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): March 9, 2010

PDL BioPharma, Inc.

(Exact name of Company as specified in its charter)

Delaware	**000-19756**	**94-3023969**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(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 7.01 Regulation FD Disclosure.

On March 9, 2010, PDL BioPharma, Inc. (the "Company") will make a presentation at the Cowen 30th Annual Health Care Conference in Boston. A copy of the Company's presentation materials has been posted to the Company's website and 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 the exhibit, 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 presentation 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.

Exhibit No.	Description
99.1	Presentation at the Cowen 30th Annual Health Care Conference on March 9, 2010

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 LARSON

Christine Larson
Vice President and Chief Financial Officer

Dated: March 9, 2010

EXHIBIT INDEX

Exhibit No.	Description
99.1	Presentation at the Cowen 30th Annual Health Care Conference on March 9, 2010

PDL BioPharma™

Cowen 30th Annual Health Care Conference

March 2010




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 our licensees to receive regulatory approvals to market and launch new royalty-bearing products and whether such products, if launched, will be commercially successful;
- Changes in any of the other assumptions on which PDL's projected royalty revenues are based;
- The outcome of pending litigation, interferences 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.

Agenda

- **Overview of PDL BioPharma**
- **Royalty revenue & licensed products**
- **Optimizing stockholder return**

Overview of PDL BioPharma

Company Background

- **PDL pioneered the humanization of monoclonal antibodies which enabled the discovery of a new generation of targeted treatments for cancer and immunologic diseases**

- **PDL's primary assets are its antibody humanization patents and royalty assets which consist of its Queen et al. patents and license agreements**

- **Licensees consist of large biotechnology and pharmaceutical companies including Roche/Genentech, Elan/BiogenIDEC, Wyeth and Chugai**

PDL BioPharma

Mission

- **Manage patent portfolio**
- **Manage license agreements**
- **Optimize return for shareholders**

2009 Performance

- **PDL is a highly profitable company with revenue in 2009 in of $318 million and fewer than 10 employees**
- **PDL is domiciled in Nevada where there is no state corporate income tax**
- **PDL's mission is to improve shareholder return**
  - We paid three dividends of $0.50/share in April, $0.50/share in October and $1.67/share in December totaling $2.67 in 2009
  - Our goal is to pay dividends annually & have declared two dividends of $0.50 each/share in 2010
  - We signed one new license under the Queen et al. patents in 2009 and are seeking new licenses in 2010
  - We do **not** invest in R&D or in operating companies

PDL BioPharma

Legal Matters

- **Genentech**
  - Settlement agreement resolved all disputes regarding infringement of the Genentech products and the validity and enforceability of our patents
  - Multiple product licenses with tiered royalty structure
- **Alexion**
  - Settlement in December 2008 stipulated infringement, validity and enforceability of PDL patents and no future contest of PDL patents
  - License for Soliris in exchange for $25 million and option for four additional licenses at 4% royalty
- **MedImmune**
  - In 2008, MEDI initiated litigation seeking declaratory judgment of patent invalidity and non-infringement and a lower royalty rate based on its "most favored licensee" (MFL) rights
    - PDL believes that it has no obligation to offer a lower royalty rate to MEDI under the MFL clause
  - PDL is suing MEDI for patent infringement because PDL has cancelled the MEDI license agreement due to MEDI's failure to pay all royalties due and blockage of PDL's exercise of its contractual rights
- **UCB/Celltech**
  - US Patent Office has declared two interference proceedings between certain claims of Queen et al. patents and pending claims of Adair et al.
  - UCB/Celltech is the assignee of the Adair et al. patent

