carrying value.

Although management uses the best information available, it is reasonably possible that the estimates used by the Company will be materially different from the actual results. These differences could have a material effect on the Company's future results of operations and financial condition.

Cash: Substantially all of the Company's cash was on deposit with one financial institution.

Inventories: Inventories are valued at the lower of cost or market. The cost is determined using the first-in, first-out (FIFO) method. Inventories are also written down for management's estimates of product which will not sell prior to its expiration date. Write downs of inventories establish a new cost basis, which is not increased for future increases in the market value of inventories, or changes in estimated obsolescence.

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation: In accordance with Financial Accounting Standards No. 52, "Foreign Currency Translation", the financial statements of the Company's international subsidiaries are translated into U.S. dollars using the exchange rate at each balance sheet date for assets and liabilities, the historical exchange rate for stockholders' equity and a weighted average exchange rate for each period for revenues, expenses, and gains and losses. Translation adjustments are recorded as a separate component of stockholders' equity as the local currency is the functional currency.

Equipment and furniture and fixtures: Depreciation and amortization is computed by the estimated useful lives of the respective assets which range as follows:

Equipment	5 - 10 years
Furniture and fixtures	3 years

Intellectual property rights: The Company holds patents on the female condom in the United States, the European Union, Japan, Canada, Australia and The People's Republic of China and holds patents on the manufacturing technology in various countries. The Company also licenses the trademark "Reality" in the United States and has trademarks on the names "femidom" and "femy" in certain foreign countries. Intellectual property rights are amortized on a straight-line basis

over their estimated useful life of twelve years.

Financial instruments: The Company has no financial instruments for which the carrying value materially differs from fair value.

Revenue Recognition: Revenues from product sales are recognized as the products are shipped to the customers.

Research and Development Costs: Research and development costs are expensed as incurred. The amount of costs expensed for the years ended September 1999 and 1998 was $122,196 and $2,500, respectively.

Stock-Based Compensation: The value of stock options awarded to employees is measured using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25 (APB 25), "Accounting for Stock Issued to Employees." The Company has provided pro forma disclosures of net income as if the fair value-based method prescribed by Financial Accounting Standard No. 123, "Accounting for Stock-Based Compensation," ("FAS 123"). was used in measuring compensation expense in Note 7.

Advertising: The Company's policy is to expense production costs in the period in which the advertisement is initially presented to consumers.

Income taxes: The Company files separate income tax returns for its foreign subsidiaries. Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (FAS 109) requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are also provided for carryforwards for income tax purposes. In addition, the amount of any future tax benefits is reduced by a valuation allowance to the extent such benefits are not expected to be realized.

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Earnings per share (EPS): The Company has adopted the provisions of Statement of Financial Accounting Standards (FAS) No. 128, Earnings Per Share. FAS No. 128 requires the presentation of "basic" and "diluted" EPS. Basic EPS is computed by dividing income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted EPS is computed giving effect to all dilutive potential common shares that were outstanding during the period. Dilutive potential common shares consist of the incremental common shares issuable upon conversion of convertible preferred or convertible debt and the exercise of stock options and warrants for all periods. Fully diluted (loss) per share is not presented since the effect would be anti-dilutive.

New Accounting Pronouncements: The Financial Accounting Standards Board has issued Statement No. 130, Reporting Comprehensive Income, that the Company adopted during its year ended September 30, 1999. The Statement establishes standards for reporting and presentation of comprehensive income and its components. The Statement requires that items recognized as components of comprehensive income be reported in a financial statement. The Statement also requires that a company classify items of other comprehensive income by their nature in a financial statement and display the accumulated balance of other comprehensive income separately from retained earnings and additional paid-in capital in the equity section of a statement of financial position. For the years ended September 30, 1999 and 1998, the Company's components of comprehensive income (loss) consisted of its reported net (loss) and foreign currency translation adjustments.

Effective December 31, 1998, the Company adopted FAS No. 131, Disclosures of an Enterprise and Related Information (FAS 131). FAS 131 superseded FAS No. 14, Financial Reporting for Segments of a Business Enterprise. FAS 131 establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports. FAS 131 also establishes standards for related disclosures about products and services, geographic areas, and major customers. The Company operates primarily in one industry segment while operating in both foreign and domestic regions. See Note 10.

In June 1998, the Financial Accounting Standards Board issues FAS 133, Accounting for Derivative Instruments and Hedging Activities (FAS 133), which is required to be adopted in years beginning after June 15, 1999. FAS 133 will require the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives will either be offset against the change in fair value of hedged assets, liabilities, or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. Management believes that the adoption of FAS No. 133 will have no material impact on the Company.

NOTE 2. INVENTORIES

The components of inventory consist of the following at September 30, 1999:

<TABLE>
<CAPTION>

<S>	<C>
Raw materials	$ 230,765
Work in process	270,184
Finished goods.	546,473
Less allowance for obsolescence	(32,220)
	$1,015,202

</TABLE>

NOTE 3. LEASES

The Company entered into a seven-year operating lease with a third party for office space effective September 12, 1994. The Company also had an informal agreement to reimburse an affiliate for office space used by the officers of the

Company through October 31, 1998. The affiliate's lease is with an unrelated third party which expires January 31, 2001. On November 1, 1998 the office space was sublet for the remaining term of the lease. Reimbursement for the affiliate rent expense was $14,999 and $48,146 in 1999 and 1998, respectively, which in 1999 is net of sublease rentals of $35,018.

On December 10, 1996, the Company entered into what is in essence a sale and leaseback agreement with respect to its 40,000 square foot manufacturing facility located in London, England. The Company received $3,365,000 (1,950,000 pounds) for leasing the facility to a third party for a nominal annual rental charge and for providing the third party with an option to purchase the facility for one pound during the period December 2006 to December 2027.

As part of the same transaction, the Company entered into an agreement to lease the facility back from the third party for base rents of $336,000 (195,000 pounds) per year payable quarterly until 2016. The lease is renewable through December 2027. The Company was also required to make a security deposit of $336,000 (195,000 pounds) to be reduced in subsequent years. The facility had a net book value of $1,398,819 (810,845 pounds) on the date of the transaction. The $1,966,181 (1,139,155 pounds) gain which resulted from this transaction will be recognized ratably over the initial term of the lease. Unamortized deferred gain as of September 30, 1999 was $1,583,260 (982,537 pounds).

In 1987, a subsidiary entered into a lease for office and factory space expiring January 31, 2001. These offices and factory space were vacated and subsequently this space was subleased to a third party for a period expiring January 31, 2001. At the time the sublease was entered into a liability was established for all future costs to the end of the lease, net of expected sublease receipts.

Details of operating lease expense in total and separately for transactions with related parties is as follows:

<TABLE>
<CAPTION>

	September 30, 1999	1998
<S>	<C>	<C>
Operating lease expense:		
Factory and office leases.	$691,399	$820,695
Office space previously used by officers (net of sublease rentals)	14,999	48,146
Other.	22,231	17,811
	$728,629	$886,652

</TABLE>

NOTE 3. LEASES (CONTINUED)

Future minimum payments under operating leases, including planned reimbursement of an affiliate for office space previously used by officers, consisted of the following at September 30, 1999:

<TABLE>
<CAPTION>

	Operating	Rentals Receivable Under Subleases
<S>	<C>	<C>
2000	$ 481,063	$ 39,204
2001	443,513	13,068
2002	321,778	-
2003	321,778	-
2004	320,893	-
Thereafter	3,884,472	-
Total minimum payments	$5,773,497	$ 52,272

</TABLE>

NOTE 4. NOTES PAYABLE AND LONG-TERM DEBT

During 1998, the Company repaid and then subsequently borrowed $1,000,000 from Mr. Dearholt, a current director of the Company. The outstanding note payable had an interest rate of 12% and was paid in full in 1999. As part of the transaction, the Company issued Mr. Dearholt warrants to purchase 200,000 shares of the Company's common stock at $2.25 per share, which represented 80% of the average trading price for the five trading days prior to the closing date for the transaction and resulted in an initial discount on the note of $297,500. Any stock issued under the warrants carry certain registration rights. The warrants expire in 2006. The discount in combination with the note's 12% coupon resulted in an effective interest rate of 63 percent on the note.

During 1999, the Company repaid and then subsequently borrowed $1,000,000 from Mr. Dearholt. The outstanding note payable bears interest at 12% and is payable in full in 2000. As part of the transaction, the Company issued Mr. Dearholt warrants to purchase 200,000 shares of the Company's common stock at $1.16 per share, which represented 80% of the average trading price for the five trading days prior to the closing date for the transaction and resulted in an initial discount on the note of $194,574. Any stock issued under the warrants carry certain registration rights. The warrants expire in 2008. In addition, if the Company defaults on its obligation under the note, the Company is required to issue an additional 200,000 shares of its common stock to Mr. Dearholt in addition to all other remedies to which Mr. Dearholt may be entitled. The note is recorded at September 30, 1999, net of unamortized discount of $93,626. The discount in combination with the note's 12% coupon resulted in an effective interest rate of 35 percent on the note.

Additionally, during 1999 the Company borrowed $250,000 from Mr. Dearholt and $50,000 from O.B. Parrish, also a current director of the Company. Each note payable bears interest at 12% and is payable in full in 2000. As part of the transactions, the Company issued Mr. Dearholt and Mr. Parrish warrants to purchase 50,000 and 10,000 shares of the Company's common stock at $1.35 and $1.25 per share, respectively, which represented 80% of the average trading price for the five trading days prior to the closing date for the transaction and resulted in an initial discount on the notes of $49,219 and $9,722, respectively. Any stock issued under the warrants carry certain registration rights. The warrants expire in 2008 and 2007, respectively. Also if the Company defaults on its obligation under the note, the Company is required to issue an additional 50,000 and 10,000 shares of its common stock to Mr. Dearholt and Mr. Parrish, respectively, in addition to all other remedies to which each is entitled. The notes are recorded at September 30, 1999, net

NOTE 4. NOTES PAYABLE AND LONG-TERM DEBT (CONTINUED)

of unamortized discounts of $18,018 and $3,733, respectively. The discount in combination with the notes' 12% coupon resulted in an effective interest rate of 35 percent for each note.

On June 1, 1999 the Company completed a private placement of convertible debentures in the principal amount of $1,500,000 and warrants to purchase 1,875,000 shares of common stock. The convertible debentures are convertible into shares of the Company's common stock as follows: the first 50% of the original principal balance and any accrued but unpaid interest thereon is convertible into common stock at the investor's election, at any time after one year, based on a per share price equal to the lesser of 70% of the market price of the Company's common stock at the time of conversion or $1.25, the second 50% of the original principal balance and, any accrued but unpaid interest thereon, is convertible into common stock at the investor's election at any time after

one year based on a per share price equal to the lesser of 70% of the market price of the Company's common stock at the time of conversion or $2.50. The convertible debentures are payable one year after issuance or, if the Company elects, two years after issuance. If the term extended for the extra one year, the Company must issue to the investor at the time of execution, 375,000 additional warrants to purchase shares of the Company's common stock on the same terms as the other warrants. Interest on the convertible debentures is due at a rate of 8% per annum, payable quarterly in either cash or, at the debenture holder's option, common stock of the Company.

The convertible debentures are collateralized by a first security interest in all of the Company's assets. In addition, if the Company defaults in payment of the principal or interest due on the convertible debentures in accordance with their terms, the Company must immediately issue 1,500,000 shares of its common stock to the investor at no cost. The issuance of these shares will not affect any of the outstanding warrants then held by the investor, which warrants will continue in effect in accordance with their terms.

Additionally, warrants to purchase 337,500 shares of the Company's common stock were issued to the Company's placement agent in this offering. The warrants have a term of five years and are exercisable at an exercise price equal to the lesser of 70% of the market price of the common stock at the time of the exercise or $1.00. The warrants were valued at $224,500 which was recorded as additional paid-in capital.

The convertible debentures beneficial conversion feature is valued at $336,400 and the warrants to purchase 1,875,000 shares of the Company's common stock are valued at $715,100. In accordance with SEC reporting requirements for such transactions, the Company recorded the value of the beneficial conversion feature and warrants (a total of $1,051,500) as additional paid in capital. The corresponding amount of $1,051,500 was recorded as a discount on convertible debentures and is amortized over 1 year using the interest rate method. The note is recorded net of a discount of $680,645 at September 30, 1999. The discount in combination with the debenture's 8% coupon resulted in an effective interest rate of 159 percent for the debentures. Upon completion of the convertible debenture private placement $195,000 of issuance costs were charged to equity.

On April 6, 1999 the Company restructured its $602,360 (370,000 pounds) Aage V. Jensen Charity Foundation note payable. The terms included immediate payment of $177,000 (110,000 pounds) as of the date of the restructuring agreement and required nine installment payments beginning April 15, 1999 and concluding on December 10, 1999. To avoid incurring additional interest related to the loan, the Company paid off the entire loan on June 10, 1999.

NOTE 5. INCOME TAXES

A reconciliation of income tax expense and the amount computed by applying the statutory Federal income tax rate to loss before income taxes as of September 30, 1999 and 1998, are as follows:

<TABLE>
<CAPTION>

	September 30, 1999	1998
<S>	<C>	<C>
Tax credit statutory rates.	$(1,275,100)	$(1,141,490)
Nondeductible expenses.	59,300	47,900
State income tax, net of federal benefits	(177,700)	(159,100)
Benefit of net operating loss not recognized, increase in valuation allowance	1,374,500	1,252,690
Other	19,000	-
	$ -	$ -

</TABLE>

As of September 30, 1999, the Company had federal and state net operating loss carryforwards of approximately $32,853,000 for income tax purposes expiring in years 2005 to 2015. The benefit relating to $1,537,800 of these net operating losses relates to exercise of common stock options and will be credited directly to stockholders' equity when realized. The Company also has investment tax and research and development credit carryforwards for income tax purposes aggregating approximately $150,000 at September 30, 1999, expiring in years 2000 to 2010. The Company's U.K. subsidiary, The Female Health Company - UK, plc subsidiary has U.K. net operating loss carryforwards of approximately $68,010,000 as of September 30, 1999. These U.K. net operating loss carryforwards can be carried forward indefinitely to be used to offset future U.K. taxable income. Significant components of the Company's deferred tax assets and liabilities are as follows at September 30, 1999:

<TABLE>
<CAPTION>

<S> <C>

Deferred tax assets:	
Federal net operating loss carryforwards	$11,170,000
State net operating loss carryforwards	2,166,000
Foreign net operating loss carryforwards	20,403,000
Foreign capital allowances	4,008,000
Tax credit carryforwards	150,000
Accounts receivable allowances	138,000
Other	17,000
Total gross deferred tax assets	38,052,000
Valuation allowance for deferred tax assets	38,036,000
Deferred tax assets net of valuation allowance	16,000
Deferred tax liabilities:	
Equipment, furniture and fixtures	(16,000)
Net deferred tax assets	$ -

</TABLE>

The valuation allowance increased by $1,711,000 and $1,252,690 for the years ended September 30, 1999 and 1998, respectively.

