UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): November 5, 2012

PDL BioPharma, Inc.

(Exact name of Company as specified in its charter)

000-19756
(Commission File Number)

Delaware	94-3023969
(State or Other Jurisdiction of Incorporation)	(I.R.S. Employer Identification No.)

932 Southwood Boulevard
Incline Village, Nevada 89451
(Address of principal executive offices, with zip code)

(775) 832-8500
(Company's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Company under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On November 5, 2012, PDL BioPharma, Inc. (the Company) issued a press release announcing the financial results for the third quarter ended September 30, 2012. A copy of this earnings release is attached hereto as Exhibit 99.1. The Company will host an earnings call and webcast on November 5, 2012, during which the Company will discuss its financial results for the third quarter ended September 30, 2012.

Item 7.01 Regulation FD Disclosure.

Presentation Materials

On November 5, 2012, the Company posted to its website a set of presentation materials that it will use during its earnings call and webcast to assist participants with understanding the Company's financial results. A copy of this presentation is attached hereto at Exhibit 99.2

Information Sheet

On November 5, 2012, the Company distributed to analysts covering the Company's securities a summary of certain information regarding the Company's net income, dividends, acquisitions, debt and licensed product development and sales (the Information Sheet) to assist those analysts in valuing the Company's securities. The Information Sheet and its associated tables are attached hereto as Exhibit 99.3.

Limitation of Incorporation by Reference

In accordance with General Instruction B.2. of Form 8-K, the information in this report, including the exhibits, is furnished pursuant to Items 2.02 and 7.01 and shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

Cautionary Statements

This filing and its exhibits include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Important factors that could impair the Company's royalty assets or business are disclosed in the "Risk Factors" contained in the Company's Annual Report on Form 10-K, as updated by subsequent quarterly reports, filed with the Securities and Exchange Commission. All forward-looking statements are expressly qualified in their entirety by such factors. We do not undertake any duty to update any forward-looking statement except as required by law.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Description
99.1	Press Release
99.2	Presentation
99.3	Information Sheet

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PDL BIOPHARMA, INC.

(Company)

By: /s/ Bruce W. Tomlinson
Bruce W. Tomlinson
Vice President and
Chief Financial Officer

Dated: November 5, 2012

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release
99.2	Presentation
99.3	Information Sheet

Exhibit 99.1

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PDL BioPharma Announces Third Quarter 2012 Financial Results

INCLINE VILLAGE, NV, November 5, 2012 – PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today reported financial results for the third quarter and nine months ended September 30, 2012.

Royalty revenues for the third quarter of 2012 increased two percent to $85.2 million from $83.4 million reported in the third quarter of 2011. For the first nine months of 2012, royalty revenues increased three percent to $288.5 million from $278.8 million reported in the comparable period of 2011. Total revenue for the first nine months of 2012 of $288.5 million is flat when compared to total revenue for the first nine months of 2011 of $289.2 million, as a result of a one-time settlement payment of $10 million from UCB Pharma received in 2011.

Royalty revenues for the third quarter of 2012 are based on second quarter 2012 product sales by PDL's licensees. The growth in royalty revenues was driven primarily by increased royalties from second quarter 2012 sales of Avastin®, which is marketed by Genentech and Roche, and Lucentis® and Xolair®, which are marketed by Genentech and Novartis. Royalty revenue for the third quarter is net of payments made under PDL's February 2011 settlement agreement with Novartis Pharma AG.

General and administrative expenses for the third quarter of 2012 were $5.6 million, compared with $4.0 million in the same quarter of 2011. For the nine months ended September 30, 2012, general and administrative expenses were $17.7 million compared to $13.5 million in the comparable period of 2011. The increase in expenses for both the quarter and nine months ended September 30, 2012, is primarily due to expenses related to efforts to acquire new revenue generating assets, compensation related expenses and litigation expenses.

Net income for the third quarter of 2012 was $48.6 million, or $0.32 per diluted share, as compared with net income of $45.9 million, or $0.28 per diluted share, in the same quarter of 2011. Net income for the first nine months of 2012 was $162.3 million, or $1.08 per diluted share, as compared with net income of $160.5 million, or $0.88 per diluted share, in the same period of 2011.

Net cash provided by operating activities in the first nine months of 2012 was $158.6 million, compared with $124.6 million for the first nine months of 2011. At September 30, 2012, PDL had cash, cash equivalents and investments of $160.4 million, compared with $227.9 million at December 31, 2011.