PDL BioPharma

Converts and Securitization Note

- **$200 million 2.75% convertible subordinated notes due August 2023**
  - Conversion rate is 164.7254 shares per $1,000 face amount ($6.07/share)
  - Holders have a put right in August 2010, August 2013, and August 2018
    - August 2010 put can be for cash or stock, at noteholder's discretion
    - Subsequent puts are cash or stock at PDL's discretion
  - Price as of March 3rd was ~118 vs. stock price of $7.00
- **$228 million 2.00% convertible senior notes due February 2012**
  - Conversion rate is 119.294 shares per $1,000 face amount ($8.38/share)
  - Price as of March 3rd was ~96 vs. stock price of $7.00
- **$300 million 10.25% note with expected maturity of December 2012**
  - Securitized by 60% of 5-year NPV of Genentech royalties
  - Anticipated final maturity is December 2012; legal maturity is March 2015
  - After final maturity securitized Genentech royalties return to PDL
  - Distributed $200 million as special dividend of $1.67/share in December 2009

PDL BioPharma

Corporate Governance

Management

- **John McLaughlin**
  President & CEO
- **Christine Larson**
  VP & CFO
- **Christopher Stone**
  VP, General Counsel & Secretary
- **Karen Wilson**
  VP of Finance

Board of Directors

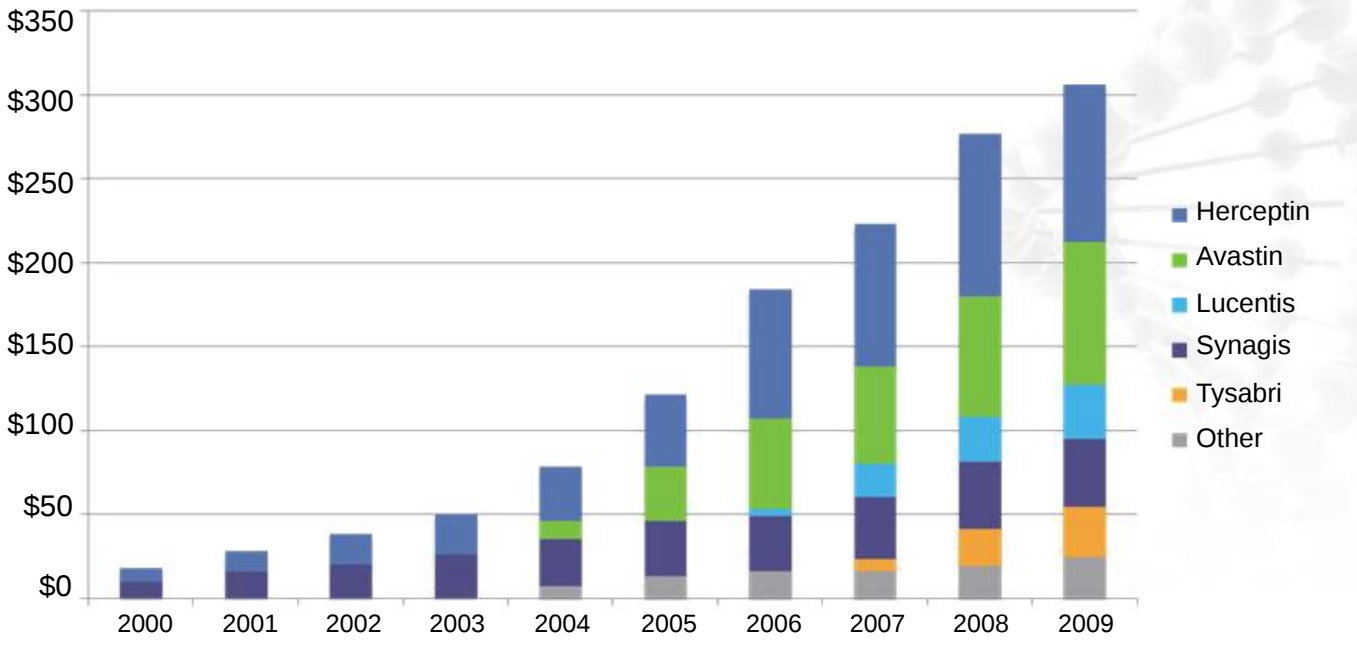
- **Fred Frank**
  Lead Director
- **Joseph Klein**
- **Jody Lindell**
- **John McLaughlin**
- **Paul Sandman**
- **Harold Selick**