NOTE 6. ROYALTY AGREEMENTS

The Company has royalty agreements for sales of its products which provide for royalty payments based on sales quantities and achievement of specific sales levels. The amount of royalty expense was $38,451 for the year ended September 30, 1998. There was no royalty expense for the year ended September 30, 1999.

NOTE 7. COMMON STOCK

Stock Option Plans

The Company has various stock option plans that authorize the granting of options to officers, key employees and directors to purchase the Company's common stock at prices generally equal to the market value of the stock at the date of grant. Under these plans, the Company has 58,128 shares available for future grants as of September 30, 1999. The Company has also granted options to one of its legal counsel and an affiliate. Certain options are vested and exercisable upon issuance, others over periods up to four years and still others based on the achievement of certain performance criteria by the Company and market prices of its common stock.

Summarized information regarding all of the Company's stock options is as follows:

<TABLE>
<CAPTION>

	Number of Shares	Weighted Average Exercise Price
<S>	<C>	<C>
Outstanding at September 30, 1997	1,460,746	$ 2.92
Granted	18,000	0.01
Exercised	(29,400)	2.00
Expired or canceled	(274,868)	5.50
Outstanding at September 30, 1998	1,174,478	2.29
Granted	1,876,000	.86
Exercised	(18,000)	.01
Expired or canceled	(79,178)	6.75
Outstanding at September 30, 1999	2,953,300	$ 1.27

</TABLE>

Options shares exercisable at September 30, 1999 and 1998 are 425,766 and 463,410, respectively.

NOTE 7. COMMON STOCK (CONTINUED)

Options Outstanding and Exercisable

<TABLE>
<CAPTION>

Range of	Number	Wghted. Avg.	Wghted. Avg.	Number	Wghted. Avg.

Exercise Prices	Outstanding At 9/30/99	Remaining Life	Exercise Price	Exercisable at 9/30/99	Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>
.85.	1,860,000	8.9	$ .85	-	$ -
1.5625. . . .	16,000	6.3	1.5625	-	-
2.00.	1,077,300	4.8	2.00	425,766	2.00
.85 to $2.00	2,953,300	7.4	$ 1.27	425,766	$ 2.00

During 1998, the Company granted options to employees to purchase 18,000 shares of the Company's common stock at $.01. Compensation expense of $51,660 was recognized regarding this issuance.

All other stock options have been granted to employees at, or in excess of, fair market value at the date of grant. Accordingly, in accordance with APB 25 and related interpretations, no compensation cost has been recognized related to such stock option grants.

Had compensation cost for the Company's stock option plans been determined based on the fair value at the grant dates for all awards during Fiscal 1997 and 1998 consistent with the method set forth under FASB Statement No. 123, "Accounting for Stock-Based Compensation" ("FAS 123") the Company's net loss and loss per share would have been increased to the pro forma amounts indicated below:

	Year Ending September 30,			
	1999	Loss Per Share	1998	Loss Per Share
<S>	<C>	<C>	<C>	<C>
Net loss attributable to common stockholders.	$(3,884,228)	$ (.36)	$(4,306,985)	$ (0.43)
Compensation expense related to stock options granted	(371,902)	(.03)	(615,776)	(0.06)
	$(4,256,130)	$ (0.39)	$(4,922,731)	$ (0.49)

As the provisions of FAS 123 have been applied only to options granted since September 30, 1995, the resulting pro forma compensation cost is not representative of that to be presented in future years, when the pro forma cost would be fully reflected.

The fair value of options was estimated at the date of grant using the Black-Scholes option pricing model assuming expected volatility of 63.4% and 69.1% and risk-free interest rates of 5.0% and 4.43% for 1999 and 1998, respectively; and expected lives of one to three years and 0.0% dividend yield in both periods. The weighted average fair value of options granted was $.61 and $2.87 for the years ended September 30, 1999 and 1998, respectively.

NOTE 7. COMMON STOCK (CONTINUED)

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. Because the Company's employee stock options have characteristics different from those of traded options, and because changes in the input assumptions can materially affect the fair value estimate, the model may not provide a reliable single measure of the fair value of its employee stock options.

Stock Bonus Plan

During 1997, the Company adopted a stock bonus plan ("1997 Bonus Plan") to provide stock bonuses in lieu of cash bonuses to key employees who are responsible for the Company's future growth and financial success. The 1997 Bonus Plan provides for the award of up to 200,000 shares which are nontransferable and subject to a risk of forfeiture for one year subsequent to grant date. During the year ended September 30, 1998, 107,000 shares of restricted stock had been issued to key employees and consultants. During the year ended September 30, 1999, 15,000 shares of restricted stock were issued to key employees. Expense under the plan was $23,438 and $307,625 for the years ended September 30, 1999 and 1998, respectively.

Common Stock Purchase Warrants

The Company enters into consulting agreements with separate third party professionals to provide investor relations services and financial advisory

services. In connection with the consulting agreements, the Company granted warrants to purchase common stock. At September 30, 1999, 165,000 warrants were exercisable.

In 1998, the Company issued 165,000 warrants and recognized consulting expense and additional paid-in capital of $114,750. In 1999, the Company issued 100,000 warrants. The value of the warrants of $99,483 was recognized as unearned consulting fees and additional paid-in capital and the expense is being recognized over the term of the agreement.

There were 120,000 warrants exercised during 1999. At September 30, 1999, the following warrants were outstanding:

<TABLE>
<CAPTION>

	Number Outstanding
<S>	<C>
Warrants issued in connection with:	
Investor relations services contract	90,000
Financial advisory services contract	175,000
Convertible Debentures	2,320,034
Convertible Preferred Stock.	176,000
Equity Line of Credit.	200,000
Notes Payable.	900,000
Outstanding at September 30, 1999. .	3,861,034

</TABLE>

At September 30, 1999, the Company had reserved a total of 7,132,462 shares of its common stock for the exercise of options and warrants outstanding. This amount includes shares reserved to satisfy obligations due if the Company defaults on the payment of interest or principal on $1.3 million of notes due between February and March 2000.

NOTE 7. COMMON STOCK (CONTINUED)

Issuance of Stock

The Company has issued common stock to consultants for providing investor relation services. In 1998, the Company issued 25,000 shares of common stock with a market value of $93,750 which was recognized as consulting expense. In 1999, the Company issued 175,000 shares of common stock with a market value of $185,938 which was recorded as unearned consulting fees which is being recognized over the term of the agreement.

NOTE 8. PREFERRED STOCK

The Company has outstanding 660,000 shares of 8% cumulative convertible preferred stock (Series 1). Each share of preferred stock is convertible into one share of the Company's common stock on or after August 1, 1998. Annual preferred stock dividends will be paid if and as declared by the Company's Board of Directors. No dividends or other distributions will be payable on the Company's common stock unless dividends are paid in full on the preferred stock. The preferred stock may be redeemed at the option of FHC, in whole or in part, on or after August 1, 2000, subject to certain conditions, at $2.50 per share plus accrued and unpaid dividends. In the event of a liquidation or dissolution of the Company, the preferred stock would have priority over the Company's common stock. During 1999, 20,000 shares were converted into common stock.

On December 31, 1997, the Company completed a private placement of 729,927 shares of Class A Convertible Preferred Stock - Series 2 (the "Series 2 Preferred Stock") and warrants to purchase 240,000 shares of common stock. The Series 2 Preferred Stock was sold at a per share price of $2.74, resulting in net proceeds to the Company of $1.84 million, net of issuance costs of $156,616. The Series 2 Preferred Stock automatically converted into common stock on a one-for-one basis, on April 3, 1998, the date in which the registration statement registering the resale of the common stock was declared effective by the SEC. The investors received four-year warrants to purchase 240,000 shares of common stock exercisable at a price per share equal to the lesser of $3.425 or the average of the three closing bid prices per share of common stock for any three consecutive trading days chosen by the investor during the 30 trading day period ending on the trading day immediately prior to the exercise of the warrants. Individuals providing services to the Company's placement agent for the above convertible Preferred Stock received warrants to purchase 4,000 shares of common stock exercisable at any time prior to December 31, 2001, at $4.11 per share.

The Company's private placement of convertible Preferred Stock - Series 2 on December 31, 1997 included a beneficial conversion feature valued at $500,000 and four-year warrants to purchase additional shares of common stock valued at

$317,000. In accordance with new SEC reporting requirements for such transactions, the Company recorded the value of the beneficial conversion feature and warrants, a total of $817,000 as additional paid-in capital. The corresponding discount of $817,000, associated with the issuance of the convertible preferred stock is a one-time, non-recurring charge that has been fully amortized and reflected as preferred dividends accreted in the consolidated statements of operations for the year ended June 30, 1998. The dividend accretion had no impact on the Company's cash flow from operations.

NOTE 9. EMPLOYEE RETIREMENT PLAN

Effective October 1, 1997, the Company adopted a Simple Individual Retirement Account (IRA) plan for its employees. Employees are eligible to participate in the plan if their compensation reaches certain minimum levels and are allowed to contribute up to a maximum of $6,000 annual compensation to the plan. The Company has elected to match 100% of employee contributions to the plan up to a maximum of 1% of employee compensation for the year. Company contributions were $6,541 and $11,947 for 1999 and 1998, respectively.

NOTE 10. INDUSTRY SEGMENTS AND FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS

The Company currently operates primarily in one industry segment which includes the development, manufacture and marketing of consumer health care products.

The Company operates in foreign and domestic regions. Information about the Company's operations in different geographic areas (determined by the location of the operating unit) is as follows.

<TABLE>
<CAPTION>

(Amounts in Thousands)	September 30, 1999	1998
<S>	<C>	<C>
Net revenues:		
United States	$ 2,350	$ 2,481
International	2,365	2,970
Operating profit (loss):		
United States	(2,665)	(2,731)
International	(361)	(420)
Identifiable assets		
United States	1,760	2,088
International	4,747	5,471

</TABLE>

On occasion, the Company's U.S. unit sells product directly to customers located outside the U.S. Were such transaction reported by geographic destination of the sale rather than the geographic location of the unit, U.S. revenues would be decreased and International revenues increased by $177,000 and $396,000 in 1999 and 1998, respectively.

NOTE 11. CONTINGENT LIABILITIES

The Company's future obligations under the terms of a facilities lease were assigned by the Company and assumed by the buyer as part of the 1996 sale of the Company's subsidiary WPC Holdings, Inc. However, because the third party creditor did not release the Company from any future liability under the lease agreement at the time of their assignment, the Company remains contingently liable if Holdings defaults in making any payments under the agreement. At September 30, 1999, the total future payments under the lease agreement were $2.5 million.

The testing, manufacturing and marketing of consumer products by the Company entail an inherent risk that product liability claims will be asserted against the Company. The Company maintains product liability insurance coverage for claims arising from the use of its products. The coverage amount is currently $5,000,000 for FHC's consumer health care product.

NOTE 12. RELATED PARTY TRANSACTIONS

For 1998, the Company paid the rent for office space leased by Phoenix Health Care of Illinois, Inc. ("Phoenix"), a company that owns approximately 270,000 shares of the Company's outstanding common stock and has three officers and directors that are also officers and directors of the Company. This leased space was subleased as of November 1, 1998.

NOTE 12. RELATED PARTY TRANSACTIONS (CONTINUED)

During 1998 the Company awarded Phoenix 25,000 shares of restricted common stock with a market value of approximately $93,750 for consulting services provided to the Company. No such amount was awarded in 1999.

It has been and currently is the policy of the Company that transactions between the Company and its officers, directors, principal shareholders or affiliates are to be on terms no less favorable to the Company than could be obtained from unaffiliated parties. The Company intends that any future transactions between the Company and its officers, directors, principal shareholders or affiliates will be approved by a majority of the directors who are not financially interested in the transaction.

NOTE 13. CONTINUING OPERATIONS AND SUBSEQUENT EVENT

The Company's consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company incurred a loss of $3.8 million for the year ended September 30, 1999, and as of September 30, 1999, had an accumulated deficit of $45.2 million. At September 30, 1999, the Company had working capital of $.4 million and stockholders' equity of $1.7 million. In the near term, the Company expects operating and capital costs to continue to exceed funds generated from operations, due principally to the Company's fixed manufacturing costs relative to current production volumes and the ongoing need to commercialize the female condom around the world. As a result, operations in the near future are expected to continue to use working capital. Management recognizes that the Company's continued operations depend on its ability to raise additional capital through a combination of equity or debt financing, strategic alliances and increased sales volumes.

At various points during the developmental stage of the product, the Company was able to secure resources, in large part through the sale of equity and debt securities, to satisfy its funding requirements. As a result, the Company was able to obtain FDA approval, worldwide rights, manufacturing facilities and equipment and to commercially launch the female condom. Management believes that recent developments, including the Company's agreement with the UNAIDS, a joint United Nations program on HIV/AIDS, provide an indication of the Company's early success in broadening awareness and distribution of the female condom and may benefit efforts to raise additional capital and to secure additional agreements to promote and distribute the female condom throughout other parts of the world.

On September 29, 1997, the Company entered into an agreement with Vector Securities International, Inc. (Vector), an investment banking firm specializing in providing advice to healthcare and life-science companies. Pursuant to this agreement, as extended, Vector will act as the Company's exclusive financial advisor for the purposes of identifying and evaluating opportunities available to the Company for increasing shareholder value. These opportunities may include selling all or a portion of the business, assets or stock of the Company or entering into one or more distribution arrangements relating to the Company's product. There can be no assurance that any such opportunities will be available to the Company or, if so available, that the Company will ultimately elect or be able to consummate any such transaction. Management is currently determining whether the Company should seek to extend this arrangement.

On November 19, 1998, the Company executed an agreement with a private investor (the Equity Line Agreement). This agreement provides for the Company, at its sole discretion, subject to certain restrictions, to sell ("put") to the investor up to $6.0 million of the Company's common stock, subject to a minimum put of $1.0 million over the duration of the agreement. The Equity Line Agreement expires 24 months after the effective date of the pending registration statement and, among other things, provides for minimum and maximum puts ranging from $100,000 to $1,000,000 depending on the Company's stock price and trading volume. The Company is required to draw down a minimum of $1 million during the two-year period. If the Company does not draw down the minimum, the Company is required to pay the investor a

NOTE 13. CONTINUING OPERATIONS AND SUBSEQUENT EVENT (CONTINUED)

12% fee on that portion of the $1 million minimum not drawn down at the end of the two-year period. As of September 30, 1999, the Company had placed three puts for the combined cash proceeds of $485,000 providing the investor with a total of 482,964 shares of the Company's common stock.

