**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 23, 2015

# 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 February 23, 2015, PDL BioPharma, Inc. (the Company) issued a press release announcing the financial results for the fourth quarter and year ended December 31, 2014. A copy of this earnings release is attached hereto as Exhibit 99.1. The Company will host an earnings call and webcast on February 23, 2015, during which the Company will discuss its financial results for the fourth quarter and year ended December 31, 2014.

**Item 7.01 Regulation FD Disclosure.**

*Presentation Materials*

On February 23, 2015, 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 February 23, 2015, the Company distributed to analysts covering the Company's securities a summary of certain information regarding the Company's net income, dividends, recent transactions 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 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/ Peter S. Garcia
Peter S. Garcia
Vice President and Chief Financial Officer

Dated: February 23, 2015

**Exhibit Index**

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

**Exhibit 99.1**

**Contacts:**

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**PDL BioPharma Announces Fourth Quarter and Full Year 2014 Financial Results**

**-Annual Revenues Increased 27 percent During 2014-**

INCLINE VILLAGE, NV, February 23, 2015 – PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today reported financial results for the fourth quarter and year ended December 31, 2014.

Total revenues in 2014 increased 27 percent to $581.2 million from $456.3 million in 2013. Revenues for the year ended December 31, 2014 included $487.5 million in royalty and license payments from PDL's licensees to the Queen et al. patents, $45.7 million in net royalty payments from acquired royalty rights and a change in fair value of the royalty rights assets, and $48.0 million in interest revenue from notes receivable debt financings to late-state healthcare companies. The full year 2014 royalty revenue growth over the full year 2013 is driven by increased sales of Avastin®, Herceptin®, Xolair®, Perjeta®, Kadcyla®, Tysabri®, and Actemra® by PDL's licensees, along with a higher fixed royalty rate in 2014 over the blended fixed and tiered rate in 2013, acquired royalty rights from PDL's purchase of Depomed's diabetes-related royalties, a $29.0 million increase in interest revenue related to acquisitions of new revenue generating assets, and a $5.0 million retroactive payment in the first quarter of 2014 related to PDL's settlement agreement with Genentech, partially offset by a higher foreign exchange loss and higher rebate paid to Novartis AG for Lucentis.

For the fourth quarter of 2014, total revenues were $117.1 million, compared to $112.0 million in the fourth quarter of 2013. Revenues for the fourth quarter of 2014 include $131.9 million in royalty payments from PDL's licensees to the Queen et al. patents, $13.3 million in interest revenue from notes receivable debt financings to late-stage healthcare companies, partially offset by a $28.1 million decrease in royalty rights due to a change in fair value of the Depomed royalties. On a cash basis, during the quarter and year ended December 31, 2014, PDL received $20.7 million and $102.5 million, respectively in net cash royalty right payments, primarily from Glumetza® royalties. Since October 2013, PDL's total cash receipts of $113.0 million from Depomed exceeded the Company's initial forecast by $37.5 million and the return of invested capital is approximately 47 percent. The decrease in royalty rights, which is a change in their fair value, is primarily a result of a $42.6 million non-cash reduction to the fair value of the Depomed royalty asset due to a re-forecast of expected future cash flows of Glumetza in 2015. In late 2014, Salix Pharmaceuticals, Inc. (Salix) disclosed there was an excess of supply of Glumetza and other drugs at the distribution level that it commercialize. PDL commenced a review of all public statements by Salix, publicly available historical third-party prescription data, analyst reports and other relevant data sources. PDL also engaged a third-party expert to specifically assess estimated inventory levels of Glumetza in the distribution channel and to ascertain the potential effects those excess inventory levels could have on expected future cash flows. For example, the cash royalties paid to PDL on sales of Glumetza in the third and fourth quarter of 2014 were $51.7 million, approximately $18.9 million above the Company's internal forecast. Because PDL expects that the sales of Glumetza, and therefore royalties on such sales paid to the Company, will be lower in 2015 as distributors reduce their excess levels of inventory of Glumetza, PDL adjusted the estimated future cash flows of Glumetza. This adjustment resulted in the decrease in fair value of the Glumetza-related royalties.

Operating expenses in 2014 were $34.9 million, compared with $29.8 million in 2013. Operating expenses in the fourth quarter of 2014 were $17.7 million, compared with $7.9 million in 2013. The increase in operating expenses for the quarter and year ended December 31, 2014, when compared to the quarter and year ended December 31, 2013, was a result of an increase in general and administrative expenses for professional services mostly related to the acquisition of revenue generating assets, and an increase in compensation related expenses, partially offset by a decrease in legal expenses mostly related to litigation.

Net income in 2014 was $322.2 million, or $1.86 per diluted share as compared with net income in 2013 of $264.5 million, or $1.66 per diluted share. Net income for the fourth quarter of 2014 was $55.1 million, or $0.32 per diluted share, as compared with net income of $61.1 million in the same period of 2013, or $0.39 per diluted share.