Royalty Revenue & Licensed Products

Royalty Revenue & Licensed Products

PDL Royalties by Product

($ in millions)



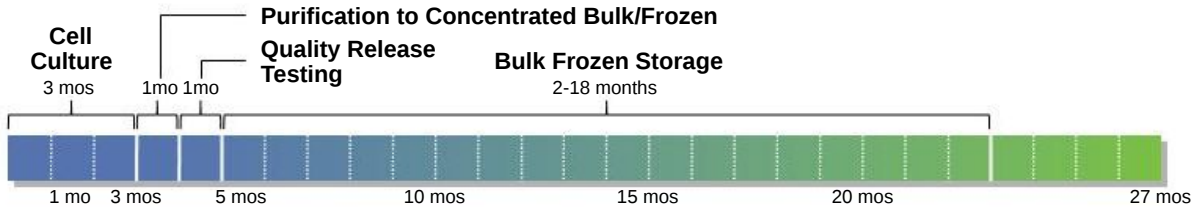
PDL BioPharma

Royalties: When Licensed Product is Made or Sold

- **PDL's revenues consist of royalties generated on sales of licensed products**
  - Sold before the expiration of the Queen et al. patents in 2013/14

    or
  - Made prior to the expiration of the Queen et al. patents and sold anytime thereafter

Example of Antibody Bulk Manufacturing Schedule



Example of Antibody Formulation, Fill and Finish Schedule

Genentech/Roche Royalties

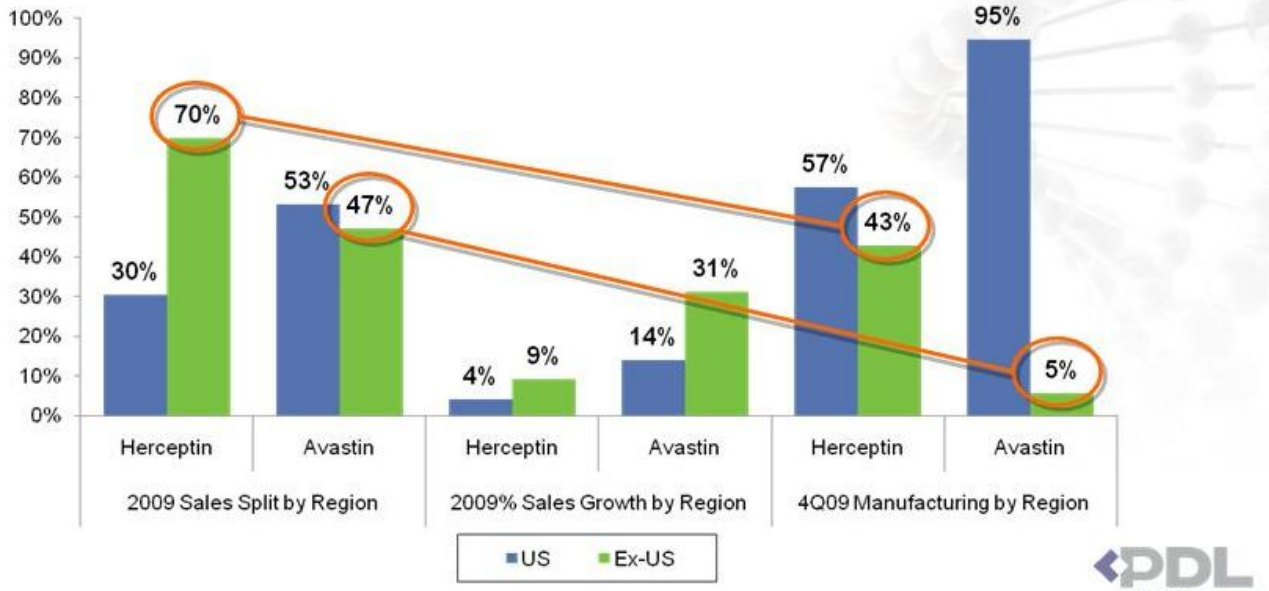
Product Made in US	
Net Sales up to $1.5 Billion	3.0%
Net Sales Between $1.5 Billion and $2.5 Billion	2.5%
Net Sales Between $2.5 Billion and $4.0 Billion	2.0%
Net Sales Over $4.0 Billion	1.0%
Product Made and Sold Ex-US	
All Sales	3.0%

