

**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): February 7, 2014

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)**

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 8.01 Other Events.

On February 7, 2014, PDL BioPharma, Inc. (the “Company”) issued a press release announcing the pricing of an offering of its 4.00% Convertible Senior Notes due February 1, 2018. The press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit

No.

Description

99.1

Press Release

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/ Peter S. Garcia
Peter S. Garcia
Vice President and Chief Financial Officer

Dated: February 7, 2014

EXHIBIT INDEX

**Exhibit
No.**

Description

99.1

Press Release

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**PDL BioPharma Prices Offering of \$260.87 Million of
Convertible Senior Notes Due 2018**

INCLINE VILLAGE, Nev., February 7, 2014, PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) announced today that it has agreed to sell \$260.87 million aggregate principal amount of its 4.00% Convertible Senior Notes due February 1, 2018 (the Notes) in an underwritten public offering. The conversion rate of the Notes will initially be 109.1048 shares of common stock per \$1,000 principal amount of the Notes equivalent to an initial conversion price of approximately \$9.17 per share of common stock. The Company granted the underwriters an option to purchase up to an additional \$39.13 million aggregate principal amount of the Notes solely to cover overallocments (or \$300 million principal amount in the aggregate). RBC Capital Markets and Wells Fargo Securities are acting as joint book-running managers for the Notes offering. Cowen and Company and Janney Montgomery Scott are acting as co-managers. The Company expects that the offering will be completed, subject to customary closing conditions, on February 12, 2014.

In connection with the offering of the Notes, the Company has entered into privately negotiated convertible note hedge transactions with RBC Capital Markets and Wells Fargo Securities (and/or their respective affiliates) (the hedge counterparties). The convertible note hedge transactions will cover, subject to customary anti-dilution adjustments, the number of shares of the Company's common stock that will initially underlie the Notes, and are intended to reduce the dilutive impact of the conversion feature of the Notes on the Company's outstanding shares of common stock. The Company has also entered into privately negotiated warrant transactions with the hedge counterparties relating to the same number of shares of the Company's common stock. The warrant transactions could separately have a dilutive effect to the extent that the market price per share of the Company's common stock exceeds the applicable strike price of the warrants on any expiration date of the warrants. In addition, if the underwriters exercise their overallocation option to purchase additional Notes, the Company expects to enter into additional convertible note hedge transactions and additional warrant transactions with the hedge counterparties covering the number of shares underlying such additional Notes.

The Company intends to use a portion of the net proceeds from the Notes offering to pay the cost of the convertible note hedge transactions (after such cost is partially offset by the proceeds to the Company from the warrant transactions). The balance of the net proceeds will be used for working capital and general corporate purposes, including, without limitation, the repayment, repurchase or redemption of outstanding indebtedness or the acquisition of income-generating assets.

The registration statement pursuant to which this offering is being made is effective pursuant to the Securities Act of 1933. Offers and sales of the Notes may be made only by the prospectus and related prospectus supplement, which, when available, may be obtained from RBC Capital Markets, Attention: Equity Syndicate, Three World Financial Center, 200 Vesey Street, 8th Floor, New York, NY 10281 or by calling (877) 822-4089 or from Wells Fargo Securities, Attention: Equity Syndicate Department, 375 Park Avenue, New York, New York, 10152, at (800) 326-5897 or email a request to cmclientsupport@wellsfargo.com.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of these securities, in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

About PDL BioPharma, Inc.

PDL BioPharma manages a portfolio of patents and royalty assets, consisting primarily of its Queen et al. antibody humanization patents and license agreements with various biotechnology and pharmaceutical companies. 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 for which it receives significant royalty revenue. PDL is currently focused on intellectual property asset management, acquiring new income generating assets, and maximizing value for its shareholders.

The company was formerly known as Protein Design Labs, Inc. and changed its name to PDL BioPharma, Inc. in 2006. PDL was founded in 1986 and is headquartered in Incline Village, Nevada.

NOTE: PDL BioPharma and the PDL BioPharma logo are considered trademarks of PDL BioPharma, Inc.

Cautionary Statements Concerning Forward-Looking Statements

This press release contains forward-looking statements. 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:

final expiration of our existing patents in December 2014;

the outcome of pending litigation or disputes;

the failure of licensees to comply with existing license agreements, including any failure to pay royalties due;

our ability to protect our patent and other intellectual property rights through litigation or other means;

positive or negative results in our attempt to acquire new income-generating assets, including new patents or royalty rights;

the productivity of acquired income-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 transaction;

the ability of our licensees, or other third parties from which we receive royalty payments, to maintain or obtain regulatory approvals for the products subject to royalties; and

fluctuations in foreign currency exchange rates.

Other factors that may cause PDL's actual results to differ materially from those expressed or implied in the forward-looking statements in this press release are discussed in PDL's filings with the SEC, especially on Forms 10-K, 10-Q and 8-K. 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 press release are qualified in their entirety by this cautionary statement.

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