Recent Developments

Revenue Interests Purchase Agreement with AxoGen, Inc.
In October 2012, PDL entered into a Revenue Interests Purchase Agreement (Royalty Agreement) with AxoGen, Inc. pursuant to which PDL will receive high single digit royalties on AxoGen's net revenues generated by the sale, distribution or other use of AxoGen's products. The Royalty Agreement has an eight year term, and is subject to agreed-upon minimum payments beginning in the fourth quarter of 2014 and the right to require AxoGen to repurchase the revenue contract at the end of the fourth year. AxoGen has been granted certain rights to call the revenue contract in years five through eight. The total consideration PDL paid to AxoGen for the royalty rights was $20.8 million, including $19 million paid to AxoGen at the closing of the transaction and $1.8 million paid to AxoGen in August 2012, pursuant to an Interim Revenue Interest Purchase Agreement (Interim Agreement) between AxoGen and PDL. The Interim Agreement was terminated in connection with the execution of the Royalty Agreement. AxoGen was required to use a portion of the proceeds from the Royalty Agreement to pay the outstanding balance under its existing credit facility. AxoGen plans to use the remainder of the proceeds to support the business plan for its products. The royalty rights are secured by the cash and accounts receivable of AxoGen.

Credit Agreement with Wellstat Diagnostics, LLC

In November 2012, PDL loaned to Wellstat Diagnostics, LLC (Wellstat) pursuant to a Credit Agreement (Credit Agreement) $40 million to be used by Wellstat in its development and commercialization of small point of care diagnostic systems that can perform a wide variety of tests targeting the clinical diagnostics market. Of the $40 million borrowed, Wellstat Diagnostics will use approximately $11.6 million to repay an existing credit facility between PDL and the holders of Wellstat's equity interests. Wellstat is required to repay the outstanding principal and a specific target internal rate of return amount to PDL at maturity or upon the occurrence of certain key events such as a sale of Wellstat Diagnostics or substantially all of its assets or if Wellstat Diagnostics misses a specified revenue target for fiscal year 2017. The loan will be considered repaid at any time the aggregate amount of all payments made by Wellstat to PDL, including interest and any royalty payments, equals specified target internal rates of return set forth in the Credit Agreement. The target internal rates of return depend on whether the date of repayment is on or after December 31, 2014, and is higher after December 31, 2014. Outstanding principal under the Credit Agreement bears interest at the rate of 5.0% per annum, payable quarterly in arrears, in cash or paid-in-kind notes that add to the principal balance. Upon commercialization of Wellstat's diagnostic systems, PDL will receive a low double digit royalty on Wellstat Diagnostics' net revenues. The Credit Agreement matures at its latest on December 31, 2021.

2012 Dividends

On January 18, 2012, PDL's Board of Directors declared regular quarterly dividends of $0.15 per share of common stock, payable on March 14, June 14, September 14 and December 14 of 2012 to stockholders of record on March 7, June 7, September 7 and December 7 of 2012, the record dates for each of the dividend payments, respectively. On September 14, 2012, PDL paid the third quarterly dividend to stockholders of record totaling $21 million using earnings generated in the third quarter of 2012.

Revenue Guidance for 2012

As previously announced, PDL will continue to provide revenue guidance for each quarter in the third month of that quarter. Fourth quarter 2012 revenue guidance will be provided in December.

Conference Call Details

PDL will hold a conference call to discuss financial results at 4:30 p.m. ET today, November 5, 2012.

To access the live conference call via phone, please dial (877) 303-9145 from the United States and Canada or (760) 536-5203 internationally. Please dial in approximately 10 minutes prior to the start of the call. A telephone replay will be available beginning approximately one hour after the call through November 12, 2012, and may be accessed by dialing (855) 859-2056 from the United States and Canada or (404) 537-3406 internationally. The replay passcode is 55617262.

To access the live and subsequently archived webcast of the conference call, go to the Company's website at http://www.pdl.com and go to "Company Presentations & Events." Please connect to the website at least 15 minutes prior to the call to allow for any software download that may be necessary. A slide presentation relating to the call will be available via the webcast link on the PDL website.

About PDL BioPharma
PDL pioneered the humanization of monoclonal antibodies and, by doing so, enabled the discovery of a new generation of targeted treatments for cancer and immunologic diseases. Today, PDL is focused on intellectual property asset management, investing in new revenue generating assets and maximizing value for its shareholders. For more information, please visit www.pdl.com.