- **In 2009, only 12% of Genentech/Roche sales was ex-US manufactured and sold product**
- **Average royalty rate on all Genentech/Roche products under Genentech license was 1.14%**

PDL BioPharma

Genentech/Roche—Future Manufacturing

- **Roche has begun to move some manufacturing ex-US**
  - Two new plants in Singapore
  - More production at Penzburg, Germany plant
- **Roche says it will complete global restructuring of manufacturing in 2010**



Select Licensed Products

Licensee	Product	Status	Indications
Roche (Genentech)	**Avastin**	Approved Phase 3	Colorectal Cancer NSCLC Metastatic Breast Cancer Glioblastoma Metastatic Renal Cell Ovarian Cancer Gastric Prostate Cancer Adjuvant settings
	Herceptin	Approved	Breast HER2+ Cancer HER2+ stomach and gastro-esophageal Cancers
	trastuzumab-DM1	Phase 2 and 3	Breast HER2+ Cancer
	Lucentis	Approved Phase 3	AMD RVO DME
	Xolair	Approved sBLA	Moderate-Severe Asthma Pediatric Asthma
Elan	**Tysabri**	Approved	Multiple Sclerosis
Roche/Chugai	**Actemra**	Approved	Rheumatoid Arthritis
Wyeth	**Mylotarg**	Approved	Acute Myeloid Leukemia
Elan/J&J/Pfizer	**Bapineuzumab**	Phase 3	Alzheimer's Disease
Lilly	**Solanezumab**	Phase 3	Alzheimer's Disease
	Teplizumab	Phase 3	Newly Diagnosed Type 1 Diabetes

Select Licensed Products

Licensee	Product	Status	Indications
Roche (Genentech)	**Avastin**	Approved Phase 3	Colorectal Cancer NSCLC Metastatic Breast Cancer Glioblastoma Metastatic Renal Cell Ovarian Cancer Gastric Prostate Cancer
Ela			
Roc			
Wyeth	Mylotarg	Approved	Acute Myeloid Leukemia
Elan/J&J/Pfizer	Bapineuzumab	Phase 3	Alzheimer's Disease
Lilly	Solanezumab	Phase 3	Alzheimer's Disease
	Teplizumab	Phase 3	Newly Diagnosed Type 1 Diabetes

- ✓On November 16, 2009, Roche filed two sBLAs with FDA for treatment of women who have not received chemotherapy for metastatic HER2-negative breast cancer (first-line treatment)
  - One sBLA is for use of Avastin in combination with docetaxel chemotherapy
  - Second sBLA is for Avastin in combination with a taxanes.
- ✓On November 24, 2009, Roche made similar filings in Europe.
- ✓Avastin is currently approved in combination with paclitaxel chemotherapy for first-line treatment of advanced HER2-negative breast cancer

Select Licensed Products

Licensee	Product	Status	Indications
Roche (Genentech)	**Avastin**	Approved	Colorectal Cancer NSCLC Metastatic Breast Cancer Glioblastoma Metastatic Renal Cell Ovarian Cancer Gastric Prostate Cancer Adjuvant settings
		Phase 3	
Elan	Tysabri	Approved	Multiple Sclerosis
Roche/Chugai	Actemra	Approved	Rheumatoid Arthritis
Wyeth	Mylotarg	Approved	Acute Myeloid Leukemia
Elan/J&J/Pfizer	Bapineuzumab	Phase 3	Alzheimer's Disease
Lilly	Solanezumab	Phase 3	Alzheimer's Disease
	Teplizumab	Phase 3	Newly Diagnosed Type 1 Diabetes