The timing and amounts of the stock sales under the agreement are totally at the Company's discretion, subject to the Company's compliance with each of the following conditions at the time the Company requests a stock sale under the agreement:

- - the registration statement the Company filed with the SEC for sales of stock under the agreement must remain in effect;

- - all of the Company's representation and warranties in the agreement must

be accurate and the Company must have complied with all of the obligations in the agreement;

- - there may not be any injunction, legal proceeding or law prohibiting the Company's sale of the stock to Kingsbridge;

- - the Company's counsel must issue a legal opinion to Kingsbridge;

- - the sale must not cause Kingbridge's ownership of the Company's common stock to exceed 9.9% of the outstanding shares of our common stock;

- - the trading price of the Company's common stock over a five trading day period preceding the date of the date of the sale must equal or exceed $1.00 per share; and

- - the average daily trading volume of the Company's common stock for a 20 trading day period preceding the date of the sale must equal or exceed 17,000 shares.

Between September and November 1999 the Company completed a private placement where 983,333 shares of the Company's common stock were sold for $737,500, of which $500,000 was received through September 30, 1999. The stock sales were directly with accredited investors and included one current director of the Company. The Company provided the shares to these investors at a $.75 share price.

While the Company believes that its existing capital resources will be adequate to fund its currently anticipated capital needs, if they are not the Company may need to raise additional capital until its sales increase sufficiently to cover operating expenses. In addition, there can be no assurance that the Company will satisfy the conditions required for it to exercise puts under the Equity Line Agreement. Accordingly, the Company may not be able to realize all or any of the funds available to it under the Equity Line Agreement.

Further, there can be no assurance, assuming the Company successfully raises additional funds or enters into business agreements with third parties, that the Company will achieve profitability or positive cash flow. If the Company is unable to obtain adequate financing, management will be required to sharply curtail the Company's efforts to promote the female condom and to curtail certain other of its operations or, ultimately, cease operations.

THE FEMALE HEALTH COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

	JUNE 30, 2000
<S>	<C>
ASSETS	
Current Assets:	
Cash.	$ 395,806
Accounts receivable, net.	553,720
Inventories, net.	1,173,794
Prepaid expenses and other current assets	255,949
TOTAL CURRENT ASSETS	2,379,269
Intellectual property rights, net.	643,281
Other assets	149,681
PROPERTY, PLANT AND EQUIPMENT.	3,787,592
Less accumulated depreciation and amortization	(2,237,754)
Net Property, plant, and equipment	1,549,838
TOTAL ASSETS	$ 4,722,069
LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current Liabilities:	
Notes payable, related parties, net of unamortized discount	$ 1,163,522
Convertible debenture, net of unamortized discount.	1,358,911
Accounts payable.	502,535
Accrued expenses and other current liabilities.	406,686
Preferred dividends payable	100,043
TOTAL CURRENT LIABILITIES.	3,531,697
Deferred gain on lease of facility	1,442,800
Other long-term liabilities.	41,512

TOTAL LIABILITIES.	5,016,009
STOCKHOLDERS'DEFICIT:	
Convertible preferred stock.	6,600
Common stock	133,254
Additional paid-in-capital	47,987,899
Unearned consulting compensation	(76,360)
Accumulated deficit.	(48,405,221)
Accumulated other comprehensive income	91,964
Treasury stock, at cost.	(32,076)
Total stockholders' deficit.	(293,940)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT.	$ 4,722,069

</TABLE>

See notes to unaudited condensed consolidated financial statements.

THE FEMALE HEALTH COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	Nine Months Ended June 30,	
	2000	1999
<S>	<C>	<C>
Net revenues.	$ 3,923,425	$ 3,409,695
Cost of products sold	3,612,216	3,787,785
Gross profit (loss)	311,209	(378,090)
Advertising and promotion	169,000	219,333
Selling, general and administrative	2,085,001	2,129,111
Total operating expenses.	2,254,001	2,348,444
Operating (loss).	(1,942,792)	(2,726,534)
Amortization of debt issuance costs	245,676	69,650
Interest, net and other expense	937,561	245,042
Income (loss) before income taxes	(3,126,029)	(3,041,226)
Provision for income taxes.	-	-
Net (loss).	$(3,126,029)	$(3,041,226)
Preferred dividends, Series 1	99,090	102,054
Net (loss) attributable to common stockholders.	$(3,225,119)	$(3,143,280)
Net (loss) per common share outstanding	$ (0.26)	$ (0.29)
Weighted average common shares outstanding. . .	12,522,230	10,719,690

</TABLE>

See notes to unaudited condensed consolidated financial statements.

THE FEMALE HEALTH COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	Nine Months ended June 30,	
	2000	1999
<S>	<C>	<C>
OPERATIONS:		
Net (loss).	$(3,126,029)	$(3,041,226)
Adjusted for noncash items:		
Depreciation and amortization.	474,443	425,016
Amortization of discounts on notes payable and convertible debentures	844,997	332,994
Changes in operating assets and liabilities.	961,986	(526,101)
Net cash (used in) operating activities	(844,603)	(2,809,317)

INVESTING ACTIVITIES:		
Capital expenditures, Net cash (used in) investing activities	(11,579)	(22,129)
FINANCING ACTIVITIES:		
Proceeds from related party notes issued.	1,300,000	1,300,000
Payments on notes payable, related party.	(1,300,000)	(1,558,043)
Proceeds from the issuance of convertible debentures.	-	1,500,000
Dividends paid on preferred stock	(39,002)	(116,255)
Purchase of common stock held in Treasury	-	(12,746)
Proceeds from the issuance of common stock upon exercise of options and warrants	-	226,878
Proceeds from issuance of common stock.	719,500	485,000
Net cash provided by financing activities	680,498	1,953,835
Effect of exchange rate changes on cash	781	256,640
INCREASE (DECREASE) IN CASH	(174,903)	(749,972)
Cash at beginning of period	570,709	1,480,287
CASH AT END OF PERIOD	$ 395,806	$ 730,315
Schedule of noncash financing and investing activities:		
Common stock issued for payment of preferred stock dividends and convertible debenture interest	$ 48,160	$ 29,972
Issuance of warrants on notes payable	350,989	1,304,515
Common stock issued for payment of consulting services.	79,680	84,375
Preferred dividends declared, Series 1.	99,090	100,289

</TABLE>

See notes to unaudited condensed consolidated financial statements.

THE FEMALE HEALTH COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - Basis of Presentation

The accompanying financial statements are unaudited but in the opinion of management contain all the adjustments (consisting of those of a normal recurring nature) considered necessary to present fairly the financial position and the results of operations and cash flow for the periods presented in conformity with generally accepted accounting principles for interim financial information and the instructions to Form 10Q-SB and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

Operating results for the nine months ended June 30, 2000 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2000. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-KSB for the fiscal year ended September 30, 1999.

Principles of consolidation and nature of operations:

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, The Female Health Company - UK and The Female Health Company - UK, plc. All significant intercompany transactions and accounts have been eliminated in consolidation. The Female Health Company ("FHC" or the "Company") is currently engaged in the marketing, manufacture and distribution of a consumer health care product known as the Reality female condom, "Reality," in the U.S. and "femidom" or "femy" outside the U.S. The Female Health Company - UK, is the holding company of The Female Health Company - UK, plc, which operates a 40,000 sq. ft. leased manufacturing facility located in London, England.

Reclassification:

Certain expenses on the statements of income for the nine months ended June 30, 1999 have been reclassified to be consistent with the presentation shown for the nine months ended June 30, 2000.

NOTE 2 - Earnings Per Share

Earnings per share (EPS): Basic EPS is computed by dividing income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted EPS is computed giving effect to all dilutive potential common shares that were outstanding during the period. Dilutive potential common shares consist of the incremental common shares issuable upon conversion of convertible preferred or convertible debt and the exercise of stock options and warrants for all periods. Fully diluted (loss) per share is not presented since the effect would be anti-dilutive.

NOTE 3 - Comprehensive Income (Loss)

Total Comprehensive Loss was $(3,323,002) for the nine months ended June 30, 2000 and $(2,479,199) for the nine months ended June 30, 1999.

NOTE 4 - Inventories

The components of inventory consist of the following:

<TABLE>
<CAPTION>

	JUNE 30, 2000
<S>	<C>
Raw material and work in process	$ 321,614
Finished goods	866,000
Inventory, gross	1,187,614
Less: inventory reserves	(13,820)
Inventory, net	$ 1,173,794

</TABLE>

NOTE 5 - Sale of Convertible Preferred Stock

The Company has outstanding 660,000 shares of 8% cumulative Convertible Preferred Stock - Series 1. Each share of preferred stock is convertible into one share of the Company's Common Stock on or after August 1, 1998. Annual preferred stock dividends will be paid if and as declared by the Company's Board of Directors. No dividends or other distributions will be payable on the Company's Common Stock unless dividends are paid in full on the Preferred Stock. The shares may be redeemed at the option of the Company, in whole or in part, on or after August 1, 2000, subject to certain conditions, at $2.50 per share plus accrued and unpaid dividends. In the event of a liquidation or dissolution of the Company, the Preferred Stock - Series 1 would have priority over the Company's Common Stock.

NOTE 6 - Financial Condition

The Company's consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company incurred a net loss of $3.2 million for the nine months ended June 30, 2000 and as of June 30, 2000 had an accumulated deficit of $48.4 million. At June 30, 2000, the Company had working capital of $(1.2) million and stockholders' deficit of $0.3 million. In the near term, the Company expects operating and capital costs to continue to exceed funds generated from operations due principally to the Company's manufacturing costs relative to current production volumes and the ongoing need to commercialize the Female Condom around the world. As a result, operations in the near future are expected to continue to use working capital. Management recognizes that the Company's continued operations depend on its ability to raise additional capital through a combination of equity or debt financing, strategic alliances and increased sales volumes.

At various points during the developmental stage of the product, the Company was able to secure resources, in large part through the sale of equity and debt securities, to satisfy its funding requirements. As a result, the Company was able to obtain FDA approval, worldwide rights, manufacturing facilities and equipment and to commercially launch the Female Condom.

Management believes that recent developments, including the Company's agreement with the UNAIDS, a joint United Nations program on HIV/AIDS, provide an indication of the Company's early success in broadening awareness and distribution of the Female Condom and may benefit future efforts to raise additional capital and to secure additional agreements to promote and distribute

the Female Condom throughout other parts of the world.

NOTE 6 - Financial Condition - (Continued)

On September 29, 1997, the Company entered into an agreement with Vector Securities International, Inc. (Vector), an investment banking firm specializing in providing financial advisory services to healthcare and life-science companies. Pursuant to this agreement, as extended, Vector has acted as the Company's exclusive financial advisor through June 30, 2000 for the purposes of identifying and evaluating opportunities available to the Company for increasing stockholder value. The Company and Vector are discussing extending these arrangements. These opportunities may include selling all or a portion of the business, assets or stock of the Company or entering into one or more distribution arrangements relating to the Company's product. There can be no assurance that any such opportunities will be available to the Company or, if so available, that the Company will ultimately elect or be able to consummate any such transaction. Management is currently determining whether the Company should seek to extend this arrangement.

On May 19, 1999 and June 3, 1999 the Company issued an aggregate $1.5 million of convertible debentures and warrants to purchase 1,875,000 shares of the Company's common stock to five accredited investors. See Note 7 of the Notes to Unaudited Condensed Consolidated Financial Statements for additional detail.

On November 19, 1998, the Company executed an agreement with a private investor (the "Equity Line Agreement"). This agreement provides for the Company, at its sole discretion, subject to certain restrictions, to sell ("put") to the investor up to $6.0 million of the Company's Common Stock, subject to a minimum put of $1.0 million over the duration of the agreement. The Equity Line Agreement expires on February 12, 2001 and, among other things, provides for minimum and maximum puts ranging from $100,000 to $1,000,000 depending on the Company's stock price and trading volume. Puts cannot occur more frequently than every 20 trading days. Upon a proper put under this agreement, the investor purchases Common Stock at a discount of (a) 12% from the then current average market price of the Company's Common Stock, as determined under the Equity Line Agreement, if such average market price is at least $2 or (b) 18% from the then current average market price if such average market price is less than $2. In addition, the Company is required to pay its placement agent sales commissions in Common Stock or cash, at the placement agent's discretion, equal to 7% of the funds raised under the Equity Line Agreement and issue warrants to the placement agent to purchase shares of Common Stock, at an exercise price of $2.17 per share, equal to 10% of the shares sold by the Company under the Equity Line Agreement. Pursuant to the Equity Line Agreement, the Company issued the investor a Warrant to purchase 200,000 shares of Common Stock at $2.17 per share.

The Company is required to draw down a minimum of $1 million during the term of the Equity Line Agreement. If the Company does not draw down the minimum, the Company is required to pay the investor a 12% fee on that portion of the $1 million minimum not drawn down at the end of the term of the Equity Line Agreement. As of March 31, 2000, the Company has placed four puts for the combined cash proceeds of $582,000 providing the investor with a total of 680,057 shares of the Company's Common Stock. Each put was executed while the Company's stock price was below $2.00 per share and therefore, the common stock was sold at the 18% discount. The timing and amount of the stock sales under the Equity Line Agreement are totally at the Company's discretion, subject to the Company's compliance with each of the following conditions at the time the Company requests a stock sale under the Equity Line Agreement:

- - the registration statement the Company filed with the SEC for sales of stock under the Equity Line Agreement must remain in effect;

- - all of the Company's representations and warranties in the Equity Line Agreement must be accurate and the Company must have complied with all of the Company's obligations in the Equity Line Agreement;

- - there may not be any injunction, legal proceeding or law prohibiting the Company's sale of the stock to the investor;

NOTE 6 - Financial Condition - (Continued)

- - the sale must not cause the investor's ownership of the Company's common stock to exceed 9.9% of the outstanding shares of the Company's common stock;

- - the trading price of the Company's common stock over a five trading day period preceding the date of the sale must equal or exceed $1.00 per share; and

- - the average daily trading volume of the Company's common stock for a 20 trading day period preceding the date of the sale must equal or exceed 17,000 shares.

The trading price of the Company's common stock was below $1.00 per share as of June 30, 2000. Although Kingsbridge waived the condition relating to the trading price of the Company's common stock for the fourth put completed during the quarter ended June 30, 2000, the Company can make no assurance that Kingsbridge will waive this condition or any other condition under the Equity Line Agreement if the Company cannot satisfy such conditions to use the Equity Line Agreement if needed in the future.

While the Company believes that its existing capital resources will be adequate to fund its currently anticipated capital needs, if they are not, the Company may need to raise additional capital until its sales increase sufficiently to cover operating expenses. In addition, there can be no assurance that the Company will satisfy the conditions required for it to exercise puts under the Equity Line Agreement. Accordingly, the Company may not be able to realize all of the funds available to it under the Equity Line Agreement.

Further, there can be no assurances, assuming the Company successfully raises additional funds or enters into business agreements with third parties, that the Company will achieve profitability or positive cash flow. If the Company is unable to obtain adequate financing, management will be required to sharply curtail the Company's efforts to commercialize the Female Condom and to curtail certain other of its operations or, ultimately, cease operations.