Net cash provided by operating activities in 2014 was $292.3 million, compared with $269.7 million in 2013. At December 31, 2014, PDL had cash, cash equivalents and investments of $293.7 million, compared with $99.5 million at December 31, 2013. The increase was primarily attributable to net cash provided by the proceeds from the issuance of the February 2018 Notes of $300.0 million, proceeds from royalty rights of $102.5 million, repayment of notes receivables of $68.8 million, proceeds from the issuance of warrants of $11.4 million, and cash generated by operating activities of $292.3 million, offset in part by cash advanced on notes receivable of $230.0 million, payment of dividends of $96.6 million, purchase of royalty rights at fair value of $81.1 million, repayment of a portion of the Term Loan of $75.0 million, repurchase of a portion of the convertible note balance of $56.2 million, purchase of call options for $31.0 million, and payment of debt issuance costs related to the February 2018 Note issuance of $9.8 million.

**Recent Developments**

***Retirement of Series 2012 Notes***

On February 17, 2015, the Company completed the retirement of the remaining $22.3 million of aggregate principal of its Series 2012 notes at their stated maturity for $22.3 million, plus accrued interest of approximately $0.3 million and approximately 1.34 million shares of its common stock.

***Securities Lawsuit Dismissal***

On February 2, 2015, the federal class action entitled Hampe v. PDL Biopharma, Inc., et al., No. 2:14-cv-01526-APG-NJK (D. Nev.), was voluntarily dismissed without prejudice. Shortly thereafter, on February 17, 2015, the federal derivative action entitled Freely, et ano. v. Lindell, et al., No. 2:14-cv-01738-APG-GWF (D. Nev.) was likewise voluntarily dismissed without prejudice. On February 18, 2015, the parties to the Nevada state court derivative action, Marchetti, et ano. v. Lindell, et al., No. A-14-708757-C (Dist. Ct. Clark Co., Nev.), filed a stipulation and proposed order of dismissal, which is subject to the approval of the court.

***Securities and Exchange Commission (SEC) Comment Letter***
On December 8, 2014, the SEC communicated to PDL, in a close-out letter, that it had completed its review of the Annual Report on Form 10- K for the fiscal year ended December 31, 2013 and the related topic of accounting for the acquisition of Depomed royalties.

***2014 Dividends***
On January 27, 2015, PDL's Board of Directors declared regular quarterly dividends of $0.15 per share of common stock, payable on March 12, June 12, September 11 and December 11 of 2015 to all stockholders who own shares of PDL on March 5, June 5, September 4 and December 4 of 2015, the record dates for each of the dividend payments, respectively. On December 12, 2014, PDL paid the fourth quarterly dividend to stockholders of record totaling $24.3 million using earnings generated in the fourth quarter of 2014.

**Conference Call Details**
PDL will hold a conference call to discuss financial results at 4:30 p.m. Eastern Time today, February 23, 2015.

To access the live conference call via phone, please dial (800) 668-4132 from the United States and Canada or (224) 357-2196 internationally. The conference ID is 86575750. 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 March 1, 2015, and may be accessed by dialing (855) 859-2056 from the United States and Canada or (404) 537-3406 internationally. The replay passcode is 86575750.

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 "Events & Presentations." Please connect to the website at least 15 minutes prior to the call to allow for any software download that may be necessary.

**About PDL BioPharma, Inc.**

PDL manages a portfolio of patents and royalty assets, consisting of its Queen et al. patents, license agreements with various biotechnology and pharmaceutical companies, and royalty and other assets acquired. To acquire new income generating assets, PDL provides non-dilutive growth capital and financing solutions to late-stage public and private healthcare companies and offers immediate financial monetization of royalty streams to companies, academic institutions, and inventors. PDL has invested approximately $780 million to date. PDL evaluates its investments based on the quality of the income generating assets and potential returns on investment. 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. 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.



**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 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. 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 DATA**
**(Unaudited)**
**(In thousands, except per share amounts)**

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | **2014** | **2013** | **2014** | **2013** |
| Revenues | | | | |
| Royalties from Queen et al. patents | $ 131,880 | $ 98,441 | $ 486,888 | $ 430,219 |
| Royalty rights - change in fair value | (28,065) | 5,565 | 45,742 | 5,565 |
| Interest revenue | 13,260 | 7,460 | 48,020 | 18,976 |
| License and other | — | 500 | 575 | 1,500 |
| Total revenues | 117,075 | 111,966 | 581,225 | 456,260 |
| Operating Expenses | | | | |
| General and administrative expenses | 17,726 | 7,861 | 34,914 | 29,755 |
| Operating income | 99,349 | 104,105 | 546,311 | 426,505 |
| Non-operating expense, net | | | | |
| Interest and other income, net | 108 | 40 | 315 | 242 |
| Interest expense | (9,441) | (6,702) | (39,211) | (24,871) |
| Loss on extinguishment of debt | — | — | (6,143) | — |
| Total non-operating expense, net | (9,333) | (6,662) | (45,039) | (24,629) |
| Income before income taxes | 90,016 | 97,443 | 501,272 | 401,876 |
| Income tax expense | 34,945 | 36,351 | 179,028 | 137,346 |
| Net income | $ 55,071 | $ 61,092 | $ 322,244 | $ 264,530 |
| Net income per share | | | | |
| Basic | $ 0.34 | $ 0.44 | $ 2.00 | $ 1.89 |
| Diluted | $ 0.32 | $ 0.39 | $ 1.86 | $ 1.66 |
| Shares used to compute income per basic share | 161,174 | 139,876 | 158,224 | 139,842 |
| Shares used to compute income per diluted share | 169,863 | 157,993 | 173,110 | 159,343 |
| Cash dividends declared per common share | $ — | $ — | $ 0.60 | $ 0.60 |

