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**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): October 29, 2010

**PDL BioPharma, Inc.**

(Exact name of Company as specified in its charter)

000-19756  
(Commission File Number)

Delaware  
(State or Other Jurisdiction of  
Incorporation)

94-3023969  
(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)

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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))
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**Item 7.01 Regulation FD Disclosure.**

On October 29, 2010, the Company distributed to analysts covering or interested in covering the Company’s securities and posted to its website a summary of certain information regarding the Company’s efforts to improve its capital structure (the “Information Sheet”). A copy of the Information Sheet is attached hereto as Exhibit 99.1.

*Limitation of Incorporation by Reference*

In accordance with General Instruction B.2. of Form 8-K, the information in this report, including Exhibit 99.1, is furnished pursuant to Item 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. This Current Report will not be deemed an admission as to the materiality of any information in the report that is required to be disclosed solely by Regulation FD.

*Cautionary Statements*

This filing and the Information Sheet 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 2009 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2010. 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.**

(d) Exhibits.

<b>Exhibit No.</b>	<b>Description</b>
99.1	Information Sheet, dated October 29, 2010

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**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/ Christine R. Larson

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Christine R. Larson  
Vice President and Chief Financial Officer

Dated: October 29, 2010

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**EXHIBIT INDEX**

**Exhibit No.**

**Description**

99.1

Information Sheet, dated October 29, 2010

## Summary of PDL's Efforts to Improve its Capital Structure

In January 2009, we had two convertible notes outstanding, each \$250 million (2012 Notes and 2023 Notes). The 2% senior convertible notes (2012 Notes), are due in 2012, and the 2.75% subordinated convertible notes (2023 Notes), were due in 2023, with an August 2010 put right for the note holders. Because the 2023 Notes conversion rates changed each time we paid a dividend and, thus, were increasingly dilutive, PDL repurchased \$50 million of the 2023 Notes. The Company also repurchased \$22 million of the 2012 Notes at an average discount to par of 4.8% in 2009. At the end of 2009, \$428 million of convertible debt remained.

During 2009, we issued the \$300 million securitization debt with a March 2015 legal maturity date but an anticipated September 2012 maturity date. The debt is repaid from a portion of the royalties received from Genentech, and the Company has already paid down \$75 million of this debt in 2010.

The debt outstanding at the end of 2009, potentially due and payable by the end of 2012, totaled \$728 million. This debt limited our flexibility to buy new royalty assets in addition to paying dividends annually, **so we continued our efforts to improve the capital structure in 2010.**

In 2010, we've focused our efforts to change our capital structure in two ways. The first is the **reduction of the dilution** associated with the convertible notes, particularly the 2023 Notes. The second is **managing the company's free cash**, with the objective of reducing debt while maintaining flexibility to purchase new royalty assets, repurchase shares or convertible notes. To that end, PDL:

- **Repurchased \$84 million** of the 2023 Notes in Q2-2010 and, in Q3-2010, in advance of the August 2010 put date for the 2023 Notes, we initiated an induced conversion and a subsequent call of the remaining \$116 million outstanding principal on the 2023 Notes. We **fully retired \$116 million** 2023 Notes in Q3-2010 through the conversion of \$112 million to 20 million shares and the repayment of \$4 million in cash.
- **Arranged to exchange \$92 million** of the \$228 million outstanding 2012 Notes for new notes due in February 2015. This transaction is expected to close on November 1, 2010 and extends the repayment of these notes with a low coupon rate and allows us additional flexibility to implement our strategy. As part of this transaction, PDL will issue \$88 million in new 2015 Notes. With the proceeds, we **maintain the flexibility to use our available cash to buy royalty assets, buy back convertible debt or buy back stock.**

We will continue to focus on our strategy, driven solely by increasing return for our shareholders, in the form of extending the life of the company by purchasing new royalty streams, buying back convertible debt or buying back stock.

(\$ in millions)	Debt Outstanding	
	12/31/2009	10/31/2010
2.75% Convertible Debt		
Put August 2010	\$ 200	\$ -
2.00% Convertible Debt		
Due February 2012	228	136
10.25% Securitization Note		
Anticipated Maturity September 2012	300	225
2.875% Convertible Debt		
Due February 2015	-	180
Total Debt	<u>\$ 728</u>	<u>\$ 541</u>

\* Table assumes close of 2012 Note exchange and 2015 Note issuance.