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For immediate release

23 October 2008

**Zenith Hygiene Group plc
("Zenith")**

Posting of Scheme Document

Recommended cash offer by Pinnacle Bidco Holdings plc ("Bidco") for the whole of the issued and to be issued ordinary share capital of Zenith to be implemented by means of a scheme of arrangement under section 899 of the Companies Act 2006

On 9 October 2008, the boards of Zenith and Bidco announced that a proposal had been agreed for the acquisition by Bidco of the entire issued and to be issued share capital of Zenith (the "Offer"). The Offer is to be effected by way of a scheme of arrangement under section 899 of the Companies Act, which requires approval by Scheme Shareholders and the sanction of the Court. Zenith Shareholders have the option to elect to take up the Cash Offer (which is the subject of a recommendation by the board of Zenith) or the Unlisted Securities Alternative (which is not the subject of a recommendation by the board of Zenith).

Zenith announces that it is today posting a circular to Zenith Shareholders (the "Scheme Document") containing the terms of the Scheme, notices convening the requisite Court Meeting and General Meeting, Forms of Proxy and Form of Election and details of the actions to be taken by Zenith Shareholders.

As described in the Scheme Document, the Scheme will require, amongst other things, the approval at the Court Meeting, convened for 10.00 a.m. on 17 November 2008, of a majority in number of the Scheme Shareholders voting (in person or by proxy), representing at least 75 per cent. in nominal value of the Scheme Shares in respect of which votes are cast (either in person or by proxy), and the passing of the Special Resolution at the General Meeting, convened for 10.15 a.m. on 17 November 2008. Both meetings are to be held on 17 November 2008 at the offices of CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD.

A summary timetable is set out below:

Event	Expected time and/or date in 2008	Note
Latest time for receipt of Form of Proxy for the:		
- Court Meeting	10.00 a.m. on 15 November	1
- General Meeting	10.15 a.m. on 15 November	1
Voting Record Time for Court Meeting	6.00 p.m. on 15 November	2
Voting Record Time for General Meeting	6.00 p.m. on 15 November	2
Court Meeting	10.00 a.m. on 17 November	
General Meeting	10.15 a.m. on 17 November	3
Latest time for receipt of Forms of Election or settlement of TTE Instructions	11.00 a.m. on 18 November	
Latest time to revoke a Form of Election or to cancel a TTE Instruction	11.00 a.m. on 18 November	
Last day of dealings in, and for registration of transfer of, Zenith Shares	24 November	4
Suspension of trading in Zenith Shares	7.00 a.m. on 25 November	
Scheme Record Time	6.00 p.m. on 25 November	4
Court Hearing of the petition to sanction the Scheme	25 November	
Effective Date of the Scheme	26 November	4
Cancellation of Zenith Shares' admission to trading on AIM	7.00 a.m. on 27 November	
Latest day for posting of cheques in respect of Cash Consideration and for despatch of share certificates in respect of Bidco Shares	10 December	4

Notes:

- (1) If the Form of Proxy for the Court Meeting is not returned by this time, it may be handed to the Chairman of the Court Meeting before the start of the meeting and will still be valid. However, in the case of the Form of Proxy for the General Meeting, it will be invalid unless it is lodged with Equiniti so as to be received no later than 10.15 a.m. on 15 November 2008.
- (2) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the adjourned Meeting will be 6.00 p.m. on the day two days before the date of the reconvened Meeting.
- (3) To commence at the time stated, or, if later, immediately after the conclusion or adjournment of the Court Meeting.
- (4) These dates are indicative only and will depend on, amongst other things, the date upon which the Conditions are either satisfied or (if capable of waiver) waived and the date upon which the Court sanctions the Scheme and the Order sanctioning the Scheme is delivered to the Registrar of Companies.

Copies of the Scheme Document and the documents on display will be available for inspection at the offices of CMS Cameron McKenna LLP at Mitre House, 160 Aldersgate Street, London EC1A 4DD as soon as practicable after this announcement until and including the Effective Date.

