U.S. Plans Suit to Block CSL’s Purchase of Talecris (Update3)

By Simeon Bennett and Christopher Stern

May 27 (Bloomberg) -- The U.S. Federal Trade Commission said it will sue to stop CSL Ltd.’s proposed $3.1 billion acquisition of Talecris Biotherapeutics Holdings Corp., blocking its bid to become the world’s biggest maker of blood plasma products.

The purchase would curb competition for medical treatments derived from blood plasma for illnesses such as immune deficiency diseases, the Washington-based FTC said today in a statement. Thirteen companies produced plasma-derivative protein therapies in 1990, and CSL and Talecris are among the five currently in the U.S. market, the agency said in its statement.

"Now more than ever, it is critical that consumers benefit from vigorous competition in the health-care sector -- both to ensure competitive prices and to drive further innovation," said Richard Feinstein, director of the FTC’s Bureau of Competition, in a statement.

CSL "strongly" disagrees with the FTC’s decision to challenge the deal and will “vigorously oppose” the commission’s actions,” Chief Executive Officer Brian McNamee said in a separate statement.

Failure to buy Talecris would jeopardize CSL’s attempt to overtake Baxter International Inc. of Deerfield, Illinois, as the leader in the $15 billion global market for medical treatments derived from blood plasma. CSL said May 25 it was advised the FTC was considering the action and it would wait before deciding whether to contest the case.

Under the terms of CSL’s offer, made Aug. 13, it may have to pay $75 million to Research Triangle Park, North Carolina-based Talecris’s owners, Cerberus Partners LP and Ampersand Ventures, if the deal isn’t completed.

CSL gets plasma, the watery liquid in which blood cells are suspended, from a network of blood collection centers. Doctors are increasingly using plasma-based products such as CSL’s Privigen and Talecris’s Gamunex to treat diseases, including multiple sclerosis and Guillain-Barre syndrome, in which immune cells attack the nervous system.

To contact the reporters on this story: Simeon Bennett in Singapore at sbennett9@bloomberg.net; Chris Stern in Washington at c stern3@bloomberg.net

Last Updated: May 27, 2009 19:56 EDT