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

| | December 31, | |
|---|---|---|
| | **2014** | **2013** |
| Cash, cash equivalents and investments | $ 293,687 | $ 99,540 |
| Total notes receivable | $ 363,212 | $ 195,048 |
| Total royalty rights - at fair value | $ 259,244 | $ 235,677 |
| Total assets | $ 962,350 | $ 543,955 |
| Total term loan payable | $ — | $ 74,397 |
| Total convertible notes payable | $ 451,724 | $ 320,883 |
| Total stockholders' equity | $ 460,437 | $ 113,489 |

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

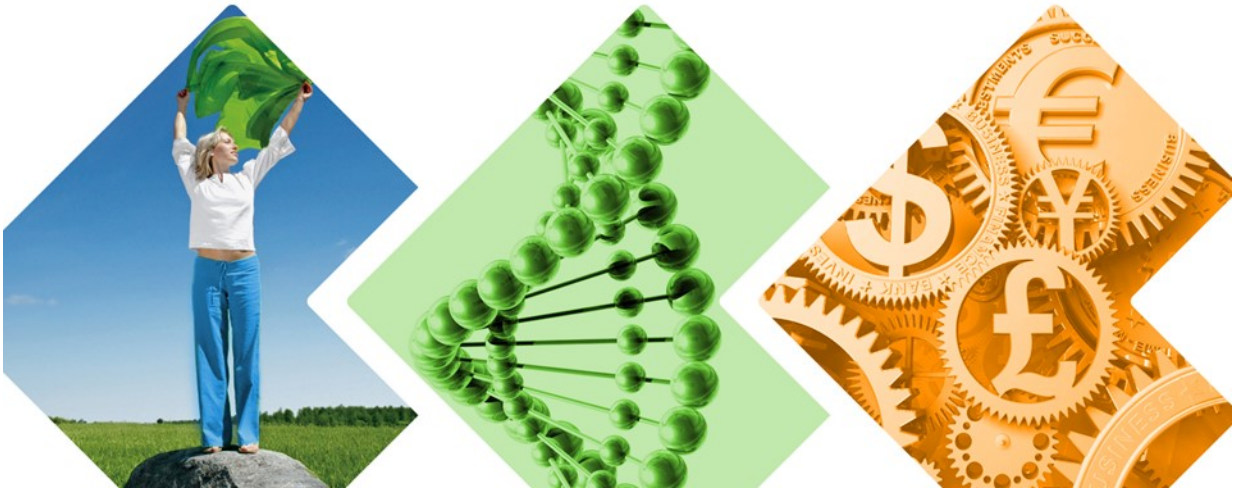
| | Year Ended December 31, | |
|---|---|---|
| | **2014** | **2013** |
| Net income | $ 322,244 | $ 264,530 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities | (38,598) | 18,393 |
| Changes in assets and liabilities | 8,635 | (13,178) |
| Net cash provided by operating activities | $ 292,281 | $ 269,745 |

**Exhibit 99.2**

PDL BioPharma®

# Fourth Quarter and Year-end 2014
# FINANCIAL RESULTS CONFERENCE CALL

**February 23, 2015**



# 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 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 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;
- 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 income generating assets;
- The outcome of litigation or disputes; 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.

## Primary Focus Remains Acquiring Additional Assets

- Top priority remains bringing in additional income-generating assets to support dividends
- Committed over $300 million in 2014
- PDL is attracting top quality assets
- Goal: To be the financial partner of choice to leading life science companies and other institutions seeking to access non-dilutive capital



PDL BioPharma

# $65 Million Royalty Acquisition with U-Michigan

- Completed royalty acquisition of Cerdelga™ for $65.6 million
- PDL to receive 75% of all royalty payments due under U-M's license agreement with Genzyme
- Cerdelga—Genzyme's oral therapy for adult patients with Gaucher disease type 1
- Cerdelga approved in US and EU
- Q1 2015 will be the first quarter in which we will receive royalties

Royalty Acquisition

UNIVERSITY OF MICHIGAN

$65,600,000
November 2014



PDL BioPharma

# OTHER DEVELOPMENTS

## Durata

- In November 2013, PDL agreed to provide up to $70 million in senior secured funding to Durata.
- $25 million was funded at closing and $15 million on FDA approval of Dalvance in May 23, 2014.
- 5-year term with 14% coupon on first tranche that reduced to 12.75% on funding of second tranche.

Senior Secured Financing

DURATA THERAPEUTICS

$70,000,000
October 2013

- On October 6, 2014, Actavis announced that it will purchase Durata for $675 million ($23.00 per share in cash, plus CVRs of up to an additional $5.00).
- On November 17, 2014, Durata repaid the loan in full, including accrued interest, prepayment penalties and change of control fees.