In addition, the Scheme Document will be available on Zenith's website: www.zenithcs.com

Separately, Bidco will write to the participants in the Zenith Share Option Scheme and any other Zenith Optionholders to inform them of the effect of the implementation of the Scheme on their rights under the Zenith Share Option Scheme or otherwise.

The Scheme Document will contain the following statement by the Zenith Directors on the current trading of the Zenith Group:

“Revenues for the second half of the year ending 31 August 2008 are expected to be slightly lower than for the first half. The Zenith Group is heavily exposed to the leisure, hotel and associated sectors, all of which are facing challenging trading conditions. Suppliers are tightening their credit facilities and supply costs continue to rise, with phosphates, a material ingredient in many of the Zenith Group's products, in limited supply. Paper suppliers have had their own production problems, with raw material shortages and increasing demand as buyers repatriate demand from an increasingly costly Euro zone.

The Zenith Group's gross margin percentage has continued to improve through tighter controls but it has not been possible to pass on price increases to customers to any significant extent, which will put pressure on the sustainability of the improved margins.

On 10 October 2008, Zenith entered into an agreement with RBS for an extension to its existing overdraft facility by an additional £750,000. This is being made available to it, by way of interim funding, pending the Scheme becoming effective and the refinancing of the RBS Debt being completed. The use of these Additional RBS Facilities is, however, subject to the terms of the Payment Memorandum of Understanding between Bidco and Zenith.

The necessary investment in operational and financial infrastructure as identified in Zenith's Annual Report and Accounts for the financial year ended 31 August 2007 has contributed to a material increase in second half operating costs, which have resulted in operating cash outflows in the second half of the year ended 31 August 2008. Additional finance costs arising from the revised banking facilities agreed on 22 February 2008 also had their full impact in the second half of the financial year.”

Capitalised terms used, but not defined in this announcement have the same meaning as given to them in the Scheme Document.

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Strand Partners Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Bidco and for no-one else in connection with the Proposal and will not be responsible to anyone other than Bidco for providing the protections afforded to customers of Strand Partners Limited, nor for providing advice in relation to the Proposal or any matters referred to herein.

Oriel Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Zenith and for no-one else in connection with the Proposal and will not be responsible to anyone other than Zenith for providing the protections afforded to customers of Oriel Securities Limited, nor for providing advice in relation to the Proposal or any matters referred to herein.

This announcement is not intended to and does not constitute or form any part of, an offer to sell or an invitation to purchase or the solicitation of an offer to subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise.

The distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. This announcement has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

The availability of the Proposal to persons not resident in the UK may be affected by the laws of the relevant jurisdiction in which they are located. Persons who are not resident in the United Kingdom should inform themselves of and observe any applicable requirements.

The Proposal will be effected by way of scheme of arrangement under English law and is subject to UK disclosure requirements, which are different from those of the United States or Canada. The Proposal will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, timetable, settlement procedures and timing of payments that are different from those applicable under US or Canadian procedures and law.

DEALING DISCLOSURE REQUIREMENTS

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, “interested” (directly or indirectly) in one per cent. or more of any class of “relevant securities” of Zenith, all “dealings” in any “relevant securities” of Zenith (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant “dealings”. This requirement will continue until the Offer lapses, is withdrawn, or upon the “offer period” otherwise ending. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of Zenith, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the City Code, all “dealings” in “relevant securities” of Zenith, by Bidco or Zenith, or any of their respective “associates”, must also be disclosed by no later than 12.00 noon (London time) on the Business Day following the date of the relevant transaction.

A disclosure table, giving details of the companies whose “relevant securities” and “dealings” should be disclosed, and the number of securities in issue, can be found on the Panel’s website at www.thetakeoverpanel.org.uk.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of or derivative referenced to, securities.

Terms in quotation marks are defined in the City Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a dealing under Rule 8, you should consult the Panel.