

Tiger Brands to investigate all its businesses

By [Tiisetso Motsoeneng](#)

13 Feb 2008

In the wake of yet another price-fixing scandal, this time one that allegedly involves its healthcare unit, the group has launched an independent probe into all its businesses, and the MD of Adcock Ingram Critical Care has been suspended with immediate effect.

Consumer foods and healthcare products group Tiger Brands (TBS) has launched an independent probe into all its businesses in the wake of another price-fixing scandal that allegedly involves its healthcare unit, it said on Tuesday.

"We have launched an independent investigation into the allegations made against Adcock Ingram Critical Care (Pty) Limited division," said Lex van Vught, the group's non-executive chairman.

The company has suspended the managing director of Adcock Ingram Critical Care with immediate effect pending the conclusion of the investigation.

The group has appointed Edward Nathan Sonnenbergs, with assistance from counsel, to conduct the investigation, which could be completed within two weeks.

"We will extend this investigation into every single business that we are involved in. We are determined to find and root out any anti-competitive or collusive practices," he said.

In addition, Van Vught said, all managers would be obliged to sign an undertaking attesting to any knowledge, involvement or innocence regarding collusive practices.

The follows the Competition Commission's announcement that it has obtained enough evidence to prosecute the company's healthcare unit Adcock Ingram Critical Care along with other two rivals for fixing the prices of pharmaceutical products supplied to the healthcare market.

The commission alleged that Adcock Ingram Critical Care worked with Dismed Criticare and Thusanong Health Care to fix prices of pharmaceutical products supplied to the healthcare market.

"Tiger Brands, the owner of [Adcock Ingram Critical Care] is also cited because it is alleged that certain of its directors were aware of the collusion," the Commission said.

Shares in the company under-performed the JSE blue chip index in what traders attributed to fears of a possible fine of up to 10% of Adcock Ingram Critical Care's turnover if it is found guilty.

At 16:19, shares in Tiger Brands were down 4.53%, or R6.50, to R137, lagging the JSE Top 40 index, which had gained 3.39% at 26,303.430 points.

This is the second price-fixing allegation against the company. Late last year it admitted a role in a bread price-fixing cartel, after which it was fined R99 million.

Tiger Brands plans to spin off and separately list Adcock Ingram – worth more than R6 billion – in early April.

Meanwhile, former CEO of the South African Broadcasting Corporation Peter Matlare will take over as the new CEO of Tiger Brands to replace Nick Dennis, who chose to retire early in what is widely believed to be a result of the bread price-

fixing scandal.

Article via [I-Net-Bridge](#)

For more, visit: <https://www.bizcommunity.com>