## AxoGen

- In October 2012, PDL provided $20.8 million to AxoGen in exchange for royalties on AxoGen revenues.
- On November 13, 2014, AxoGen paid $30.3 million to PDL, which constitutes full payment, and PDL bought $1.75 million worth of AxoGen stock at $2.72 per share.

Royalty Transaction/
Senior Secured Financing

AxoGen

$20,800,000
October 2012



PDL BioPharma

# OTHER DEVELOPMENTS (2)

## Direct Flow Medical

- In November 2013, PDL agreed to provide up to $50 million in senior secured funding to Direct Flow Medical, a transcatheter heart valve innovator.
- $35 million was funded at close.
- PDL accelerated and funded an additional $15 million second tranche on November 10, 2014.
- 15.5% interest rate on first tranche reduced to 13.5% on all amounts after draw of second tranche.




PDL BioPharma

# Income Generating Assets Scorecard

## Current Investments

| | | |
|---|---|---|
| Royalty Acquisition<br>University of Michigan<br>$65,600,000<br>November 2014 | Royalty Acquisition<br>VB Viscogliosi Bros., LLC<br>$15,500,000<br>June 2014 | Senior Secured Note Purchase<br>kaléo<br>$150,000,000<br>April 2014 |
| Senior Secured Financing<br>Paradigm Spine<br>$75,000,000<br>February 2014 | Senior Secured Financing<br>Direct Flow Medical, Inc.<br>$50,000,000<br>November 2013 | Royalty Acquisition<br>Depomed<br>$240,500,000<br>October 2013 |
| Senior Secured Financing<br>LENSAR<br>$60,000,000<br>October 2013 | Senior Secured Financing/ Royalty Transaction<br>AVINGER<br>$40,000,000<br>April 2013 | Royalty Transaction/ Senior Secured Financing<br>Wellstat Diagnostics, LLC<br>$44,000,000<br>November 2012 |

## Concluded Investments

| | | |
|---|---|---|
| Senior Secured Financing<br>Merus Labs<br>$55,000,000<br>July 2012 | Senior Secured Financing<br>Durata Therapeutics<br>$70,000,000<br>October 2013 | Royalty Transaction/ Senior Secured Financing<br>AxoGen<br>$20,800,000<br>October 2012 |

- 12 Transactions to date
- $780MM+ deployed
- $300MM+ committed during 2014
- 3 Matured Transactions

PDL BioPharma

# Fourth Quarter And Year End Ended December 31, 2014 Overview

| (In thousands, except per share amounts) | Three Months Ended December 31, 2014 | Three Months Ended December 31, 2013 | Year Ended December 31, 2014 | Year Ended December 31, 2013 |
|---|---|---|---|---|
| Royalties from Queen et al. patents | $ 131,880 | $ 98,441 | $ 486,888 | $ 430,219 |
| Royalty rights - change in fair value | (28,065) | 5,565 | 45,742 | 5,565 |
| Interest revenue | 13,260 | 7,460 | 48,020 | 18,976 |
| License and other | - | 500 | 575 | 1,500 |
| Total revenues | 117,075 | 111,966 | 581,225 | 456,260 |
| G&A expenses | 17,726 | 7,861 | 34,914 | 29,755 |
| Operating income | 99,349 | 104,105 | 546,311 | 426,505 |
| Interest and other income, net | 108 | 40 | 315 | 242 |
| Interest expense | (9,441) | (6,702) | (39,211) | (24,871) |
| Loss on extinguishment of debt | - | - | (6,143) | - |
| Income before income taxes | 90,016 | 97,443 | 501,272 | 401,876 |
| Income tax expense | 34,945 | 36,351 | 179,028 | 137,346 |
| Net income | $ 55,071 | $ 61,092 | $ 322,244 | $ 264,530 |
| Net income per share - Basic | $ 0.34 | $ 0.44 | $ 2.04 | $ 1.89 |
| Net income per share - Diluted | $ 0.32 | $ 0.39 | $ 1.86 | $ 1.66 |

| | December 31, 2014 | December 31, 2013 |
|---|---|---|
| Cash, cash equivalents and investments | $ 293,687 | $ 99,540 |
| Total notes receivable | $ 363,212 | $ 195,048 |
| Total royalty rights - at fair value | $ 259,244 | $ 235,677 |
| Total assets | $ 962,350 | $ 543,955 |
| Total term loan payable | $ - | $ 74,397 |
| Convertible notes payable | $ 451,724 | $ 320,883 |
| Total stockholders's equity | $ 460,437 | $ 113,489 |