Forward-looking Statements
This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Each of these forward-looking statements involves risks and uncertainties. Actual results may differ materially from those, express or implied, in these forward-looking statements. Important factors that could impair the value of the Company's royalty assets, restrict or impede the ability of the Company to invest in new revenue generating assets and limit the Company's ability to pay dividends are disclosed in the risk factors contained in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission and updated by subsequent Quarterly Reports on Form 10-Q. All forward-looking statements are expressly qualified in their entirety by such factors. We do not undertake any duty to update any forward-looking statement except as required by law.

PDL BIOPHARMA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	**2011**	**2012**	**2011**
Revenues:				
Royalties	$ 85,231	$ 83,370	$ 288,479	$ 278,833
License and other	-	400	-	10,400
Total revenues	85,231	83,770	288,479	289,233
General and administrative expenses	5,647	3,960	17,737	13,516
Operating income	79,584	79,810	270,742	275,717
Non-operating expense, net				
Loss on repurchase of convertible notes	-	-	-	(766)
Interest and other income, net	1,867	130	2,385	463
Interest expense	(6,514)	(9,007)	(23,087)	(27,941)
Total non-operating expense, net	(4,647)	(8,877)	(20,702)	(28,244)
Income before income taxes	74,937	70,933	250,040	247,473
Income tax expense	26,362	25,017	87,779	87,026
Net income	$ 48,575	$ 45,916	$ 162,261	$ 160,447
Net income per share				
Basic	$ 0.35	$ 0.33	$ 1.16	$ 1.15
Diluted	$ 0.32	$ 0.28	$ 1.08	$ 0.88
Weighted average shares outstanding				
Basic	139,715	139,680	139,693	139,665
Diluted	149,626	167,019	150,678	186,756
Cash dividends declared per common share	$ -	$ -	$ 0.60	$ 0.60

PDL BIOPHARMA, INC.
CONDENSED CONSOLIDATED BALANCE SHEET DATA
(Unaudited)
(In thousands)

	September 30, 2012	December 31, 2011
Cash, cash equivalents and investments	$ 160,367	$ 227,946
Total assets	$ 249,896	$ 269,471
Non-recourse notes payable	$ -	$ 93,370
Convertible notes payable	$ 307,337	$ 316,615
Total stockholders' deficit	$ (115,484)	$ (204,273)

PDL BIOPHARMA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW DATA
(Unaudited)
(In thousands)

	Nine Months Ended September 30,	
	2012	2011
Net income	$ 162,261	$ 160,447
Adjustments to reconcile net income to net cash provided by operating activities	18,095	34,393
Changes in assets and liabilities	(21,734)	(70,204)
Net cash provided by operating activities	$ 158,622	$ 124,636

PDL BioPharma™

Third Quarter 2012
Financial Results Conference Call

November 5, 2012

Forward Looking Statements

This presentation contains forward-looking statements, including PDL's expectations with respect to its future royalty revenues, expenses, net income, and cash provided by operating activities.

Each of these forward-looking statements involves risks and uncertainties. Actual results may differ materially from those, express or implied, in these forward-looking statements. Factors that may cause differences between current expectations and actual results include, but are not limited to, the following:

- The expected rate of growth in royalty-bearing product sales by PDL's existing licensees;
- The relative mix of royalty-bearing Genentech products manufactured and sold outside the U.S. versus manufactured or sold in the U.S.;
- The ability of PDL's licensees to receive regulatory approvals to market and launch new royalty-bearing products and whether such products, if launched, will be commercially successful;
- The productivity of acquired revenue generating assets may not fulfill our revenue forecasts, and if secured by collateral, we may be undersecured and unable to recuperate our capital expenditures in the acquisition;
- Changes in any of the assumptions on which PDL's projected revenues are based;
- Changes in foreign currency rates;
- Positive or negative results in PDL's attempt to acquire revenue related assets;
- The outcome of pending litigation or disputes, including PDL's current dispute with Genentech related to ex-U.S. sales of Genentech licensed products; and
- The failure of licensees to comply with existing license agreements, including any failure to pay royalties due.

Other factors that may cause PDL's actual results to differ materially from those expressed or implied in the forward-looking statements in this presentation are discussed in PDL's filings with the SEC, including the "Risk Factors" sections of its annual and quarterly reports filed with the SEC. Copies of PDL's filings with the SEC may be obtained at the "Investors" section of PDL's website at www.pdl.com. PDL expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in PDL's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based for any reason, except as required by law, even as new information becomes available or other events occur in the future. All forward-looking statements in this presentation are qualified in their entirety by this cautionary statement.