NOTE 7 - Sale of Convertible Debentures

On May 19 and June 3, 1999, the Company issued an aggregate of $1.5 million of convertible debentures and warrants to purchase 1,875,000 shares of the Company's common stock to five accredited investors. Interest on the convertible debentures is payable quarterly at a rate of 8% annually in cash or, at the investors' option, common stock at its then current fair market value. From December 2, 1999 until February 11, 2000, interest on the convertible debentures was at the rate of 10% annually, and then returned to 8% annually. Repayment of the convertible debentures is secured by a first security interest in all of the Company's assets. The original principal balance plus any accrued but unpaid interest of the convertible debentures may be convertible into the Company's common stock at the investor's election at any time after one year based on a per share price equal to the lesser of (a) 70% of the market price of the Company's Common Stock at the time of conversion or (b) $1.00. The convertible debentures were originally payable one year after issuance. However, the Company elected under the terms of the convertible debentures to extend the due date to two years after issuance. As a result of the Company electing to extend the term of the debentures an additional year, the Company issued to the investors at the time of extension, additional warrants to purchase 375,000 shares of Common Stock on the same terms as the other warrants.

The convertible debentures beneficial conversion feature is valued at $336,400 and the warrants to purchase 1,875,000 shares of common stock are valued at $715,100. In accordance with SEC reporting requirements for such transactions, the Company recorded the value of the beneficial conversion feature and warrants (a total of $1,051,500) as additional paid in capital.

The corresponding amount of $1,051,500 was recorded as a discount on convertible debentures and is amortized over 1 year using the interest rate method.

NOTE 8 - Industry Segments And Financial Information About Foreign and Domestic Operations

The Company currently operates primarily in one industry segment which includes the development, manufacture and marketing of consumer health care products.

The Company operates in foreign and domestic regions. Information about the Company's operations in different geographic areas (determined by the location of the operating unit) is as follows:

<TABLE>
<CAPTION>

(Amounts in thousands)	Nine Months Ended June 30, 2000	1999
<S>	<C>	<C>
Net revenues:		
United States	$ 1,542	$ 1,856

International	2,381	1,553
Operating profit (loss):		
United States	(3,344)	(2,665)
International	119	(479)
Identifiable assets:		
United States	1,082	1,647
International	3,640	4,678

</TABLE>

On occasion, the Company's U.S. unit sells product directly to customers located outside the U.S. Were such transactions reported by geographic destination of the sale rather than the geographic location of the unit, U.S. revenues would be decreased and International revenues increased by $36,540 and $96,514 as of June 30, 2000 and 1999, respectively. Additionally, U.S. operating loss reflects $2,227,625 and $1,075,330 of worldwide corporate overhead for the nine months ended June 30, 2000 and 1999, respectively.

YOU SHOULD RELY ONLY ON INFORMATION CONTAINED IN THIS PROSPECTUS. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION DIFFERENT FROM THAT CONTAINED IN THIS PROSPECTUS. THE SELLING STOCKHOLDERS LISTED IN THIS PROSPECTUS IS OFFERING TO SELL, AND SEEKING OFFERS TO BUY, SHARES OF COMMON STOCK ONLY IN JURISDICTIONS WHERE OFFERS AND SALES ARE PERMITTED.

NO ACTION IS BEING TAKEN IN ANY JURISDICTION OUTSIDE THE UNITED STATES TO PERMIT A PUBLIC OFFERING OF THE COMMON STOCK OR POSSESSION OR DISTRIBUTION OF THIS PROSPECTUS IN ANY SUCH JURISDICTION. PERSONS WHO COME INTO POSSESSION OF THIS PROSPECTUS IN JURISDICTIONS OUTSIDE THE UNITED STATES ARE REQUIRED TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY RESTRICTIONS AS TO THIS OFFERING AND THE DISTRIBUTION OF THIS PROSPECTUS APPLICABLE TO THAT JURISDICTION.

THE FEMALE HEALTH COMPANY

650,000 SHARES OF COMMON STOCK

PROSPECTUS

September, 2000

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 24. Indemnification of Directors and Officers.

Pursuant to sections 180.0850 to 180.0859 of the Wisconsin Business Corporation Law, directors and officers of the Company are entitled to mandatory indemnification from the Company against certain liabilities and expenses (i) to the extent such officers or directors are successful in the defense of a proceeding and (ii) in proceedings in which the director or officer is not successful in the defense thereof, unless (in the latter case only) it is determined that the director or officer breached or failed to perform his duties to the Company and such breach or failure constitute: (a) willful failure to deal fairly with the Company or its shareholders in connection with a matter in which the director or officer had a material conflict of interest; (b) a violation of the criminal law unless the director or officer had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe his or her conduct was unlawful; (c) a transaction from which the director or officer derived an improper personal profit; or (d) willful misconduct. It should be noted that section 180.0859 of the Wisconsin Business Corporation Law specifically states that it is the public policy of Wisconsin to require or permit indemnification in connection with a proceeding involving securities regulation, as described therein, to the extent required or permitted under sections 180.0850 to 180.0858 as described above. Additionally, under the Wisconsin Business Corporation Law, directors of the Company are not subject to personal liability to the Company, its shareholders or any person asserting rights on behalf thereof for certain breaches or failures to perform any duty resulting solely from their status as such directors, except in circumstances paralleling those in subparagraphs (a) through (d) outlined above.

Consistent with sections 180.0850 to 180.0859 of the Wisconsin Business Corporation Law, Article VIII of the Company's Amended and Restated By-Laws provides that the Company shall indemnify any person in connection with legal proceedings threatened or brought against him by reason of his present or past status as an officer or director of the Company in the circumstances described above. Article VIII of the Amended and Restated By-Laws also provides that the

directors of the Company are not subject to personal liability to the Company, its shareholders or persons asserting rights on behalf thereof, as provided in the Wisconsin Business Corporation Law. The Amended and Restated By-Laws also contain a nonexclusivity clause which provides in substance that the indemnification rights under the Amended and Restated By-Laws shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement with the Company, any Amended and Restated By-Law or otherwise.

The indemnification provided as set forth above is not exclusive of any other rights to which a director or an officer of the Company may be entitled.

The general effect of the foregoing provisions is to reduce the circumstances in which an officer or director may be required to bear the economic burdens of the foregoing liabilities and expenses.

Item 25. Other Expenses of Issuance and Distribution.

The expenses in connection with the offering are as follows:

<TABLE>
<CAPTION>

ITEM	AMOUNT*
<S>	<C>
Registration fee	$ 83
Printing expenses.	5,000
Legal fees and expenses. . .	10,000
Accounting fees and expenses	5,000
Miscellaneous expenses . . .	5,000
Total.	$ 25,083

<FN>

* All amounts estimated except the registration fee.
</TABLE>

Item 26. Recent Sales of Unregistered Securities.

On September 12, 1996, the Company completed a Regulation S offering to five offshore institutional investors selling to such investors 8% cumulative convertible debentures for an aggregate principal amount of $2 million. The debentures are convertible into the Company's common stock. In addition, the debenture holders received warrants to purchase 40,201 shares of the Company's common stock at an exercise price of $5.72 per share.

On February 20, 1997, the Company sold $2,020,000 of 8% convertible debentures and related warrants to eight foreign investors pursuant to the exemption from the securities registration requirement provided by Regulation S promulgated under the Securities Act of 1933, as amended. The convertible debentures mature on January 31, 2000 and bear interest at 8% per annum, payable semiannually. The convertible debentures are convertible at the election of the holders into shares of common stock in accordance with their terms. As required by Regulation S, the Company offered and sold the convertible debentures and warrants in an offshore transaction only to non-U.S. persons. The Company did not use the services of an underwriter in this offering but, rather, European American Services, Inc. acted as a distributor for the offering. For its services as the distributor, European American Services, Inc. received a placement fee of 7% of the principal amount of the debentures sold. In connection with this Regulation S offering, the investors also received warrants to purchase a total of 67,333 shares of the Company's common stock at an exercise price of $5.00 per share. The warrants expire on October 30, 1999.

The Company believes the above transactions were exempt from the securities registration requirement pursuant to Regulation S promulgated under the Securities Act because such sales were made to nonresidents of the United States in an offshore transaction without any directed selling efforts made in the United States by the Company, any distributor or any of their respective affiliates or any persons acting on behalf of any of such parties. In addition, the Company believes it implemented all offering restrictions and complied with all of the terms and conditions of Regulation S which were imposed on the issuer of the securities as of the date of each offering.

On each of March 25, 1997, March 25, 1998 and March 25, 1999 the Company refinanced its $1 million borrowing from Mr. Dearholt by extending the one-year note payable to him for an additional year. Accordingly, the note is now payable in full on March 25, 2000. As part of these transactions, on the date of each extension, the Company issued to Mr. Dearholt warrants to purchase 200,000 shares of the Company's common stock at exercise prices of $1.848, $2.25 and

$1.16 per share, respectively. These exercise prices represented 80% of the average trading price of the Company's common stock for the five trading days immediately prior to each of the refinancings. The warrants expire on the earlier of their exercise or five years after the date of their issuance.

The Company believes that the sales described above were exempt from registration under section 4(2) of the Securities Act and/or Regulation D promulgated under the Securities Act because such sales were made to one person who is an accredited investor and a director of the Company. Mr. Dearholt also represented to the Company that he was purchasing for investment without a view to further distribution. Restrictive legends were placed on all instruments evidencing the securities described above.

On July 29, 1997, the Company completed a private placement of 680,000 shares of Class A Convertible Preferred Stock--Series 1 (the "Series 1 Preferred Stock") to a group of accredited investors. Each share of the Series 1 Preferred Stock was sold for $2.50. In connection with this private placement, the Company issued to the placement agents in the offering warrants exercisable for a total of 52,000 shares of common stock at an exercise price of $2.50 per share. The Company also paid the placement agents a cash commission equal to 7% of the proceeds received by the Company from sales made by the placement agents. The Company raised approximately $1.6 million of proceeds, net of issuance costs of $96,252. The Company believes that it has satisfied the exemption from the securities registration requirement provided by section 4(2) of the Securities Act and Regulation D promulgated thereunder in this offering in that the securities were sold in a private placement to only accredited investors, most of whom had a pre-existing personal or business relationship with the Company or its officers or directors and each of whom provided representations which the Company deemed necessary to satisfy itself that they were accredited investors and were purchasing for investment and not with a view to resale in connection with a public offering.

On December 31, 1997, the Company sold 729,927 shares of Class A Convertible Preferred Stock--Series 2 ("Series 2 Preferred Stock") and warrants to purchase 240,000 shares of the Company's common stock to three institutional accredited investors pursuant to section 4(2) of the Securities Act and Regulation D promulgated thereunder. Each share of Series 2 Preferred Stock was sold for $2.74. This private placement netted the Company $1.82 million, after deduction for expenses and commissions. in connection with this private placement, the Company issued to its placement agent in the offering warrants to purchase 4,000 shares of the Company's common stock at an exercise price of $4.11 per share. The Company also paid the placement agent a commission equal to 7% of the gross proceeds raised by the Company in this offering. The warrants issued to the investors are exercisable at an exercise price per share equal to the lesser of (a) $3.25 or (b) the average of the three closing bid prices per share of the Company's common stock for any three consecutive trading days selected by the holder in the 30 consecutive trading day period ending on the trading day immediately prior to the date of exercise. Both the warrants issued to the investors and the warrants issued to the Company's placement agent in this offering expire on December 31, 2001. The Company believes that it has satisfied the exemption from the securities registration requirement provided by section 4(2) of the Securities Act and Regulation D promulgated thereunder in this offering in that the securities were sold in a private placement to only sophisticated, institutional, accredited investors, each of whom provided representations which the Company deemed necessary to satisfy itself that they were accredited investors and were purchasing for investment and not with a view to resale in connection with a public offering.

On May 19, 1999 and June 3, 1999, the Company issued an aggregate of $1,500,000 of convertible debentures and warrants to purchase 1,875,000 shares of the Company's common stock to five accredited investors. The convertible debentures bear interest at 8% per annum and have a one-year term; provided, however, that the Company may extend the repayment term for an additional one year if, upon such extension, it issues to the investors warrants to purchase 375,000 shares of the Company's common stock having the same terms and conditions as the warrants issued to the investors in the private placement. The investors may convert the convertible debentures into common stock at any time after one year from the date they were issued as follows: (a) the first 50% of the original principal balance of the convertible debentures, plus any accrued but unpaid interest thereon, is convertible into common stock based on a per share price equal to the lesser of (i) 70% of the market price of the common stock at the time of conversion or (ii) $1.25; and (b) the second 50% of the original principal balance plus any accrued but unpaid interest thereon is convertible into common stock based on

the per share price equal to the lesser of (i) 70% of the market price of the common stock at the time of conversion or (ii) $2.50. As part of this offering, the Company also issued to the investors warrants to purchase 1,875,000 shares of the Company's common stock. The warrants are exercisable by the investors at any time within five years after their date of issuance at an exercise price per share equal to the lesser of (a) 70% of the market price of the Company's common stock from the date of exercise or (b) $1.00. As part of the consideration that the Company paid R.J. Steichen & Company, the Company's placement agent in the

private placement of the convertible debentures and warrants, the Company issued to R.J. Steichen warrants to purchase a total of 337,500 shares of the Company's common stock. The warrants issued to R.J. Steichen are exercisable at any time commencing one year after the date of the private placement and for a period of four years thereafter at an exercise price of $1.00 per share.

The Company believes it has satisfied the exemption from the securities registration requirement provided by section 4(2) of the Securities Act and Regulation D promulgated thereunder in this offering since the securities were sold in a private placement to only sophisticated, accredited investors, each of whom provided representations which the Company deemed necessary to satisfy itself that they were accredited investors and were purchasing for investment and not with a view to resale in connection with a public offering.

On September 24, 1999, the Company completed a private placement of 666,671 shares of its common stock to nine investors. Each share of common stock was sold for a purchase price of $0.75, representing a discount of 12% from the market price on the date that the shares were sold. In connection with this private placement, the Company agreed to register the investors' resale of these shares pursuant to this registration statement. The Company raised approximately $500,000 of proceeds, net of issuance cost of $0 in connection with this private placement. The Company believes that it has satisfied the exemption from the securities registration requirement provided by section 4(2) of the Securities Act and Regulation D promulgated thereunder in this offering since the securities were sold in a private placement to only accredited investors, most of whom had a preexisting personal or business relationship with the Company or its officers or directors and each of whom provided representations which the Company deemed necessary to satisfy itself that they were accredited investors and were purchasing for investment and not with a view to resale in connection with a public offering. In addition, the common stock issued to these investors contained restrictive legends indicating that the shares had not been registered and, therefore, cannot be resold unless the resale was registered under the Securities Act or an exemption from such registration requirement was available.