PDL BioPharma

# EPS Reconciliation Basic vs. Diluted Shares for Years ended December 31, 2014 and 2013

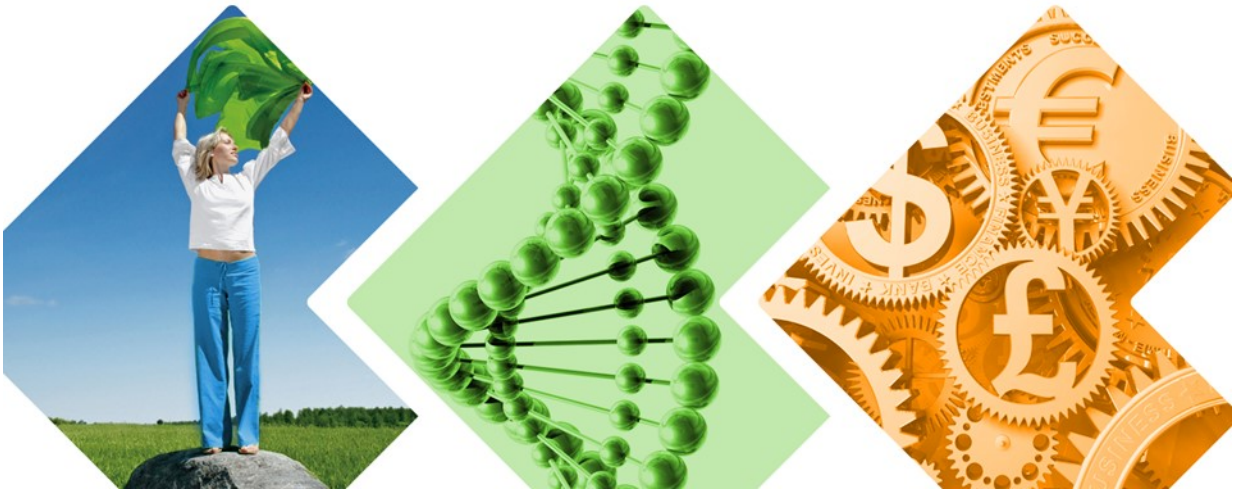
| *(In thousands, except per share amounts)* | Year Ended December 31, 2014 | 2013 |
|---|---|---|
| **Numerator** | | |
| Income used to compute net income per diluted share | $ 322,244 | $ 264,555 |
| **Denominator** | | |
| Total weighted-average shares used to compute net income per basic share | 158,224 | 139,842 |
| Effect of dilutive stock options | 126 | 83 |
| Restricted stock awards | 21 | 20 |
| Assumed conversion of Series 2012 Notes | 3,532 | 12,373 |
| Assumed conversion of February 2015 Notes | — | 106 |
| Assumed conversion of warrants | 5,510 | — |
| Assumed conversion of May 2015 Notes | 5,697 | 6,919 |
| Shares used to compute net income per diluted share | 173,110 | 159,343 |
| **Net income per basic share** | $ 2.04 | $ 1.89 |
| **Net income per diluted share** | $ 1.86 | $ 1.66 |

# INVESTMENT HIGHLIGHTS

- **Strong historic revenue growth from Queen licensed products**
  - Potential for additional indications from existing products and a new product.
- **Twelve income generating deals to date deploying approximately $780 million in capital with potential for additional deals**
- **Greater certainty as to duration of royalty income and significantly reduced burn with Genentech/Roche settlement**
- **Liquidity – volume averages ~2.6 million shares/day**
- **Return to shareholders**
  - Since 2009, paid special or regular dividends totaling $6.07/share.
  - In 2014, paid regular, quarterly dividends of $0.15/share on March 12, June 12, September 12 and December 12.
  - In 2015, will pay regular, quarterly dividends of $0.15/share on March 12, June 12, September 11 and December 11.

PDL BioPharma

# QUESTION AND ANSWER SESSION



# PDL BioPharma, Inc.
# Q4-Year End 2014
# February 23, 2014

Following are some of the key points regarding PDL's fourth quarter and year-end 2014 financial and business results.

**Net Income**
Net income in 2014 was $322.2 million, or $1.86 per diluted share as compared with net income in 2013 of $264.5 million, or $1.66 per diluted share. Net income for the fourth quarter of 2014 was $55.1 million, or $0.32 per diluted share, as compared with net income of $61.1 million in the same period of 2013, or $0.39 per diluted share.

**Earnings per Share: Reconciliation of Basic Shares to Fully Diluted Shares**
The following table lists the reconciliation of basic shares to fully diluted shares:

| | Year Ended December 31, | |
|---|---|---|
| ***(In thousands, except per share amounts)*** | **2014** | **2013** |
| **Numerator** | | |
| Income used to compute net income per diluted share | $ 322,244 | $ 264,555 |
| **Denominator** | | |
| Total weighted-average shares used to compute net income per basic share | 158,224 | 139,842 |
| Effect of dilutive stock options | 126 | 83 |
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| Assumed conversion of May 2015 Notes | 5,697 | 6,919 |
| Shares used to compute net income per diluted share | 173,110 | 159,343 |
| **Net income per basic share** | $ 2.04 | $ 1.89 |
| **Net income per diluted share** | $ 1.86 | $ 1.66 |

While in accordance with Generally Accepted Accounting Principles (GAAP) and reflects the potential conversion of shares at December 31, 2014 it does not reflect subsequent events and certain bond hedge transactions entered into by PDL. For example, it includes 3.5 million shares related to the assumed conversion of the Series 2012 notes which occurred in February 2015 and will be reported Q1 2015 as 1.34 million shares. It also includes the assumed conversion of the May 2015 Notes which will mature in May 2015, which is approximately 5.7 million and an additional 5.5 million warrants which were issued. Missing in this reconciliation is the anti-dilutive effect of the call option on the bond hedge PDL entered into, which effectively will offset the assumed 5.7 million shares related conversion of the May. Because GAAP and accounting guidance does not allow inclusion of the anti-dilutive effect of the bond hedge, it effectively results in double dilution on the fully diluted share calculation. More details on this calculation this can be found on page 64 of our filed 10-K.