PDL BioPharma

Revenue Generating Asset Activity

Recent developments

- PDL recently completed two additional revenue generating transactions.
  - On November 2, 2012, PDL provided $40.0 million to Wellstat Diagnostics in return for interest and royalties on Wellstat's Diagnostics product.
    - Wellstat was founded by Samuel J. Wohlstadter. Samuel Wohlstadter is Wellstat's CEO. He was also a founder of Amgen, Applied Biosystems, IGEN International (a diagnostics system company acquired by Roche for approximately $1.4 billion), BioVeris Corporation (also a diagnostics system company acquired by Roche for approximately $600 million), and Hyperion Catalysis International.
    - Wellstat is developing a point of care diagnostic system that utilizes a disposable cartridge systems, requires no user interaction, relies on standard blood collection techniques and can achieve sensitivity comparable to, or better than, central testing laboratories. It can be used to measure the presence of disease and monitor medical conditions.
  - In early October, PDL provided $20.8 million to AxoGen in return for royalties on certain AxoGen products.
    - AxoGen is a regenerative medicine company dedicated to advancing the science and commercialization of surgical solutions for peripheral nerve repair.

Prior transaction

- PDL completed its first transaction in July 2012. PDL entered into a credit agreement with Merus Labs International under which PDL made available up to $55 million to Merus secured by, among other things, its approved drug for overactive bladder.

Third Quarter 2012 Overview

	Quarter Ended September 30		Nine Months Ended September 30	
	(In thousands, except per share amounts)			
	2012	2011	2012	2011
Royalty revenues	$ 85,231	$ 83,370	$ 288,479	$ 278,833
G&A Expenses	5,647	3,960	17,737	13,516
Operating income	79,584	79,810	270,742	275,717
Interest expense	(6,514)	(9,007)	(23,087)	(27,941)
Income before income taxes	74,937	70,933	250,040	247,473
Income tax expense	26,362	25,017	87,779	87,026
Net income	48,575	45,916	162,261	160,447
Net income per share - Basic	$0.35	$0.33	$1.16	$1.15
Net income per share - Diluted	$0.32	$0.28	$1.08	$0.88

	September 30, 2012	December 31, 2011
Cash, cash equivalents and investments	$160,367	$227,946
Total assets	$249,896	$269,471
Total debt carrying value	$307,337	$409,985

PDL BioPharma

Non-Recourse and Convertible Notes

Non-Recourse Note

- The final payment was made on our Non-Recourse Note during the third quarter of 2012. This $300 million securitization was entered into in November 2009 and most of the proceeds were paid to shareholders as a special dividend in December 2009. 60% of PDL's Genentech/Roche royalties were obligated to repay this Note. We anticipate that our free cash flows will increase as a result of retiring this Note.

Convertible Notes Conversion Rates

- In connection with the September 14, 2012, dividend payment, the conversion rates for our convertible notes increased as follows:

Convertible Notes	Conversion Rate per $1,000 Principal Amount	Approximate Conversion Price Per Common Share	Effective Date	Principal Balance Outstanding
May 2015 Notes 3.75%	145.4893	$6.87	September 5, 2012	$ 155,250,000
Series 2012 Notes 2.875%	166.264	$6.01	September 5, 2012	$ 179,000,000
February 2015 Notes 2.875%	166.264	$6.01	September 10, 2012	$ 1,000,000

- PDL entered into a bond hedge that effectively increases the conversion price in the May 2015 Notes to $8.09.

Question and Answer Session

PDL BioPharma, Inc.
Q3-2012
November 5, 2012

Following are some of the key points regarding PDL's third quarter 2012 financial and business results.

Net Income

- Net income for the third quarter of 2012 was $48.6 million, or $0.32 per diluted share, as compared with net income of $45.9 million, or $0.28 per diluted share, in the same quarter of 2011.

2012 Dividends

- In January 2012, we declared a regular, quarterly dividend of $0.15 per share of common stock payable on March 14, June 14, September 14 and December 14 to stockholders of record on March 7, June 7, September 7 and December 7.

- We paid $0.15 per share of common stock, or $21.0 million, on September 14, 2012, to our stockholders of record on September 7, 2012 as part of our regular, quarterly dividend policy for 2012.