On February 18, 1999, the Company borrowed $50,000 from O.B. Parrish, the Company's Chairman and Chief Executive Officer. The extension was completed through the execution of a $50,000, one year promissory note payable by the Company to Mr. Parrish and a Note Purchase and Warrant Agreement and Stock Issuance Agreement. Pursuant to this transaction, Mr. Parrish was granted warrants to purchase 10,000 shares of common stock at an exercise price of $1.35 per share. The warrants expire upon the earlier of their exercise or five years after the date of their issuance. Under the Stock Issuance Agreement, if we fail to pay the $50,000 promissory note when due, we must issue 10,000 shares of our common stock to Mr. Parrish. The issuance will not, however, alleviate our liability under the note. We also granted Mr. Parrish securities registration rights with respect to any common stock he receives from us under these warrants or the Stock Issuance Agreement.

On February 12, 1999, we borrowed $250,000 from Mr. Dearholt. The borrowing was effectuated in the form of a $250,000, one-year promissory note payable by us to Mr. Dearholt. As part of this transaction, the Company entered into a Note Purchase and Warrant Agreement and a Stock Issuance Agreement. Pursuant to the Note Purchase and Warrant Agreement, Mr. Dearholt received a warrant to purchase 50,000 shares of our common stock at an exercise price of $1.25 per share. The warrants expire upon the earlier of their exercise or five years after the date of their issuance. Under the Stock Issuance Agreement, if we fail to pay the $250,000 under the note when due, we must issue 50,000 shares of our common stock to Mr. Dearholt. This issuance will not, however, alleviate our liability under the note. We also granted Mr. Dearholt securities registration rights with respect to any common stock he receives from us under these warrants or the Stock Issuance Agreement.

The Company has sold 129,506 shares of common stock on February 26, 1999, 157,356 shares of common stock on March 10, 1999, 196,102 shares of common stock on April 10, 1999 and 197,093 shares of common stock on May 31, 2000 to a private investor under an equity line agreement. The Company received net cash proceeds of $145,500, $145,500, $194,000, and $97,000 respectively, from these sales. As part of this offering, the Company also issued to the investor warrants to purchase 200,000 shares of the Company's common stock at an exercise price of $2.17 per share. The Company also issued warrants to purchase 100,000 shares of the Company's common stock at an exercise price of $1.625 to this investor on February 12, 1999 in connection with a consulting agreement. The Company believes it has satisfied the exemption from the securities registration requirement provided by section 4(2) of the Securities Act and Regulation D promulgated thereunder in this offering since the securities were sold in a private placement to a sophisticated, accredited investor, who provided representations which the Company deemed necessary to satisfy itself that it was an accredited investor and was purchasing for investment and not with a view to resale in connection with a public offering.

The Company sold 316,668 shares of common stock to three investors in November 1999. The Company received cash proceeds of $237,500 from these sales. The Company believes it has satisfied the exemption from the securities

registration requirement provided by section 4(2) of the Securities Act and Regulation D promulgated thereunder in this offering since the securities were sold in a private placement to sophisticated, accredited investors, who provided representations which the Company deemed necessary to satisfy itself that they were accredited investors and were purchasing for investment and not with a view to resale in connection with a public offering.

The Company sold 100,000 shares of common stock to one investor in January 2000. The Company received cash proceeds of $75,000 from this sale. The Company believes it has satisfied the exemption from the securities registration requirement provided by section 4(2) of the Securities Act and Regulation D promulgated thereunder in this offering since the securities were sold in a private placement to a sophisticated, accredited investor, who provided representations which the Company deemed necessary to satisfy itself that he was an accredited investor and was purchasing for investment and not with a view to resale in connection with a public offering.

The Company sold 80,001 shares of common stock to three investors in February 2000. The Company received cash proceeds of $60,000 from these sales. The Company believes it has satisfied the exemption from the securities registration requirement provided by section 4(2) of the Securities Act and Regulation D promulgated thereunder in this offering since the securities were sold in a private placement to sophisticated, accredited investors, who provided representations which the Company deemed necessary to satisfy itself that they were accredited investors and were purchasing for investment and not with a view to resale in connection with a public offering.

On February 18, 2000, the Company issued warrants to purchase 12,500 shares of common stock to O.B. Parrish, the Company's Chairman and Chief Executive Officer, in connection with the extension of the due date of a $50,000 loan from Mr. Parrish to February 18, 2001. The warrants have an exercise price of $0.72 per share. The warrants expire upon the earlier of their exercise or ten years after the date of their issuance. The Company believes that it has satisfied the exemption from the securities registration requirement provided by section 4(2) of the Securities Act in connection with this issuance.

On February 12, 2000, the Company issued warrants to purchase 62,500 shares of common stock to Stephen M. Dearholt in connection with the extension of the due date of a $250,000 loan from Mr. Dearholt to February 12, 2001. On March 25, 2000, the Company issued warrants to purchase 250,000 shares of common stock to Stephen M. Dearholt in connection with the extension of the due date of a $1,000,000 loan from Mr. Dearholt to March 25, 2001. The Company believes that it has satisfied the exemption from the securities registration requirement provided by section 4(2) of the Securities Act in connection with these issuances.

In June, 2000, the Company sold 500,000 shares of its common stock to two investors, including 400,000 shares to a trust for the benefit of a child of Stephen M. Dearholt, a director of the Company. The Company received cash proceeds of $250,000 from this sale. The Company believes it has satisfied the exemption from the securities registration requirement provided by section 4(2) of the Securities Act and Regulation D promulgated thereunder in this offering since the securities were sold in a private placement to sophisticated, accredited investors, who provided representations which the Company deemed necessary to satisfy itself that were accredited investors and were purchasing for investment and not with a view to resale in connection with a public offering.

On May 19, 2000 and June 3, 2000, the Company issued warrants to purchase 375,000 shares of common stock to five investors, in connection with the one-year extension of the due date of a $1,500,000 convertible debenture with the exercise price of the warrants is the lesser of 70% of market value or $1.00 per share. The warrants expire upon the earlier of their exercise or four years after the date of their issuance. The Company believes that it has satisfied the exemption from the securities registration requirement provided by section 4(2) of the Securities Act in connection with this issuance.

On June 15, 2000, the Company issued 150,000 shares of common stock to one person as compensation for consulting services. The Company believes that it has satisfied the exemption from the securities registration requirement provided by section 4(2) of the Securities Act in connection with this issuance.

Item 27. Exhibits. The following exhibits are filed as part of this Registration Statement.

<TABLE>
<CAPTION>

<S> <C>

EXHIBIT NO.. DESCRIPTION

- ------------ ----------

3.1	Amended and Restated Articles of Incorporation of the Company.(20)
3.2	Articles of Amendment to the Amended and Restated Articles of Incorporation of the Company.
3.3	Amended and Restated By-Laws of the Company.(3)
4.1	Amended and Restated Articles of Incorporation (same as Exhibit 3.1).
4.2	Articles II, VII and XI of the Amended and Restated By-Laws of the Company (included in Exhibit 3.2).(3)
4.3	Private Equity Line of Credit Agreement between the Company and Kingsbridge Capital Limited dated November 19, 1998.(2)
4.4	Registration Rights Agreement between the Company and Kingsbridge Capital Limited dated as of November 19, 1998.(2)
4.5	Warrant to Purchase up to 200,000 shares of common stock of the Company issued to Kingsbridge Capital Limited as of November 19, 1998.(2)
4.6	Agreement between Kingsbridge Capital Limited and the Company dated February 12, 1999. (23)
4.7	Consulting Agreement between the Company and Kingsbridge Capital Limited dated February 12, 1999.(23)
4.8	Registration Rights Agreement between Kingsbridge Capital Limited and the Company dated February 12, 1999.(23)
4.9	Warrant for 100,000 shares of the Company's common stock issued to Kingsbridge Capital Limited as of February 12, 1999.(23)
5	Legal Opinion of Reinhart, Boerner, Van Deuren, Norris & Rieselbach, s.c. regarding legality of Securities being issued.
10.1	Employment Agreement between John Wundrock and the Company dated October 1, 1989.(3)
10.2	Wisconsin Pharmacal Company, Inc. (k/n/a The Female Health Company) 1990 Stock Option Plan.(4)
10.3	Commercial Building Lease dated May 1, 1992 covering the Jackson, Wisconsin, office and manufacturing facility.(5)
10.4	Reality Female Condom Clinical Trial Data Agreement between the Company and Family Health International dated September 24, 1992.(6)
10.5	Trademark License Agreement for Reality Trademark.(7)
10.6	Office space lease between the Company and John Hancock Mutual Life Insurance Company dated June 1, 1994.(8)

10.7	Employment Agreement dated September 10, 1994 between the Company and Dr. Mary Ann Leeper.(9)
10.8	1994 Stock Option Plan.(10)
10.9	Investor relations and development services Consulting Agreement between the Company and C.C.R.I. Corporation dated March 13, 1995.(11)
10.10	Consultant Warrant Agreement dated March 13, 1995 between the Company and C.C.R.I. Corporation, as amended on April 22, 1996.(12)
10.11	Company Promissory Note payable to Stephen M. Dearholt for $1 million dated March 25, 1996 and related Note Purchase and Warrant Agreement, warrants and Stock Issuance Agreement.(13)
10.12	Outside Director Stock Option Plan.(12)
10.13	Exclusive Distribution Agreement between Chartex International Plc and Taiho Pharmaceutical Co., Ltd. dated October 18, 1994.(14)
10.14	Supply Agreement between Chartex International Plc and Deerfield Urethane, Inc. dated August 17, 1994.(14)
10.15	Employment Letter dated February 28, 1990 from Chartex Resources Ltd. to Michael Pope and Board Amendments thereto.(14)
10.16	Grant Letter dated March 7, 1996 from the Government Office for London of the Secretary of State of Trade and Industry regarding economic development grant to the Company.(14)

10.17 Letter Amendment to Asset Sale Agreement dated April 29, 1996 between the Company and Dowty Seals Limited and Chartex International Plc.(14)

10.18 Form of 8% Convertible Debenture due August 31, 1999 issued by the Company to certain foreign investors on September 12, 1996.(15)

10.19 Form of Warrant issued by the Company to certain foreign investors as of September 12, 1996.(15)

10.20 Fund Raising Agreement dated May 1, 1998 by and between Hartinvest-Medical Ventures and the Company. (2)

10.21 Change of Control Agreement dated January 27, 1999, between The Female Health Company and Michael Pope.(16)

10.22 Company Promissory Note to Stephen M. Dearholt for $250,000 dated February 1, 1999 and related Note Purchase And Warrant Agreement, warrants and Stock issuance Agreement.(16)

10.23 Company Promissory Note to O.B. Parrish for $50,000 dated February 1, 1999 and related Note Purchase And Warrant Agreement, warrants and Stock issuance Agreement.(16)

10.24 Company Promissory Note to Stephen M. Dearholt for $1 million dated March 25, 1999 and related Note Purchase and Warrant Agreement, Warrant and Stock Issuance Agreement.(16)

10.25 Form of Registration Rights Agreement between the Company and certain private placement investors dated as of June 1, 1999.(17)

10.26 Amendment to Registration Rights Agreement between the Company and Private Placement Investors dated as of June 1, 1999.(17)

10.27 1 million Convertible Debenture issued by the Company to Gary Benson dated May 19, 1999.(17)

10.28 100,000 Convertible Debenture issued by the Company to Daniel Bishop dated June 2, 1999.(17)

10.29 100,000 Convertible Debenture issued by the Company to Robert Johander dated June 3, 1999.(17)

10.30 100,000 Convertible Debenture issued by the Company to Michael Snow dated June 3, 1999.(17)

10.31 100,000 Convertible Debenture issued by the Company to W.G. Securities Limited Partnership dated June 3, 1999.(17)

10.32 Warrant to purchase 1,250,000 shares of the Company's common stock issued to Gary Benson on May 19, 1999.(17)

10.33 Warrant to purchase 125,000 shares of the Company's common stock issued to Daniel Bishop on June 3, 1999.(17)

10.34 Warrant to purchase 125,000 shares of the Company's common stock issued to Robert Johander on June 3, 1999.(17)

10.35 Warrant to purchase 250,000 shares of the Company's common stock issued to Michael Snow on June 3, 1999.(17)

10.36 Warrant to purchase 125,000 shares of the Company's common stock issued to W.G. Securities Limited Partnership on June 3, 1999.(17)

10.37 Form of Common Stock Purchase Warrant to acquire 337,500 shares issued to R.J. Steichen as placement agent.(17)

10.38 Form of Change of Control Agreement between the Company and each of O.B. Parrish and Mary Ann Leeper.(20)

10.39 Lease Agreement among Chartex Resources Limited, P.A.T. (Pensions) Limited and The Female Health Company.(18)

10.40 Agreement dated March 14, 1997, between the Joint United Nations Programme on HIV/AIDS and Chartex International PLC.(19)

10.41 Company promissory note payable to Stephen M. Dearholt for $1 million dated March 25, 1997, and related stock purchase and warrant agreement, warrants and stock issuance agreement.(21)

10.42	1997 Stock Option Plan.(19)
10.43	Employee Stock Purchase Plan.(19)
10.44	Agreement dated September 29, 1997, between Vector Securities International and The Female Health Company.(19)
10.45	Company Promissory Note to Stephen M. Dearholt for $250,000 dated February 12, 2000 and related Warrants.(24)
10.46	Company Promissory Note to O.B. Parrish for $50,000 dated February 18, 2000 and related Warrants.(24)
10.47	Company Promissory Note to Stephen M. Dearholt for $1 million dated March 25, 2000 and related Warrants.(24)
10.48	Stock Purchase Agreement, dated as of June 14, 2000, between The Female Health Company and The John W. Dearholt Trust.
10.49	Warrant to purchase 250,000 shares of the Company's common stock issued to Gary Benson on May 19, 2000. (25)
10.50	Warrant to purchase 25,000 shares of the Company's common stock issued to Daniel Bishop on June 3, 2000. (25)
10.51	Warrant to purchase 25,000 shares of the Company's common stock issued to Robert Johander on June 3, 2000. (25)
10.52	Warrant to purchase 50,000 shares of the Company's common stock issued to Michael Snow on June 3, 2000. (25)
10.53	Warrant to purchase 25,000 shares of the Company's common stock issued to W.G. Securities Limited Partnership on June 3, 2000. (25)
10.54	Stock Purchase Agreement, dated as of June 14, 2000, between the Company and The John W. Dearholt Trust. (25)
10.55	Exclusive Distribution Agreement, dated as of _____, 2000, between the Company and Mayer Laboratories, Inc.
21	Subsidiaries of Registrant.(22)
23.1	Consent of McGladrey & Pullen, LLP
23.2	Consent of Reinhart, Boerner, Van Deuren, Norris & Rieselbach, s.c. (included in Exhibit 5).
24	Power of Attorney (incorporated by reference to the signature page hereof).

_____
<FN>

(1) Incorporated herein by reference to the Company's 1995 Form 10-KSB.

(2) Incorporated herein by reference to the Company's Form SB-2 Registration Statement filed December 8, 1998.