**Quarterly Dividends**
On January 27, 2015, PDL's Board of Directors declared regular quarterly dividends of $0.15 per share of common stock, payable on March 12, June 12, September 11 and December 11 of 2015 to all stockholders who own shares of PDL on March 5, June 5, September 4 and December 4 of 2015, the record dates for each of the dividend payments, respectively. On December 12, 2014, PDL paid the fourth quarterly dividend to stockholders of record totaling $24.3 million using earnings generated in the fourth quarter of 2014.

**Updates on Approved Royalty Bearing Products related to Queen et al. patents**

*Avastin® (bevacizumab):*

- On January 28, 2015, Genentech/Roche reported that 2014 worldwide sales were CHF 6.417 billion and increased by 6%.
  - EU: Growth driven by further uptake in ovarian and strong demand across other indications.
  - US: Sales driven by growing demand in colorectal, cervical and ovarian cancer.
  - Japan: Driven by higher sales in breast cancer, as well as ovarian cancer and malignant glioma.
  - International: Strong growth driven by launches in a number of markets for ovarian cancer treatment, as well as by demand in colorectal cancer.
- On August 14, 2014, Genentech announced US approval for the treatment of persistent, recurrent or metastatic **cervical cancer** in combination with chemotherapy.
- On November 14, 2014, Genentech announced US approval for the treatment of recurrent platinum-resistant **ovarian cancer**.
- On August 6, 2014, Roche reported EU approval for the treatment of ovarian cancer that is resistant to platinum-based chemotherapy.

*Herceptin® (trastuzumab):*

- On January 28, 2015, Genentech/Roche reported that 2014 worldwide sales were CHF 6.275 billion and increased by 7%.
- Continued strong growth in Herceptin benefiting from higher volumes / prolonged treatment times.

*Lucentis® (ranibizumab):*

- On January 27, 2015, Novartis reported that 2014 ex-US sales were $2.441 billion and increased by 5%.

*Xolair® (omalizumab):*

- On January 27, 2015, Novartis reported that 2014 ex-US sales were $777 million and increased by 30%.
- On January 28, 2015, Genentech/Roche reported that 2014 worldwide sales were CHF 975 million and increased by 25%.
- In March 2014, both Genentech/Roche and Novartis reported US and EU had approvals, respectively, for treatment of **chronic idiopathic urticaria**.
- On September 26, 2014, FDA updated the label to warn about a slightly increased risk of cardiovascular and cerebrovascular events as well as a potential risk of cancer.

*Tysabri® (natalizumab):*

- On January 29, 2015, Biogen Idec reported that 2014 worldwide sales were approximately $2 billion, consisting of $1 billion in U.S. sales and $934 million in sales outside the U.S.

*Actemra® (tocilizumab):*

- On January 28, 2015, Genentech/Roche reported that 2014 worldwide sales were CHF 1.224 billion and increased by 23%.
  - US, EU & Japan: Strong growth driven by increased use in monotherapy and earlier use for RA, with significant uptake of new subcutaneous formulation. EU approval for early-stage RA.
  - International: Growth driven by strong launches in China and Turkey, and continued fast uptake in Australia and Argentina.
- On September 8, 2014, Roche announced EU approval for treatment of patients with **early rheumatoid arthritis**.

*Perjeta® (pertuzumab):*

- On January 28, 2015, Genentech/Roche reported that 2014 worldwide sales were CHF 918 million and increased by 189%.
  - Perjeta sales grew in all regions with strong uptake in the US, Germany and France.
- On September 28, 2014, Genentech/Roche announced that final data from Phase 3 study in patients with previously untreated HER2+ **metastatic breast cancer** who were treated with Perjeta, Herceptin and docetaxel lived a median of 56.5 months compared to 40.8 months for patients treated with Herceptin and docetaxel. Median overall survival of almost five year is the longest observed to date in patients with metastatic HER2+ breast cancer.

*Kadcyla® (TDM-1 or ado-trastuzumab emtansine):*

- On January 28, 2015, Genentech/Roche reported that 2014 worldwide sales were CHF 536 million and increased by 135%.
- On December 18, 2014, Genentech reported that the two Kadcyla arms in MARIANNE trial in first line **metastatic breast cancer** failed to demonstrate superiority over Herceptin + chemotherapy. This does not affect its current approval as second line treatment for HER2+ metastatic breast cancer.