Revenue Generating Assets

- PDL completed a transaction with Wellstat Diagnostics, LLC on November 2, 2012, in which PDL provided $40 million to Wellstat in return for interest and royalties on Wellstat's diagnostic system.
    - Wellstat was founded by Samuel J. Wohlstadter, the company's chief executive officer who was also a founder of Amgen, Applied Biosystems, IGEN (a diagnostics system company that was acquired by Roche for approximately $1.4 billion), BioVeris (a diagnostics system company that was also acquired by Roche for approximately $600 million), and Hyperion Catalysis.
    - Wellstat is developing a point of care diagnostic system that utilizes a disposable cartridge system, requires no user intervention, relies on standard blood collection techniques and can achieve results comparable to, or better than, central testing laboratories.
- PDL completed a transaction with AxoGen, Inc., on October 5, 2012, in which PDL provided $20.8 million to AxoGen in return for royalties on certain AxoGen products.
    - AxoGen is a regenerative medicine company dedicated to advancing the science and commercialization of surgical solutions for peripheral nerve repair.
- These are PDL's second and third publicly-announced transactions.
    - On July 10, 2012, PDL entered into a credit agreement with Merus Labs International under which PDL made available up to $55 million to Merus secured by, among other things, its approved drug for overactive bladder.

Non-recourse Notes

- The final payment was made on our Non-Recourse Note during the third quarter of 2012. This $300 million securitization was entered into in November 2009 and most of the proceeds were paid to shareholders as a special dividend in December 2009. Approximately 60% of PDL's Genentech/Roche royalties were obligated to repay this Note. We anticipate that our free cash flows will increase as a result of retiring this Note.

Current Conversion Rates of Convertible Notes

Convertible Notes	Conversion Rate per $1,000 Principal Amount	Approximate Conversion Price Per Common Share	Effective Date	Principal Balance Outstanding
May 2015 Notes 3.75%	145.4893	$ 6.87	September 5, 2012	$ 155,250,000
Series 2012 Notes 2.875%	166.264	$ 6.01	September 5, 2012	$ 179,000,000
February 2015 Notes 2.875%	166.264	$ 6.01	September 10, 2012	$ 1,000,000

· PDL entered into a bond hedge that effectively increases the conversion price in the May 2015 Notes to $8.09.

Updates on Approved Royalty Bearing Products

Avastin™ (bevacizumab):

- On October 31, 2012, Roche announced that the European Commission has approved Avastin in combination with standard chemotherapy (carboplatin and gemcitabine) as a treatment for women with first recurrence of platinum-sensitive ovarian cancer.
- On August 10, 2012, Genentech/Roche announced that a Phase 3 trial investigating Avastin plus radiation and chemotherapy in first line treatment of patients with newly diagnosed glioblastoma met its co-primary endpoint of a significant improvement in progression free survival.
    - Data for final overall survival, the other co-primary endpoint, are expected in 2013.

Herceptin™ (trastuzumab):

- In its October 16, 2012, conference call with the financial community, Roche reported worldwide sales growth of 12% in the first three quarters of 2012.
- Based on data presented at the European Society of Medical Oncology, neither six month treatment nor two year treatment with Herceptin appears to confer patient benefit beyond the current standard of care of one year treatment.

Lucentis™ (ranibizumab):

- In its October 16, 2012, call with the financial community, Roche reported that Lucentis US market share declined by 8% in the first three quarters of 2012 with sales in AMD starting to stabilize.
- On August 10, 2012, FDA approved Lucentis for treatment of diabetic macular edema (DME).
- Genentech launched Lucentis for DME on August 15, 2012, with a price of $1,170 per 0.3 mg dose equal to the cost of the 0.5 mg dose of Lucentis, which is approved in the U.S. for macular edema secondary to retinal vein occlusion (RVO) and wet age-related macular degeneration (AMD).
- Lucentis is already approved for this indication in EU.

Actemra™ (tocilizumab):

- On October 15, 2012, Genentech/Roche announced that the label had been expanded to include patients who had an inadequate response to one or more disease-modifying antirheumatic drugs (DMARDs).

- In its October 16, 2012, call with the financial community, Roche reported worldwide sales growth of 34% in the first three quarters of 2012.

Perjeta™ (pertuzumab):

- On June 8, 2012, Genentech and Roche announced the U.S. Food and Drug Administration (FDA) approval of Perjeta in combination with Herceptin and docetaxel for the first line treatment of patients with HER2+ metastatic breast cancer.