(3) Incorporated herein by reference to the Company's Registration Statement on Form S-18, Registration No. 33-35096, as filed with the Securities and Exchange Commission on May 25, 1990.

(4) Incorporated herein by reference to the Company's December 31, 1990 Form 10-Q.

(5) Incorporated herein by reference to the Company's June 30, 1992 Form 10-Q.

(6) Incorporated herein by reference to Pre-Effective Amendment No. 1 to the Company's Registration Statement on Form S-1, Registration No. 33-51586, as filed with the Securities and Exchange Commission on September 28, 1992.

(7) Incorporated herein by reference to the Company's 1992 Form 10-KSB.

(8) Incorporated herein by reference to the Company's June 30, 1994 Form 10-Q.

(9) Incorporated herein by reference to the Company's Registration Statement on Form S-2, Registration No. 33-84524, as filed with the Securities and Exchange Commission on September 28, 1994.

(10) Incorporated herein by reference to the Company's 1994 Form 10-KSB.

(11) Incorporated herein by reference to the Company's March 31, 1995 Form 10-Q.

(12) Incorporated herein by reference to the Company's Form S-1 Registration Statement filed with the Securities and Exchange Commission on April 23, 1996.

(13) Incorporated herein by reference to the Company's June 30, 1995 Form 10-Q.

(14) Incorporated herein by reference to Pre-Effective Amendment No. 1 to the Company's Form S-1 Registration Statement filed with the Securities and Exchange Commission on June 5, 1996.

(15) Incorporated herein by reference to the Company's 1996 Form 10-K.

(16) Incorporated herein by reference to the Company's March 31, 1999 Form 10-QSB.

(17) Incorporated herein by reference to the Company's June 30, 1999 Form 10-QSB.

(18) Incorporated herein by reference to the Company's December 31, 1996 Form 10-QSB.

(19) Incorporated herein by reference to the Company's Form 10-KSB/A-1 for the year ended September 30, 1997.

(20) Incorporated herein by reference to the Company's Form SB-2 Registration Statement filed with the Securities and Exchange Commission on October 19, 1999.

(21) Incorporated herein by reference to the Company's March 31, 1997 Form 10-QSB.

(22) Incorporated herein by reference to the Company's Form 10-KSB for the year ended September 30, 1999.

(23) Incorporated herein by reference to the Company's December 31, 1998 Form 10-QSB.

(24) Incorporated herein by reference to the Company's March 31, 2000 Form 10-QSB.

(25) Incorporated herein by reference to the Company's June 30, 2000 Form 10-QSB.
</TABLE>

Item 28. Undertakings.

The small business issuer hereby undertakes as follows:

(a) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the small business issuer pursuant to the foregoing provisions, or otherwise, the small business issuer has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the small business issuer of expenses incurred or paid by a director, officer or controlling person of the small business issuer in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the small business issuer will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(b) File, during any period in which offers and sales of securities may be made pursuant to this registration, a post-effective amendment to this registration statement to:

(i) include any prospectus required by section 10(a) (3) of the Securities Act;

(ii) reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the registration statement; and

(iii) include any additional or changed material information on the plan of distribution.

(c) For determining liability under the Securities Act, treat each post-effective amendment as a new registration statement of the securities offered, and the offering of the securities at that time to be the initial bona fide offering.

(d) File a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering.

SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form SB-2 and authorized this Registration Statement to be signed on its behalf by the undersigned, in the City of Chicago, State of Illinois, on the 21st day of September, 2000.

THE FEMALE HEALTH COMPANY

BY /s/ O.B. Parrish

Its Chairman and Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below hereby appoints O.B. Parrish and Mary Ann Leeper, and each of them individually, his true and lawful attorney-in-fact, with power to act with or without the other and with full power of substitution and resubstitution, in any and all capacities, to sign any or all amendments (including post-effective amendments) to the Registration Statement and file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated:

<TABLE>
<CAPTION>

SIGNATURE	TITLE	DATE
<S>	<C>	<C>
/s/ O.B. Parrish O.B. Parrish	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)	September 21, 2000
/s/ Mary Ann Leeper Mary Ann Leeper, Ph.D.	President and Chief Operating Officer and Director	September 21, 2000
/s/ Robert R. Zic Robert R. Zic	Director of Finance and Administration (Principal Accounting Officer)	September 21, 2000
/s/ William R. Gargiulo William R. Gargiulo, Jr.	Secretary and Director	September 21, 2000
 David R. Bethune	Director	September __, 2000
/s/ Stephen M. Dearholt Stephen M. Dearholt	Director	September 21, 2000
 James R. Kerber	Director	September __, 2000
 Michael R. Walton	Director	September __, 2000

</TABLE>

EXHIBIT INDEX

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION	PAGE NUMBER
<C>	<S>	<C>
3.2	Articles of Amendment to the Amended and Restated Articles of Incorporation of the Company	
5	Legal Opinion of Reinhart, Boerner, Van Deuren, Norris & Rieselbach, s.c.	

10.55	Exclusive Distribution Agreement, dated as of _____, 2000, between the Company and Mayer Laboratories, Inc.
23	Consent of McGladrey & Pullen, LLP

</TABLE>

ARTICLES OF AMENDMENT TO THE
AMENDED AND RESTATED ARTICLES OF INCORPORATION OF
THE FEMALE HEALTH COMPANY

1. The name of the Corporation is The Female Health Company.

2. The amendment adopted relates to Article V of the Amended and Restated Articles of Incorporation, as amended. The first portion of Article V is amended to read as follows:

ARTICLE V

The aggregate number of shares which the Corporation shall have the authority to issue is 32,015,000 shares consisting of:

(a) 27,000,000 shares designated as "Common Stock" with a par value of $.01 per share;

(b) 5,000,000 shares designated as "Class A Preferred Stock" with a par value of $.01 per share; and

(c) 15,000 shares designated as "Class B Preferred Stock" with a par value of $.50 per share and the relative rights, preferences and privileges of each class shall be as follows:

The remainder of Article V, as previously amended, remains unchanged.

The foregoing amendment to the Amended and Restated Articles of Incorporation of the Corporation, was approved and adopted by the shareholders of the Corporation on May 5, 2000 in accordance with Section 180.1003 of the Wisconsin Business Corporation Law.

Dated this 24th day of May, 2000.

THE FEMALE HEALTH COMPANY

BY /s/ O.B. Parrish

O.B. Parrish, Chairman and Chief Executive Officer

This document was drafted by Benjamin G. Lombard, Esq.

Please return this document to:

Benjamin G. Lombard, Esq.
Reinhart, Boerner, Van Deuren,
Norris & Rieselbach, s.c.
1000 North Water Street, Suite 2100
Milwaukee, WI 53202

September 21, 2000

The Female Health Company
875 North Michigan Avenue
Suite 3660
Chicago, Illinois 60611

Gentlemen: Re: Registration Statement on Form SB-2

We have acted as counsel for The Female Health Company, a Wisconsin corporation (the "Company"), in connection with the Company's registration of 650,000 shares (the "Shares") of its $.01 par value common stock at the request of three selling stockholders (the "Selling Stockholders").

In such capacity we have examined, among other documents, the Articles of Incorporation of the Company, as amended and the Registration Statement on Form SB-2 to be filed by the Company with the Securities and Exchange Commission on or shortly after the date of this letter covering the sale by the Selling Stockholders of the Shares. Based on the foregoing and such additional investigation as we have deemed necessary, it is our opinion that the Shares have been validly issued and are fully-paid and nonassessable, except as set forth in Wisconsin Statutes section 180.0622(2)(b), as interpreted, which provides that shareholders of the Company may be personally liable in an amount equal to the par value of their shares for all debts owing to employees of the Company for services performed for the Company, but not exceeding six months' service in any one case

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We consent to the filing of a copy of this opinion as an exhibit to the Registration Statement on Form SB-2 and to the use of our name beneath the caption "Legal Matters" in the prospectus forming a part of the Registration Statement.

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REINHART, BOERNER, VAN DEUREN,
NORRIS & RIESELBACH, s.c.

BY /s/ James M. Bedore

James M. Bedore

EXCLUSIVE DISTRIBUTION AGREEMENT

THIS AGREEMENT is made the ____ day of _____, 2000

BETWEEN

THE FEMALE HEALTH COMPANY, a company organized under the laws of the State of Wisconsin, having its place of business at 875 North Michigan Ave, Suite 3660, Chicago, Illinois 60611 (hereinafter referred to as "FHC"); and

MAYER LABORATORIES, INC., a company organized under the laws of the State of California, having its principal offices at 646 Kennedy Street, Building C, Oakland, California 94606, (hereinafter referred to as "MLI")

WITNESSETH:

WHEREAS, FHC and MLI wish to enter into an Agreement whereby MLI gains the exclusive right to market FHC's Product listed in Appendix A (the "Product") within the United States of America (the "Territory");

WHEREAS, FHC has been granted the exclusive license in the Territory, to import, market and sell the Product; and

WHEREAS, MLI possesses an organization to market, sell and distribute the Product in the Territory.

NOW THEREFORE, in consideration of the mutual covenants and obligations set forth herein, the parties hereto have agreed and do hereby agree as follows:

IT IS HEREBY AGREED

1. APPOINTMENT

1.01 Effective as of October 1, 2000 (the "Effective Date") and subject to the terms and conditions of this Agreement, FHC appoints MLI as its sole and exclusive distributor of the Product, boxed and labeled as Reality(R), in the Territory, including sales to drug, food, grocery, natural products, adult market, retail military, electronic/internet commerce, and mass merchandisers (the "Distributed Product"), but excluding sales in the Territory to international non-profit organizations (such as UNAIDS, WHO, IPPF or the like) and city, county and state agencies, not-for-profit agencies and community based organizations receiving public funding (the Public Sector), and MLI accepts this appointment. Neither MLI nor its Affiliates will market and/or distribute and/or otherwise handle or have the

Product marketed and/or distributed and/or otherwise handled outside the Territory without prior written consent from FHC. "Affiliate(s)", as to either party, means any legal entity directly or indirectly controlling, controlled by or under common control with a party to this Agreement, and for purposes of this definition, "control" shall mean the power to direct or cause direction of the management and policies of an entity.

1.02 All correspondence, requests for information and/or samples, orders etc. that MLI might receive from outside the Territory or for Product other than Distributed Product shall be forwarded to FHC.

1.03 Subject to Section 1.01, FHC agrees to refer to MLI all inquiries, original correspondence and orders received by FHC during the period of this Agreement, directly or indirectly, pertaining to sales or the possible distribution of Distributed Product in the Territory.

1.04 Subject to Section 9.01, MLI shall purchase all its requirements of the Distributed Product from FHC or its designated Affiliate.

2. COMMENCEMENT OF SALE

2.01 MLI shall commence actual sale and distribution of the Product as of the Effective Date.

3. TERM

3.01 This Agreement shall be for an initial period of seven (7) years following the Effective Date and shall continue thereafter (subject to earlier

termination under Sections 20.01 and 20.02 below) for additional one (1) year periods unless and until terminated (i) by either party giving to the other not less than ninety (90) days written notice prior to the end of the initial term or any renewal or (ii) by a successor to substantially all of the assets of FHC or the conduct of the business of FHC in the Territory.

4. MARKETING SUPPORT

4.01 MLI shall, at its own expense and subject to its own commercial judgement, at all times during the term of this Agreement on such basis as may be reasonably necessary to actively promote and endeavor to increase sales of the Distributed Product throughout the Territory to all trade sectors potentially relevant to the Distributed Product.

4.02 MLI shall:

(a) In addition to its obligations in Section 15.01 below, submit to FHC, for FHC's review and advice, a marketing plan on or before each October 1st following the Effective Date concerning its marketing and promotion activities, including internet web site references to the Product, for the twelve months starting the following January 1st (the "Marketing Plan"). The Marketing Plan shall include a forecast of MLI's sales and purchases of the Product in the twelve months in question. FHC shall provide MLI with FHC's suggested changes, if any, within thirty (30) days following receipt of the Marketing Plan.

(b) employ such numbers of staff having such qualifications and experience as may be necessary to enable MLI to carry out its obligations under this Agreement;

(c) establish and maintain adequate sales and marketing systems; and

(d) cooperate with and provide such assistance to FHC as may be necessary to establish direct communication and flow of information with MLI's electronic internet web site.

4.03 FHC will make available to MLI Jack Weissman, during the period that he remains in the employ of FHC, to assist in the transition of activities and responsibilities with respect to customer accounts from FHC to MLI. To the extent such assistance is provided on or after the Effective Date, MLI shall reimburse FHC, within ten (10) days of receipt of invoice, in an amount equal to the annualized salary of such employee prorated on the basis of the time used, together with any related costs and expenses incurred, in providing such assistance.

5. ADVERTISING & PROMOTION

5.01 Without affecting MLI's freedom to select the prices and other terms on which the Product is sold, MLI shall, before publishing advertising or promotional material of the Product which has not already been reviewed by FHC, present such material to FHC for its review and any suggested changes.

5.02 MLI may develop, at its expense, proprietary promotional materials for the product, which shall be the property of MLI, provided that such materials shall be used only with respect to MLI's activities as distributor under this Agreement.

5.03 MLI shall provide FHC with ten copies of each item of promotional material referred to in Sections 5.01 and 5.02 above upon its production.

5.04 During the first twenty-four (24) month period of the term of this Agreement following the Effective Date, and each twelve (12) month period thereafter, MLI shall spend at least $250,000 and $150,000, respectively, in marketing (as defined in Appendix D attached hereto), media and trade promotion activities; such activities and related expenditures to be included in MLI's Marketing Plans and subject to Section 4.02(a) above.

5.05 In the event of any action either on the part of governmental or other authorities, "activists", consumer groups, lawyers, competitors, members of the public, physicians or institutions - alleging inappropriate, unlawful or unsubstantiated statements in any text prepared or suggested by FHC in relation to the Product, either in leaflets, sales manuals, promotional materials, labeling, or packaging material or the like, MLI shall refrain from entering into any correspondence, defense, polemics, discussion or admission, except for acknowledging receipt and reporting to FHC within 7 days for negotiation, unless in the reasonable opinion of MLI it is necessary for it to take immediate action in order to prevent damage being done to the reputation of the Product, or MLI, in the Territory; and, in such circumstances, FHC shall be immediately informed

of the allegations raised and the manner in which they have been dealt with by MLI.

6. INVENTORY STOCK & MINIMUM PURCHASES

6.01 Following the Effective Date:

(a) MLI shall maintain a minimum stock of Distributed Product, which will be no less than an amount sufficient in MLI's reasonable, judgement to meet customers' requirements.

(b) During each year (12-month period) of the initial seven year term of this Agreement, MLI shall purchase from FHC and/or FHC's Affiliate, The Female Health Company (UK) Plc ("FHC(UK)"), not less than six hundred sixty thousand (660,000) Units (a "Unit" consisting of one (1) Product, regardless of packaging). Not less than ninety (90) days prior to the end of the initial term of this Agreement or any renewal period, the parties shall determine, in good faith, the appropriate minimum number of Units to be purchased by MLI during each renewal period thereafter. If the parties are unable to agree upon a minimum number of Units for any renewal period, the minimum number of Units applicable for such period shall be the greater of six hundred sixty thousand (660,000) units or seventy percent (70%) of the number of Units purchased by MLI during the prior twelve (12) month period.