*Gazyva™ (Obinutuzumab or GA101):*

- On February 3, 2014, Genentech/Roche reported that an independent data monitoring committee halted its Phase 3 trial in patients with indolent non-Hodgkin's lymphoma (iNHL) who are refractory to Rituxan treatment because the study met its primary endpoint early.
    - The study showed that people lived significantly longer without disease worsening or death (PFS) when treated with Gazyva plus bendamustine followed by Gazyva alone, compared to bendamustine alone.
- On January 28, 2015, Genentech/Roche reported that 2014 worldwide sales were CHF 49 million.
- On December 24, 2014, FDA approved inclusion in the label of data showing significant improvements in **chronic lymphocytic leukemia** (CLL) patients treated with Gazyva plus chlorambucil across multiple clinical endpoints when compared head-to-head with Rituxan plus chlorambucil.
    - Gazyva was approved in the US on November 1, 2013 for previously untreated CLL in combination with chlorambucil.
    - On July 29, 2014, Roche announced EU approval for first line treatment of CLL with chlorambucil.

*Solanezumab*

- On January 30, 2015, Lilly stated during its call with the financial community that it expected to have two year data from the extension of its Phase 3 Expedition trials in patients with mild-to-moderate **Alzheimer's Disease**.
- Lilly also reported in the call that the new Phase 3 trial in patients with mild Alzheimer's Disease is about 2/3 enrolled, that they expect to complete enrollment soon and that they expect data read out in 2016.
- If solanezumab were to receive marketing authorization, PDL would receive a 12.5 year know-how royalty of 2% from date of first sale.

**Updates on Acquired Royalties from Depomed**

- Current royalty bearing products include:
    - Glumetza (U.S, sold by Santarus / Salix)
    - Glumetza (Canada, sold by Valeant Pharmaceuticals)
    - Glumetza (Korea, sold by LG Life Sciences)
    - Janumet XR (world-wide, Sold by Merck)
- Additional products for which we may receive milestones and royalties
    - Combination of Invokana® (canagliflozin) and extended-release metformin (Janssen Pharmaceutica)

  Two investigational fixed-dose combinations of drugs and extended-release metformin (Boehringer Ingelheim)

- In the fourth quarter of 2014 we recorded a $28.1 million reduction in revenue related to the royalty rights- change in fair value of the Depomed asset. The decrease in royalty rights is primarily a result of a $42.6 million non-cash reduction to the fair value of the Depomed royalty asset due to a re-forecast of expected future cash flows of Glumetza in 2015. In late 2014, Salix Pharmaceuticals, Inc. disclosed there was an excess of supply of Glumetza and other drugs that it commercialized at the distribution level. PDL commenced a review of all public statements by Salix, publicly available historical third-party prescription data, analyst reports and other relevant data sources. PDL also engaged a third-party expert to specifically assess estimated inventory levels of Glumetza in the distribution channel and to ascertain the potential effects those excess inventory levels could have on expected future cash flows. For example, the cash royalties paid to PDL on sales of Glumetza in the third and fourth quarter of 2014 were $51.7 million, approximately $18.9 million above the Company's internal forecast. Because PDL expects that the sales of Glumetza, and therefore royalties on such sales paid to the Company, will be lower in 2015 as distributors reduce their excess levels of inventory of Glumetza, PDL adjusted the estimated future cash flows of Glumetza. This adjustment resulted in the decrease in fair value of the Glumetza-related royalties.

- Since inception of the transaction (October 2013) to date we have received $113.0 million in cash from this transaction, which exceeded the Company's initial forecast by $37.5 million and the return of invested capital is approximately 47 percent

**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 income 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, as updated by 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.

**Queen et al. Royalties**

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

| **Avastin** | **Q1** | **Q2** | **Q3** | **Q4** | **Total** |
|---|---|---|---|---|---|
| 2014 | 38,122 | 38,924 | 38,864 | 40,723 | 156,632 |
| 2013 | 33,234 | 46,720 | 32,224 | 32,287 | 144,464 |
| 2012 | 23,215 | 41,670 | 25,955 | 30,041 | 120,882 |
| 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** |
| 2014 | 36,646 | 38,292 | 39,407 | 40,049 | 154,394 |
| 2013 | 30,287 | 47,353 | 30,961 | 33,038 | 141,640 |
| 2012 | 25,702 | 44,628 | 30,433 | 28,307 | 129,070 |
| 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** |
| 2014 | 17,390 | 16,777 | 16,883 | 16,695 | 67,746 |
| 2013 | 12,032 | 30,066 | 13,536 | 12,127 | 67,760 |
| 2012 | 10,791 | 27,938 | 12,552 | 11,097 | 62,377 |
| 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** |
| 2014 | 8,886 | 9,099 | 10,442 | 11,237 | 39,663 |
| 2013 | 5,930 | 10,025 | 7,334 | 7,330 | 30,619 |
| 2012 | 5,447 | 8,609 | 6,504 | 6,145 | 26,705 |
| 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** |
| 2014 | 3,375 | 4,385 | 5,157 | 5,850 | 18,767 |
| 2013 | 340 | 1,414 | 748 | 879 | 3,381 |
| 2012 | — | — | 58 | 250 | 308 |