    - Price is $5,900 per month.
    - Genentech and Roche have notified PDL of its status as a licensed product.
    - PDL began receiving royalties in 3Q12 based on sales occuring in 2Q12.
    - Royalties will be subject to the tiered system applicable to Avastin, Herceptin, Lucentis and Xolair sales.
- Genentech and Roche projected peak sales in excess of $1 billion annually for Perjeta.
    - In its October 16, 2012, call with the financial community, Roche reported that Perjeta has a 31% new patient share in first line setting in US.
- In the adjuvant setting, Phase 2 data showed that patients on Perjeta, Herceptin and docetaxel had a pathologic complete response or pCR of 45.8% compared to 29% for those HER2+ breast cancer patients receiving only Herceptin and docetaxel.

    - Perjeta is currently being studied in Phase 3 in the adjuvant setting.

Updates on Select Development Stage Potential Royalty Bearing Products

TDM-1 (trastuzumab emtansine):

- Genentech/Roche estimate annual peak sales in excess of $1 billion.

- On June 2, 2012, Roche/Genentech said that the Phase 3 trial of second line therapy in patients with metastatic HER2+ breast cancer comparing treatment with T-DM1 versus treatment with Tykerb and Xeloda showed:
    - Significant improvement in PFS of 35% (9.6 months v. 6.4 months);
    - One-year survival of 84.7% compared to 77.0%;
    - Response rate of 43.6% compared to 30.8%; and
    - Grade 3 or higher AE's of 40.8% compared to 57.0%

- On August 27, 2012, Genentech/Roche announced that it had filed in US for approval as second line therapy in patients with metastatic HER2+ breast cancer.
    - Roche said that it expects to make a similar filing in EU shortly.

- On October 1, 2012, Genentech/Roche announced that Phase 3 trial of T-DM1 as second line therapy in metastatic HER2+ breast cancer patients comparing treatment with T-DM1 versus treatment with Tykerb and Xeloda reduced the risk of death by 32%, meeting the trial's coprimary endpoint.

Bapineuzumab:

- Both US Phase 3 trials in apoE4 and non-apoE4 carrier did not meet the primary co-endpoints of the trials.
    - Further development in mild-to-moderate Alzheimer's patients has been terminated.

Solanezumab:

- On August 24, 2012, Lilly announced that both of its Phase 3 trials did not meet the primary endpoints of cognitive and functional benefit.
    - A pre-specified secondary subgroup analysis of the pooled data from both trials showed that solanezumab slowed the cognitive decline in patients with mild disease but not patients with moderate disease.

- On October 8, 2012, Lilly disclosed that the reduction in cognitive decline was 34% (p=.001) and there was a 17% reduction in functional decline as measured by ADCS-ADL that was not statistically significant (p=.057).

- On October 8, 2012, researchers at the Alzheimer's Disease Cooperative Study reported that, based on their independent analysis of the data, there was a statistically significant reduction in cognitive decline as measured by ADAS Cog14 in the mild and moderate patients in the pooled data from both Phase 3 trials.

- Lilly said that it plans to discuss the data with regulatory authorities, and that its Phase 3 extension study is fully enrolled and on-going.

- If solanezumab were to receive marketing authorization, PDL would receive a patent royalty of 3% in addition to a 12.5 year know-how royalty of 2% from date of first sale.

Forward-looking Statements

This document contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Each of these forward-looking statements involves risks and uncertainties. Actual results may differ materially from those, express or implied, in these forward-looking statements. Important factors that could impair the value of the Company's royalty assets, restrict or impede the ability of the Company to invest in new royalty bearing assets and limit the Company's ability to pay dividends are disclosed in the risk factors contained in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission, and updated by subsequent Quarterly Reports on Form 10-Q. All forward-looking statements are expressly qualified in their entirety by such factors. We do not undertake any duty to update any forward-looking statement except as required by law.