(c) MLI shall purchase and take receipt of all the Distributed Product held at FHC's distribution center, Distribution Systems & Services Corporation, St. Paul, Minnesota, not more than ninety (90) days following the date of this Agreement first set forth herein, upon the terms contained in Section 9 below. MLI shall arrange, at its expense and risk, for shipment and delivery of such Distributed Product to MLI's facilities.

Subject to Section 6.01(a) above, MLI shall determine the amount of packages containing three (3) of the Units it desires to purchase and FHC shall retain the remaining inventory of such packaged Units located at FHC's distribution center, with no future requirement for MLI to purchase the remaining inventory of said packages containing three (3) of the units.

(d) On and after the Effective Date, MLI shall be responsible for handling and acceptance of returns of Distributed Product. Notwithstanding the aforementioned, in the first twelve (12) months after the Effective Date, if the number of units of the Product returned to MLI exceeds ten percent (10%) of the units sold by FHC during the twelve (12) months prior to the Effective Date, FHC agrees to replace, at no cost to MLI, fifty percent (50%) of all the returned units past their respective expiration date (with satisfactory proof thereof) that exceed the ten percent (10%). Subject to Section 15.02, MLI shall provide a report of returned Product, which shall be the basis of calculation; and, in the event that FHC is to provide replacement Product, it shall use all reasonable efforts to provide replacement on a first priority basis.

7. COMPETING PRODUCTS

7.01 During the term of this Agreement and any renewal thereof, neither MLI nor any of its Affiliates shall market or sell in the Territory any similar products that compete with the Product, which in this context is defined as: any other female condom.

7.02 MLI represents that its present product range does not include any products that may compete with the Distributed Product in terms of the above definition.

8. FORECASTS AND ORDERS

8.01 MLI shall submit in writing to FHC(UK), with copy to FHC, on a monthly basis:

(a) firm orders for the Distributed Product to be supplied within the third month following the month in which the order is submitted which order shall specify the date on which delivery of such order is required;

(b) detailed forecasts of its requirements for the Distributed Product to be supplied in the nine months thereafter, subject to FHC(UK)'s acceptance based upon FHC(UK)'s manufacturing capacity and production schedule; and

(c) firm orders, during the first nine (9) months of each 12-month period of the term of this Agreement or any renewal thereof, for not less than forty-five percent (45%) of the minimum number of Units specified in Section 6.01(b).

8.02 All orders for the sale of the Distributed Product to MLI shall be subject to the terms of this Agreement and to FHC(UK)'s standard terms and conditions of sale from time to time in force, and no terms of MLI shall apply or have any effect, whether such terms appear on a written order or otherwise. In the case of any inconsistency between FHC(UK)'s standard terms and conditions and this Agreement, the terms of this Agreement shall prevail. The terms and condition of sale may change upon the written consent of both MLI and FHC.

8.03 In the event FHC(UK) cannot ship product according to schedule, it will notify MLI as soon as practicable and provide a specific delivery schedule. If delays in shipment exceed thirty (30) days, FHC(UK) shall reimburse MLI for air freight charges, as to that portion exceeding freight charges which would have been otherwise paid by MLI under Section 9, with respect to any product that is urgently required by MLI. The foregoing is conditioned upon the quantity of product ordered being within the forecasts submitted by MLI under Section 8.01(b).

9. PRICES

9.01 During the term of this Agreement and any renewal thereof, MLI shall purchase its requirements of the Distributed Product from FHC(UK). The Distributed Product supplied by FHC(UK) shall bear FHC's trademark, Reality(R) or any future trademark approved by the parties, and shall, subject to Section 9.02 below, be supplied to MLI at the following prices (in Pounds Sterling):

Packages containing three (3) Units each, or six (6) Units each:

50p (0.50 pounds) per Unit.

Bulk: 42p (0.42 pounds) per Unit

Bonus pack:	Following Effective Date	Price per Unit
	1st through 3rd month	46p (0.46 pounds)
	4th through 15th month	48p (0.48 pounds)
	16th month +	50p (0.50 pounds)

9.02 The prices set forth in Section 9.01 above shall be subject to future price adjustments after twelve (12) months following the Effective Date as to 3-and 6-packs, and after the initial seven year term of this Agreement as to the bonus pack, from time to time by FHC giving MLI not less than six (6) months written notice.

9.03 Unless otherwise agreed specifically in writing, delivery is effected EX WORKS FHC(UK) London (as defined by INCOTERMS 2000 Edition), with payment net 30-days from the date of shipment by FHC(UK).

9.04 FHC and FHC(UK), as the case may be, reserve the right to charge any additional costs incurred in repackaging and/or storing Distributed Product ordered by MLI.

10. DELIVERY

10.01 Delivery of the Distributed Product must be acknowledged by MLI by signing the receipt documents provided by FHC, FHC(UK) or the carrier, as the case may be.

10.02 FHC(UK) shall provide to MLI, prior to the arrival of any shipment by courier, all documents required for the US Food and Drug Administration (FDA) and US Customs clearance, including but not limited to, original invoice, original Bill of Lading, factory Certificate of Analysis, packing slip.

10.03 MLI must notify FHC(UK), with copy to FHC, within 30 days :

(a) of the date of delivery of any short delivery or any other apparent loss to the Distributed Product; and

(b) if delivery is delayed beyond the expected date of delivery;

provided that said 30-days shall be extended for such period as MLI, for reasons beyond its control, shall not have access to the Distributed Product or shall not have been reasonably expected to be aware of such short delivery or loss.

In the absence of such notice, the Distributed Product shall be conclusively deemed to have been delivered.

10.04 MLI shall not be entitled to refuse to accept a delivery by reason

only of short or excess delivery unless the delivery is less than 90% of or exceeds 110% of the volume of the Distributed Product ordered.

10.05 MLI shall notify FHC(UK), upon becoming aware of any Product that is delivered damaged. Other than Distributed Product purchased by MLI pursuant to Section 6.01(c), FHC(UK) shall deliver product to MLI that is packaged with an expiration date of not less than four (4) years.

11. RISK AND PROPERTY

11.01 Risk shall pass to MLI upon shipment of the Distributed Product in accordance with Section 9.03 of this Agreement.

11.02 Title to the Distributed Product shall pass to MLI upon shipment. FHC or FHC(UK) may claim a security interest in the shipment, as the case may be, until payment in full has been made by MLI for the Distributed Product together with any other sums payable in respect of the Distributed Product. MIL authorizes FHC

and FHC(UK), as MLI's agent, to prepare, execute and file in MLI's name precautionary Uniform Commercial Code financing statements showing the interest of FHC(UK) in the Distributed Product. MLI acknowledges that until such time, it is in possession of the Product solely as bailee for FHC or FHC(UK) and that the Distributed Product is held at MLI's risk.

11.03 At all times during which the Distributed Product is held at MLI's risk, MLI shall keep all such Distributed Product fully insured in its own name and at its own cost against all risk. Such insurance shall be for the full replacement value of the Distributed Product free from any restriction or excess.

12. STORAGE AND OUT OF CONDITION PRODUCTS

12.01 MLI shall store and transport the Distributed Product in conditions which will preserve the Distributed Product in good condition, including:

(a) warehousing and product shipment operations for all Distributed Product; and

(b) maintain complete records of all Product lots and shipped/destination of Product by lot number.

12.02 MLI shall not sell any of the Distributed Product, which is out of condition, or beyond the expiration date, for any reason. For this purpose "Out of Condition" means Product (including packaging) which:

(a) FHC or FHC(UK) has informed MLI it would not regard as being saleable; or

(b) has been damaged or has deteriorated; or

(c) is determined to be out of specification, as specified by the FDA, MLI and agreed by FHC, or other recognized independent testing organization.

12.03 If Distributed Product in the possession of, under the control of, or sold by MLI is or becomes Out of Condition, MLI shall, if requested by FHC or FHC(UK), give all reasonable assistance to FHC and FHC(UK) in locating and recovering the Out of Condition Product and preventing its sale to third parties. MLI shall comply with any Product hold or Product recall requirements practiced by FHC and FHC(UK), or required by the FDA or other applicable government authority. With regard to the foregoing, the Distributed Product supplied by FHC or FHC(UK) shall include the batch number and expiry date, or such similar designations for Distributed Product identification as may be appropriate.

12.04 All action by MLI pursuant to this Section 12 shall be taken at its own expense except in relation to Distributed Product that has been recalled by FHC or FHC(UK), or that which has been determined to be out of specification by the FDA, and not due to any action or omission on the part of MLI, its agents or carriers. In the event that Product is so recalled and/or determined to be out of specification, FHC agrees to replace Product, including costs for freight, duty, Customs brokerage. In the event the FDA determines that Mayer cannot sell the product in its warehouse, and FHC(UK) can not provide replacement due to embargo, FHC shall fully refund MLI the cost for all inventory and all returns resulting from such event.

12.05 If distributed Products are recalled by FHC or FHC(UK), and/or if

Distributed Products are found to be out of specification and not due to any action or omission on the part of MLI, its agents or carriers, FHC agrees to use all reasonable efforts to replace Product on a first priority basis.

13. COMPLIANCE WITH FEDERAL AND LOCAL LAWS

13.01 MLI shall comply with (and keep FHC fully informed of) all applicable laws, regulations, industry standards, Codes of Practice, and other voluntary controls, including but not limited to pre-marketing approval requirements, concerning the Distributed Product in the Territory and any changes therein, including, but without affecting the general nature of this provision, obtaining at its own expense any license, permission or registration of whatever nature relating to the importation, marketing, sale and use of the Distributed Product by MLI.

13.02 FHC shall maintain the pre-market approvals for the Product, consistent with all requirements of the FDA. In the event that the FDA takes action against FHC, FHC(UK) or the Product, FHC shall immediately notify MLI of said action. In the event that the FDA takes action against FHC(UK), or the Product, embargoing the Product from sale, it shall be then considered out of specification, according to Section 12.04.

13.03 FHC(UK) shall provide a copy of its FDA registration each year, if applicable, to MLI. In the event that FHC(UK) undergoes and FDA inspection and audit, it shall notify MLI of said inspection and provide MLI with a copy of any Form 483, or Warning Letter that might result from said audit.

13.04 FHC shall have the right, upon reasonable notice and during normal business hours, to inspect the facilities and records of MLI relating to the Distributed Product to assure compliance with the terms and conditions of this Agreement.

13.05 FHC agrees to indemnify and hold harmless MLI, its associated companies and its respective directors, officers and employees against any and all claims, demands, proceedings, losses, costs and expenses which may be brought against, suffered or incurred by MLI or its respective directors, officers and employees in consequence

of any action, legal proceeding, resulting from the FDA determining that the Product has been found to be unsafe due to the negligence, act or omission of FHC or FHC(UK).

14. PRODUCT LIABILITY AND PRODUCT REPLACEMENT

14.01 FHC(UK) shall replace any Distributed Product that on delivery to MLI is not in a saleable condition or is Out of Condition (in accordance with the meaning given thereto in Section 12.02 above), other than due to any action or omission on the part of MLI, its agents or carriers.

14.02 MLI agrees to indemnify and hold harmless FHC, its associated companies and its respective directors, officers and employees against any and all claims, demands, proceedings, losses, costs and expenses which may be brought against, suffered or incurred by FHC or its or their respective directors, officers and employees, in consequence of any negligence, or breach of this Agreement, on the part of MLI or any of its employees or agents, in storing, selling, promoting or distributing the Product, and any third-party claims arising out of their actions, or lack of action under this Agreement.

14.03 FHC agrees to indemnify and hold harmless MLI, its associated companies and its respective directors, officers and employees against any and all claims, demands, proceedings, losses, costs and expenses which may be brought against, suffered or incurred by MLI or its respective directors, officers and employees in consequence of any negligence, or breach of this Agreement on the part of FHC, any third-party claims arising out of their actions, or lack of action under this Agreement, defective Product supplied by FHC hereunder which cause death or personal injury.

14.04 Without prejudice to Section 14.03 above, FHC(UK)'s obligation to replace Distributed Product as described in Sections 14.01 and 12.04 above shall constitute the full extent of FHC and FHC(UK)'s liability in respect of any loss or damage sustained by MLI for defective Product except for direct costs incurred by MLI caused by FHC(UK)'s negligence. FHC and FHC(UK) shall not be liable for any consequential loss or damages, including but not limited to any loss of business or profit, arising out of or in connection with any act or omission of FHC.

14.05 FHC and MLI agree that these provisions are fair and reasonable and that the most suitable method of dealing with any greater loss or damage which may be incurred by them is by taking out, in their names and at their expense, such insurance policies as they consider appropriate the particulars of which

shall be notified in writing to the other for inclusion as Appendix C hereto but in any event without further recourse. In the event FHC or MLI takes out product liability insurance for the US, it agrees to name MLI or FHC, respectively, as an additional insured.

14.06 In the event of a claim or demand being brought against either party, as it relates to the Product or this Agreement, such party shall immediately notify the other party thereof and the party having responsibility hereunder shall forthwith at its own cost handle such claim. The party giving notice hereunder shall provide the other party with such assistance as it may reasonably require.

15. RECORDS, REPORTING AND ACCESS

15.01 MLI shall provide FHC within the first fifteen days following each semi-annual period following the Effective Date with such records and any other information as FHC may reasonably require, and provided Mayer Labs has such other information, concerning its activities during the previous six months and for the six months thereafter. Such information may include (but without affecting the general nature of this provision);

(a) market share (most recent data);

(b) a brief description of the general market conditions within the Territory and of MLI's advertising and promotional activities for the forthcoming semi-annual period; and

(c) marketing, advertising and promotional plans.

15.02 Subject to the obligations of confidentiality contained herein, MLI shall provide FHC with:

(a) A quarterly and annual physical inventory report (by the fifteenth [15th]) day following the end of each calendar quarter and year;

(b) detailed monthly distribution and sales report by number of Units and packages, by customer, provided that any obligations of confidentiality shall not in any manner limit FHC's and FHC(UK)'s access to and use of customer lists/names during or following the term of this Agreement; and

(c) monthly report of returned Product;

15.03 MLI and FHC agree that the response to all customer inquiries relating to the appropriate use of the Product, complaints about product quality, or reports that suggest an adverse or unwanted effect of the Product shall be the exclusive responsibility of FHC. FHC shall conduct any investigations relating to product quality required by applicable FDA requirements and shall make all determinations whether reports be made to the FDA. MLI, as requested by FHC, shall assist FHC in conducting any investigations deemed necessary by FHC. MLI shall notify FHC within three business days in the event it receives any complaints regarding product quality or adverse or undesirable effects temporally associated with use of the Product. FHC shall promptly notify MLI of the results of any investigation that indicates that Product provided to MLI does not meet Product specifications and copies of any MDR submitted by FHC to the FDA.