**Queen et al. Royalties**

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

| **Kadcyla** | **Q1** | **Q2** | **Q3** | **Q4** | **Total** |
|---|---|---|---|---|---|
| 2014 | 1,934 | 2,491 | 3,048 | 3,464 | 10,937 |
| 2013 | — | 551 | 830 | 859 | 2,240 |
| **Tysabri** | **Q1** | **Q2** | **Q3** | **Q4** | **Total** |
| 2014 | 12,857 | 13,350 | 16,048 | 15,015 | 57,270 |
| 2013 | 12,965 | 13,616 | 11,622 | 12,100 | 50,304 |
| 2012 | 11,233 | 12,202 | 11,749 | 12,255 | 47,439 |
| 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** |
| 2014 | 3,446 | 3,932 | 4,419 | 5,406 | 17,202 |
| 2013 | 2,631 | 2,816 | 2,939 | 3,744 | 12,131 |
| 2012 | 1,705 | 2,074 | 2,145 | 2,462 | 8,385 |
| 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 |
| **Gazyva** | **Q1** | **Q2** | **Q3** | **Q4** | **Total** |
| 2014 | 51 | 283 | 325 | 436 | 1,094 |
| **Entyvio** | **Q1** | **Q2** | **Q3** | **Q4** | **Total** |
| 2014 | — | — | 153 | 2,192 | 2,344 |

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

**Q1 2014 royalty revenue by product above do not include a $5 million payment received from Genentech in Q1 2014 for a retroactive settlement payment from 2013.**

**Queen et al. Sales Revenue**

**Reported Licensee Net Sales Revenue by Product ($ in 000's) ***

| **Avastin** | **Q1** | **Q2** | **Q3** | **Q4** | **Total** |
|---|---|---|---|---|---|
| 2014 | 1,786,912 | 1,838,764 | 1,828,900 | 1,916,353 | 7,370,929 |
| 2013 | 1,653,108 | 1,694,678 | 1,746,135 | 1,819,877 | 6,913,798 |
| 2012 | 1,502,757 | 1,573,727 | 1,551,327 | 1,662,977 | 6,290,788 |
| 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** |
| 2014 | 1,731,564 | 1,801,990 | 1,854,452 | 1,877,614 | 7,265,621 |
| 2013 | 1,681,574 | 1,744,145 | 1,681,860 | 1,726,551 | 6,834,130 |
| 2012 | 1,515,255 | 1,625,313 | 1,663,695 | 1,650,495 | 6,454,759 |
| 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** |
| 2014 | 818,376 | 789,483 | 794,505 | 785,669 | 3,188,031 |
| 2013 | 1,203,179 | 1,171,423 | 1,200,791 | 1,212,651 | 4,788,045 |
| 2012 | 1,079,092 | 1,086,543 | 1,097,541 | 1,109,695 | 4,372,871 |
| 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** |
| 2014 | 425,243 | 428,171 | 491,372 | 521,726 | 1,866,512 |
| 2013 | 341,309 | 365,778 | 391,900 | 401,333 | 1,500,321 |
| 2012 | 310,234 | 314,638 | 347,796 | 340,431 | 1,313,100 |
| 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** |
| 2014 | 158,809 | 206,333 | 242,700 | 275,311 | 883,153 |
| 2013 | 34,008 | 55,076 | 66,353 | 87,949 | 243,386 |
| 2012 | — | — | 5,080 | 25,000 | 30,079 |

**Queen et al. Sales Revenue**

**Reported Licensee Net Sales Revenue by Product ($ in 000's) ***

| **Kadcyla** | **Q1** | **Q2** | **Q3** | **Q4** | **Total** |
|---|---|---|---|---|---|
| 2014 | 91,031 | 117,212 | 143,414 | 163,028 | 514,685 |
| 2013 | — | 21,459 | 73,626 | 85,906 | 180,991 |
| **Tysabri** | **Q1** | **Q2** | **Q3** | **Q4** | **Total** |
| 2014 | 428,561 | 442,492 | 534,946 | 500,511 | 1,906,510 |
| 2013 | 434,677 | 451,358 | 387,407 | 403,334 | 1,676,776 |
| 2012 | 374,430 | 401,743 | 391,623 | 408,711 | 1,576,508 |
| 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** |
| 2014 | 114,865 | 124,736 | 147,285 | 180,197 | 567,082 |
| 2013 | 87,703 | 91,374 | 97,961 | 124,815 | 401,852 |
| 2012 | 56,662 | 66,624 | 71,505 | 82,053 | 276,843 |
| 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 |
| **Gazyva** | **Q1** | **Q2** | **Q3** | **Q4** | **Total** |
| 2014 | 3,095 | 8,697 | 11,531 | 13,428 | 36,750 |
| **Entyvio** | **Q1** | **Q2** | **Q3** | **Q4** | **Total** |
| 2014 | — | — | 5,347 | 58,500 | 63,848 |

*** As reported to PDL by its licensee. Dates in above charts reflect when PDL receives royalties on sales. Sales occurred in the quarter prior to the dates in the above charts.**

**Totals may not sum due to rounding.**