

---

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): December 20, 2013

**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.**

### *Convertibility of Series 2012 Notes*

On December 20, 2013, PDL BioPharma, Inc. (the Company) delivered notice to holders of its 2.875% Series 2012 Convertible Senior Notes due February 15, 2015 (the Notes), that the Notes will be convertible during the quarter ending March 31, 2014.

The test for convertibility was met when the closing price of PDL's common stock exceeded the conversion threshold price of approximately \$7.12 (130% of the conversion price) for at least 20 days during the 30 consecutive trading days that will end on December 31, 2013. Accordingly, the Notes are convertible at the option of the holder during the quarter ending March 31, 2014.

The Notes are convertible at a rate of 182.598 shares of the Company's common stock per \$1,000 principal amount of the Notes, or approximately \$5.48 per share. The terms of the Notes include a net share settlement feature, meaning that if a conversion occurs, the principal amount will be settled in cash and the excess will be settled in shares of the Company's common stock.

As of December 20, 2013, \$180.0 million in aggregate principal amount of the Notes was outstanding.

PDL will perform the test for convertibility of the Notes during the second quarter of 2014 during the 30 consecutive trading days that will end on March 31, 2014.

### *Convertibility of May 2015 Notes*

On December 20, 2013, PDL BioPharma, Inc. (the Company) delivered notice to holders of its 3.75% May 2015 Convertible Senior Notes due May 1, 2015 (the Notes), that the Notes will be convertible during the quarter ending March 31, 2014.

The test for convertibility was met when the closing price of PDL's common stock exceeded the conversion threshold price of approximately \$8.13 (130% of the conversion price) for at least 20 days during the 30 consecutive trading days that will end on December 31, 2013. Accordingly, the Notes are convertible at the option of the holder during the quarter ending March 31, 2014.

The Notes are convertible at a rate of \$159.9165 shares of the Company's common stock per \$1,000 principal amount of the Notes, or approximately \$6.25 per share. The terms of the Notes include a net share settlement feature, meaning that if a conversion occurs, the principal amount will be settled in cash and the excess will be settled in shares of the Company's common stock.

As of December 20, 2013, \$155.3 million in aggregate principal amount of the Notes was outstanding.

PDL will perform the test for convertibility of the Notes during the second quarter of 2014 during the 30 consecutive trading days that will end on March 31, 2014.

### *Cautionary Statements*

This filing, the press release and the Company's statements herein and in the attached press release include and constitute "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 and limit the Company's ability to pay dividends, purchase income generating assets and take other corporate actions are disclosed in the "Risk Factors" contained in the Company's 2012 Annual Report on Form 10K filed with the Securities and Exchange Commission on March 1, 2013, and updated in subsequent filings. 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.

## 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: December 20, 2013