15.04 FHC shall provide MLI with marketing information regarding the Product, both inside and outside the Territory, that it may receive from third parties from time to time and which FHC believes may be relevant or helpful to MLI; provided that such information is not subject to any third party non-disclosure obligations and is subject to the obligations of confidentiality contained herein.

16. CONFIDENTIALITY

16.01 FHC and MLI agree that any and all information emanating from the other or any of their respective associated companies and not publicly known (including public information in a compilation which is not publicly known) but not including,

(a) information that, at the time of disclosure, is publicly known,

(b) information that, after disclosure, becomes publicly known other than as a result of a breach of this Agreement,

(c) information that the recipient can show was known to it prior to the disclosure, and

(d) information that the recipient can show was made known to it by a third party who was entitled to do so and who did not impose any obligation of confidentiality or restricted use,

is confidential and proprietary to the party from whom it has emanated or its associated companies, as the case may be.

16.02 FHC and MLI agree that they will not during or after the termination of this Agreement use or disclose for any unauthorized purpose any such confidential information. FHC and MLI each accept full responsibility for any unauthorized use or disclosure of the other's confidential information by it or persons to whom it has disclosed the information, however caused.

17. TRADEMARK

17.01 FHC is the proprietor of the trademark described in Appendix B to this Agreement and/or its substitutes (the "Trademark") under which the Distributed Product is to be marketed by MLI.

17.02 MLI shall not sell the Distributed Product under any other name or mark than the marks used or approved by FHC in relation to the Product nor remove or obliterate those names or marks from the Product nor make any other alteration to the Product, its packaging or its labeling.

17.03 FHC reserves all its rights in the Trademark but hereby grants to MLI the exclusive right during the term of this Agreement to use the Trademark, or any future trademark agreed by the parties, in the Territory in connection with the promotion and marketing of the Distributed Product under Sections 4 and 5 of this Agreement, subject to FHC's right to use the Trademark or any future trademark other than with respect to the sale and distribution of Distributed Product.

17.04 The use of the Trademark by MLI shall at all times be in keeping with and maintain its distinctiveness and reputation as determined by FHC and MLI shall immediately cease any use not consistent therewith upon the reasonable direction of FHC in that respect.

17.05 MLI shall not use any mark that can be reasonably expected to cause confusion with the Trademark in its own corporate name or trading style on any product whatsoever. This obligation shall survive the termination or expiry of this Agreement and any extensions thereof.

17.06 FHC agrees to indemnify and hold harmless MLI, its associated companies and its respective directors, officers and employees against any and all claims, demands, proceedings, costs and expenses, including attorney fees, if any, which may be brought against, suffered or incurred by MLI or its respective directors, officers and employees with respect to any infringement by or misuse of the Trademark, other than as may be due to the negligence, or wrongful act, of MLI.

17.07 Notwithstanding anything to the contrary contained in this Section 17, during the term of this Agreement or any renewal thereof, MLI shall have the right to establish a division within MLI under the name "Female Health Company, US Distribution", and with the prior review and approval of FHC, apply stickers to current inventory assumed by MLI pursuant to Section 12 above, and modify future Distributed Product packaging to be supplied by FHC(UK), to reflect distribution by MLI under the foregoing name. MLI shall not take any action to register or file any documents with any governmental authority regarding its use of the name "Female Health Company, US Distribution, without the prior review and written approval of FHC.

17.08 MLI shall assume full responsibility with respect to the use of the name "Female Health Company, US Distribution" under this Agreement and compliance with all applicable laws and regulations. MLI agrees to indemnify and hold harmless FHC, its associated companies and its respective directors, officers and employees against any and all claims, demands, proceedings, losses, costs and expenses which may be brought against, suffered or incurred by FHC or its or their respective directors, officers and employees, as a result of the use of said name.

18. INTELLECTUAL PROPERTY

18.01 Nothing in this Agreement shall entitle MLI to any rights in (other than the rights contained in Sections 17.03 and 17.07 of this Agreement) or to any Intellectual Property Right (as defined below) owned, controlled or used by FHC or any of its associated companies. All such rights, together with all associated goodwill, are and shall remain the sole property of FHC or its associated companies as the case may be.

18.02 MLI shall take all steps which FHC may from time to time consider to be necessary to perfect or protect FHC's Intellectual Property Rights including (but without limitation) carrying out any act FHC requires in connection with any registration and FHC shall reimburse MLI with any disbursements in connection herewith reasonably incurred by it with FHC's prior written approval.

18.03 MLI shall inform FHC promptly of any potential or actual infringement of any of FHC's Intellectual Property Rights and shall provide all assistance and information required by FHC in connection with any such infringement and shall, if FHC so requests, join in any court or other proceedings relating to such infringement. FHC shall reimburse any disbursements reasonably incurred by MLI in connection herewith with FHC's prior written approval.

18.04 In this Agreement, "Intellectual Property Rights" include, but are not limited to, any copyright, patent, registered design, unregistered design, logo, know-how, the Trademark and any other trademark, trade name or other designation, or get-up and any similar rights in any part of the world owned or used by FHC or any of its associated companies. Nothing contained in this Agreement shall in any manner be deemed to require FHC or any of its associated companies to take any action with respect to, defend, or maintain, any Intellectual Property Rights.

19. FORCE MAJEURE

19.01 Neither party shall be liable for any failure to fulfill or delay in fulfilling any of its obligations under this Agreement (other than an obligation to pay monies) caused by any circumstances beyond its reasonable control, including but not limited to war, riot, civil commotion, accident, fire, flood, Act of God, strike, lock-out or other industrial dispute (whether affecting FHC's own employees or those of MLI), legislative or administrative interference, inability to obtain raw materials, provided that if the period of default continues for more than 6 months the other party shall be entitled to terminate the Agreement forthwith by notice in writing.

20. TERMINATION

20.01 In addition to Section 3.01, this Agreement may be terminated:

(a) By FHC or MLI at any time upon not less that ninety (90) days written notice; or

(b) by FHC or MLI if the other is in material breach of any term of this Agreement, including but not limited to Sections 5.03 or 6.01(b), or of an individual contract for the purchase of the Product and the defaulting party fails to remedy such breach within 30 days of receipt of written notification requiring it to do so; or

(c) by FHC if MLI enters into or proposes voluntary or involuntary arrangement or composition with its creditors or reconstruction of its debts or if its directors make a declaration of solvency for the purpose of a members voluntary winding up, or if notice is given of a creditors winding up, or if a special resolution is passed that MLI be wound up by the court, or if an administrative or other receiver is appointed, or if the court makes an administration order or order that MLI be wound up by the court, or if MLI ceases to carry on its business or is unable to pay its debt; or,

(d) by MLI if FHC enters into or proposes voluntary or involuntary arrangement or composition with its creditors or reconstruction of its debts or if its directors make a declaration of solvency for the purpose of a members voluntary winding up, or if notice is given of a creditors winding up, or if a special resolution is passed that FHC be wound up by the court, or if an administrative or other receiver is appointed, or if the court makes an administration order or order that FHC be wound up by the court, or if FHC ceases to carry on its business or is unable to pay its debt; or,

20.03 Termination of this Agreement shall not affect the continuing validity and enforceability of Sections 14, 16, 17, 18 and 21.

21. CONSEQUENCES OF TERMINATION

21.01 Upon termination of this Agreement for whatever reason or its expiry:

(a) MLI's authority to sell Distributed Product which have not been paid for, if applicable, shall cease, and all such Product and other property of FHC or its associated companies in MLI's possession or control shall, at FHC's

request, be immediately delivered to FHC or its designee (or at FHC's option, made available for collection by it, for which purpose FHC's representatives are granted access to any place where such Product may be) and all monies owed by MLI to FHC or FHC(UK), as the case may be, in respect of those of the Distributed Product not paid for, if applicable, but sold or supplied by MLI prior to the withdrawal of MLI's authority shall immediately be paid to FHC or FHC;

(b) any or all stocks of Product in saleable condition owned by MLI be repurchased by FHC or its nominee within 30 days of notice of termination at landed cost price;

(c) MLI shall cease to represent in any way that it is an authorized distributor of the Product and shall return to FHC all non-proprietary advertising material, customer records and other documents as well as demonstration equipment belonging to FHC and shall not make any further use of any of FHC's or its associated companies' Intellectual Property Rights, including the name "Female Health Company, US Distribution;

(d) MLI shall use its best endeavors to provide FHC with the names and addresses of all customers, as of the effective date of this Agreement to whom it has sold the Product and FHC reserves the right to inform those customers of termination of this Agreement howsoever occasioned;

(e) MLI shall assign, as may be assignable, to FHC within 30 days of notice of termination free of charge all approvals, consents, registrations and licenses (if any) relating to the marketing and sale of the Product and execute all documents and do all things necessary so that FHC shall have the benefit of such approvals, consents, registrations and licenses; and

(f) Within 15 days following notice of termination, MLI and FHC will meet to agree upon all procedures, options and obligations outlined in Section 21. At such meeting the parties shall determine guidelines regarding the release and content of communication relating to the termination and the effects hereof to any third person. From the time of such meeting, FHC shall be free to contact any customer of MLI.

(g) In the event FHC terminates this Agreement pursuant to Sections 3.01 or 20.01(a), FHC shall pay to MLI, within thirty (30) days following the effective date of termination, an amount equal to one hundred percent (100%) of the net sales of the Distributed Product effected by MLI during the twelve (12) months prior to receipt of notice of termination. The payment contemplated by this Section constitutes the sole and exclusive remedy of MLI for any termination of this Agreement by FHC as stated above.

(h) In the event MLI terminates this Agreement pursuant to Sections 3.01(i) or 20.01(a), MLI shall pay to FHC, within thirty (30) days following the effective date of termination, an amount equal to the required minimum purchase requirements under Section 6.01(b) for the twelve (12) month period prior to receipt of notice of termination. The payment contemplated by this Section constitutes the sole and exclusive remedy of FHC for any termination of this Agreement by MLI as stated above.

22. RELATIONSHIP OF THE PARTIES

22.01 FHC and MLI agree that the relationship between them shall be that of independent contractor. MLI shall not assume any obligations, nor make any representations, on behalf of FHC or its associated companies nor bind them in any manner whatsoever. MLI is not the agent or partner of FHC or its associated companies. Nothing in this Agreement shall affect MLI's freedom to select the prices at, and terms on which, it resells the Distributed Product.

23. ASSIGNMENT

23.01 MLI may not assign in whole or in part any of its rights under this Agreement or any rights arising from any individual contract for the purchase of the Distributed Product without the written consent of FHC, such consent to be at FHC's sole discretion; provided that if FHC's consent shall have been unreasonably withheld, then MLI may elect to terminate this Agreement and receive a payment in the amount specified in Section 21.01(g).

23.02 FHC shall be entitled to assign in whole or in part any of its rights under this Agreement or arising from any individual contract for the purchase of the Product without the prior consent of MLI.

Any assignment by FHC shall be subject to the terms and conditions of this Agreement.

Should FHC assign its rights and obligations according to this Agreement to any third party in the Territory, being a major competitor of MLI, MLI shall be entitled to terminate this Agreement by giving not less than ninety (90) days written notice. In such an event, MLI will not be obligated to the payment requirements, stated in Section 21.01(h).

24. NOTICES

24.01 Notices shall be in writing sent to FHC and MLI at their respective addresses first set forth above, or to such other address as may from time to time (by notice to the other party) be designated, and notices shall be deemed to have been duly given;

(a) on the date of delivery if delivered by hand;

(b) by facsimile transmission, (FHC at 312-280-9360 and MLI at 510-536-9912) provided that confirmed copy is mailed within 48 hours following transmission as provided herein; or

(c) 10 days after the date of posting if sent by registered mail.

In proving service by post, it shall be sufficient to prove the envelope containing the notice was properly addressed, stamped and posted.

Orders for Product under Section 8 shall be sent to FHC(UK), at 1 Sovereign Park, Coronation Road, Park Royal, London NW10 7QP, England (facsimile at 011-44-208-453-0324), attention General Manager.

25. ENTIRE AGREEMENT

25.01 This Agreement contains all the terms of the Agreement between FHC and MLI in respect of the Product, and supersedes all previous representations, negotiations, arrangements and agreements. The headings in this Agreement are for convenience of reference only.

25.02 Any variation of this Agreement shall be effective only if agreed or confirmed in writing and signed by both parties to this Agreement and the intention to amend this Agreement is clearly expressed.

25.03 The invalidity of any provision in this Agreement shall not effect the continuing enforceability of the remaining provisions.

25.04 All rights and remedies expressly granted to the parties are cumulative and do not affect any other rights or remedies which the respective parties may otherwise have at law.

26. WAIVER

26.01 The waiver of any right by either party shall not be construed as a waiver of the same right at a future date or as waiver of any other right.

27. APPLICABLE LAW

27.01 This Agreement shall be governed by and interpreted under the laws of the State of New York. All claims, disputes and other matters in question between the parties to this Agreement, arising out of or relating to this Agreement or the breach thereof, shall be decided by arbitration in accordance with the applicable rules of The American Arbitration Association, then obtaining, unless the parties mutually agree otherwise. This Agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law. Notice of the demand for arbitration shall be filed in writing with the other party to this Agreement and with a recognized arbitration association. Arbitration with respect to any notice of demand by FHC shall take place in Oakland, California, and arbitration with respect to any notice of demand by MLI shall take place in Chicago, Illinois The demand shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statue of limitations. The award rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law, in any court having jurisdiction thereof.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by its duly authorized officer as of the day and year first above written.

THE FEMALE HEALTH COMPANY	MAYER LABORATORIES, INC.
By _____	By _____
Name: Mary Ann Leeper, Ph.D.	Name: David P. Mayer
Title: President	Title: President

APPENDIX A

Definition of Product(s):

Tubular prophylactic plastic barrier device, designed for insertion and retention in the vaginal canal, for protection against transfer of infectious matter and against pregnancy during sexual intercourse.

APPENDIX B

Trade Mark:

	Class	Registration No.
Reality		

APPENDIX C

Details of FHC's and MLI's product liability insurances:

(to be provided)

APPENDIX D

For purposes of Section 5.04, "marketing" shall mean:

- Advertising/promotion materials
- Tradeshow promotion
- In-store promotion
- Coupons
- Additional media advertising, such as radio

provided, that the above shall not include any travel or trade commission expenditures.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Registration Statement on Form SB-2 of our report, dated November 11, 1999, which includes an emphasis paragraph relating to an uncertainty as to the Company's ability to continue as a going concern, on the audits of the consolidated financial statements of The Female Health Company and subsidiaries as of September 30, 1999, and for each of the two years then ended. We also consent to the reference to our Firm under the caption "Experts" in the Registration Statement.

/s/ McGLADREY & PULLEN, LLP
Schaumburg, Illinois
September 20, 2000