PDL BioPharma, Inc.
Q3-2012
November 5, 2012

Royalty Revenue by Product ($ in 000's) *

Avastin	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2012	23,215	41,670	25,955	-	90,841
2011	22,283	41,967	23,870	22,886	111,006
2010	16,870	44,765	29,989	24,922	116,547
2009	13,605	35,161	21,060	15,141	84,966
2008	9,957	30,480	19,574	12,394	72,405
2007	8,990	21,842	17,478	9,549	57,859
2006	10,438	15,572	15,405	12,536	53,952
Herceptin	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2012	25,702	44,628	30,433	-	100,763
2011	25,089	42,209	31,933	21,812	121,042
2010	23,402	38,555	27,952	25,441	115,350
2009	16,003	32,331	26,830	18,615	93,779
2008	14,092	34,383	28,122	20,282	96,880
2007	19,035	28,188	22,582	14,802	84,608
2006	15,142	19,716	21,557	20,354	76,769
Lucentis	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2012	10,791	27,938	12,552	-	51,280
2011	8,878	24,313	12,157	10,750	56,099
2010	7,220	19,091	10,841	8,047	45,198
2009	4,621	12,863	8,123	6,152	31,759
2008	3,636	11,060	7,631	4,549	26,876
2007	2,931	6,543	6,579	3,517	19,570
2006	-	-	289	3,335	3,624
Xolair	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2012	5,447	8,609	6,504	-	20,560
2011	4,590	7,621	5,916	5,823	23,949
2010	3,723	6,386	4,980	4,652	19,741
2009	2,665	5,082	4,085	3,722	15,553
2008	1,488	4,866	3,569	2,927	12,850
2007	1,684	3,942	3,332	2,184	11,142
2006	2,263	2,969	3,041	2,495	10,768
Perjeta	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2012	-	-	58	-	58
Tysabri	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2012	11,233	12,202	11,749	-	35,184
2011	9,891	10,796	11,588	11,450	43,725
2010	8,791	8,788	8,735	9,440	35,754
2009	6,656	7,050	7,642	8,564	29,912
2008	3,883	5,042	5,949	6,992	21,866
2007	839	1,611	2,084	2,836	7,370
2006	-	-	-	237	237
Actemra	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2012	1,705	2,074	2,145	-	5,923
2011	913	1,136	1,401	1,460	4,910
2010	1,587	237	315	688	2,827
2009	585	537	909	1,197	3,228
2008	44	-	146	369	559
2007	32	-	-	17	49
2006	-	-	-	-	-

*** As reported to PDL by its licensees**
Totals may not sum due to rounding

PDL BioPharma, Inc.
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Reported Net Sales Revenue by Product ($ in 000's) *

Avastin	Q1	Q2	Q3	Q4	Total
2012	1,502,757	1,573,727	1,551,327	-	4,627,810
2011	1,597,461	1,582,705	1,581,095	1,469,994	6,231,255
2010	1,506,788	1,596,892	1,594,707	1,646,218	6,344,605
2009	1,345,487	1,295,536	1,439,730	1,514,053	5,594,806
2008	980,715	1,084,930	1,180,427	1,239,382	4,485,454
2007	678,068	746,587	797,013	875,084	3,096,752
2006	439,318	516,052	570,551	592,897	2,118,817
Herceptin	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2012	1,515,255	1,625,313	1,663,695	-	4,804,264
2011	1,391,568	1,559,975	1,642,898	1,432,771	6,027,211
2010	1,270,846	1,349,512	1,300,934	1,409,310	5,330,602
2009	1,210,268	1,133,993	1,226,435	1,278,626	4,849,323
2008	1,105,426	1,195,215	1,211,982	1,186,806	4,699,428
2007	891,761	949,556	979,602	1,015,033	3,835,952
2006	529,585	659,719	761,099	803,576	2,753,979
Lucentis	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2012	1,079,092	1,086,543	1,097,541	-	3,263,176
2011	887,757	943,418	1,052,809	1,075,015	3,958,999
2010	721,967	698,890	745,376	804,684	2,970,917
2009	462,103	469,736	555,296	615,212	2,102,347
2008	363,615	393,682	460,167	454,922	1,672,386
2007	224,820	219,579	299,995	322,300	1,066,695
2006	-	-	10,689	157,742	168,431
Xolair	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2012	310,234	314,638	347,796	-	972,669
2011	267,754	277,642	310,874	314,911	1,171,182
2010	228,859	225,878	251,055	263,389	969,179
2009	184,669	181,086	211,006	219,693	796,454
2008	137,875	169,521	177,179	183,753	668,329
2007	129,172	130,700	144,250	147,754	551,876
2006	95,241	99,354	112,608	118,002	425,204
Perjeta	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2012	-	-	5,080	-	5,080
Tysabri	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2012	374,430	401,743	391,623	-	1,167,796
2011	329,696	356,876	388,758	381,618	1,456,948
2010	293,047	287,925	293,664	316,657	1,191,292
2009	221,854	229,993	257,240	285,481	994,569
2008	129,430	163,076	200,783	233,070	726,359
2007	30,468	48,715	71,972	94,521	245,675
2006	-	-	-	7,890	7,890
Actemra	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2012	56,662	66,624	71,505	-	194,791
2011	30,433	35,370	46,709	48,671	161,183
2010	52,908	5,405	10,493	22,919	91,725
2009	19,504	17,920	30,313	39,888	107,625
2008	1,452	1,377	5,981	12,305	21,115
2007	-	-	-	1,137	1,137
2006	-	-	-	-	-

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PDL BioPharma, Inc.
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Manufacturing Location & Sales - Genentech / Roche & Novartis ($ in 000's) *

Avastin Sales	**2011 - Q2**	**2011 - Q3**	**2011 - Q4**	**2012 - Q1**	**2012 - Q2**	**2012 - Q3**
US Made & Sold	719,967	688,966	684,878	652,824	724,483	679,914
US Made & ex-US Sold	548,710	587,975	375,830	448,037	532,979	428,976
ex-US Made & Sold	314,028	304,155	409,286	401,896	316,265	442,437
Total	1,582,705	1,581,095	1,469,994	1,502,757	1,573,727	1,551,327
US Made & Sold	45%	44%	47%	43%	46%	44%
US Made & ex-US Sold	35%	37%	26%	30%	34%	28%
ex-US Made & Sold	20%	19%	28%	27%	20%	29%
Herceptin Sales	**2011 - Q2**	**2011 - Q3**	**2011 - Q4**	**2012 - Q1**	**2012 - Q2**	**2012 - Q3**
US Made & Sold	442,903	445,395	453,168	456,920	497,109	503,612
US Made & ex-US Sold	642,670	495,086	612,908	523,353	466,477	545,625
ex-US Made & Sold	474,402	702,416	366,695	534,982	661,727	614,459
Total	1,559,975	1,642,898	1,432,771	1,515,255	1,625,313	1,663,695
US Made & Sold	28%	27%	32%	30%	31%	30%
US Made & ex-US Sold	41%	30%	43%	35%	29%	33%
ex-US Made & Sold	30%	43%	26%	35%	41%	37%
Lucentis Sales	**2011 - Q2**	**2011 - Q3**	**2011 - Q4**	**2012 - Q1**	**2012 - Q2**	**2012 - Q3**
US Made & Sold	409,674	422,335	428,884	433,428	412,131	385,746
US Made & ex-US Sold	533,745	630,474	646,131	645,665	674,411	711,795
ex-US Made & Sold	-	-	-	-	-	-
Total	943,418	1,052,809	1,075,015	1,079,092	1,086,543	1,097,541
US Made & Sold	43%	40%	40%	40%	38%	35%
US Made & ex-US Sold	57%	60%	60%	60%	62%	65%
ex-US Made & Sold	0%	0%	0%	0%	0%	0%
Xolair Sales	**2011 - Q2**	**2011 - Q3**	**2011 - Q4**	**2012 - Q1**	**2012 - Q2**	**2012 - Q3**
US Made & Sold	167,608	184,837	188,728	185,505	193,600	211,702
US Made & ex-US Sold	-	-	-	-	-	-
ex-US Made & Sold	110,034	126,037	126,184	124,729	121,039	136,094
Total	277,642	310,874	314,911	310,234	314,638	347,796
US Made & Sold	60%	59%	60%	60%	62%	61%
US Made & ex-US Sold	0%	0%	0%	0%	0%	0%
ex-US Made & Sold	40%	41%	40%	40%	38%	39%
Perjeta Sales	**2011 - Q2**	**2011 - Q3**	**2011 - Q4**	**2012 - Q1**	**2012 - Q2**	**2012 - Q3**
US Made & Sold	-	-	-	-	-	5,080
US Made & ex-US Sold	-	-	-	-	-	-
ex-US Made & Sold	-	-	-	-	-	-
Total	-	-	-	-	-	5,080
Total Sales	**2011 - Q2**	**2011 - Q3**	**2011 - Q4**	**2012 - Q1**	**2012 - Q2**	**2012 - Q3**
US Made & Sold	1,740,152	1,741,534	1,755,657	1,728,678	1,827,323	1,786,053
US Made & ex-US Sold	1,725,125	1,713,535	1,634,869	1,617,054	1,673,867	1,686,395
ex-US Made & Sold	898,464	1,132,608	902,165	1,061,607	1,099,031	1,192,990
Total	4,363,741	4,587,677	4,292,691	4,407,339	4,600,221	4,665,438
US Made & Sold	40%	38%	41%	39%	40%	38%
US Made & ex-US Sold	40%	37%	38%	37%	36%	36%
ex-US Made & Sold	21%	25%	21%	24%	24%	26%

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