- ✓ On December 11, 2009, Roche announced results from a Phase 3 study (RIBBON 2) in women who had previously been treated with initial (first-line) chemotherapy for advanced HER2-negative breast cancer and needed additional (second-line) treatment
- ✓ The study showed that women who received Avastin in combination with a commonly used chemotherapy had a 28% improvement in the likelihood of living without the disease getting worse, compared with those who received chemotherapy alone (hazard ratio=0.78; p=0.0072)

Select Licensed Products

Licensee	Product	Status	Indications
Roche (Genentech)	**Avastin**	Approved Phase 3	Colorectal Cancer NSCLC Metastatic Breast Cancer Glioblastoma Metastatic Renal Cell Ovarian Cancer Gastric Prostate Cancer Adjuvant settings
	Xolair	Approved sBLA	Moderate-Severe Asthma Pediatric Asthma
Elan	Tysabri	Approved	Multiple Sclerosis
Roche/Chugai	Actemra	Approved	Rheumatoid Arthritis
Wyeth	Mylotarg	Approved	Acute Myeloid Leukemia
Elan/J&J/Pfizer	Bapineuzumab	Phase 3	Alzheimer's Disease
Lilly	Solanezumab	Phase 3	Alzheimer's Disease
	Teplizumab	Phase 3	Newly Diagnosed Type 1 Diabetes

✓ On February 24, 2010, Roche announce that Phase 3 study showed the combination of Avastin and chemotherapy followed by maintenance use of Avastin alone increased the time women with previously untreated advanced ovarian cancer lived without the disease worsening (progression-free survival), compared to chemotherapy

Select Licensed Products

Licensee	Product	Status	Indications
Roche (Genentech)	**Avastin**	Approved Phase 3	Colorectal Cancer NSCLC Metastatic Breast Cancer Glioblastoma Metastatic Renal Cell Ovarian Cancer Gastric Prostate Cancer Adjuvant settings
	Herceptin	Approved	Breast HER2+ Cancer
	Xolair	Approved sBLA	Moderate-Severe Asthma Pediatric Asthma
Elan	Tysabri	Approved	Multiple Sclerosis
Roche/Chugai	Actemra	Approved	Rheumatoid Arthritis
Wyeth	Mylotarg	Approved	Acute Myeloid Leukemia
Elan/J&J/Pfizer	Bapineuzumab	Phase 3	Alzheimer's Disease
Lilly	Solanezumab	Phase 3	Alzheimer's Disease
	Teplizumab	Phase 3	Newly Diagnosed Type 1 Diabetes

- ✓ On February 22, 2010, Roche announced that Phase 3 study (AVAGAST) did not meet its primary endpoint of showing Avastin plus Xeloda or 5-FU and cisplatin chemotherapy extended the lives of people with inoperable or advanced stomach (gastric) cancer, compared to chemotherapy alone

Select Licensed Products

Licensee	Product	Status	Indications
Roche (Genentech)	Avastin	Approved Phase 3	Colorectal Cancer NSCLC Metastatic Breast Cancer Glioblastoma Metastatic Renal Cell Ovarian Cancer Gastric Prostate Cancer Adjuvant settings
	Herceptin	Approved	Breast HER2+ Cancer HER2+ stomach and gastro-esophageal Cancers
	trastuzumab-DM1	Phase 2 and 3	Breast HER2+ Cancer
	Xolair	Approved sBLA	Moderate-Severe Asthma Pediatric Asthma
Elan	Tysabri	Approved	Multiple Sclerosis
Roche/Chugai	Actemra	Approved	Rheumatoid Arthritis
Wyeth	Mylotarg	Approved	Acute Myeloid Leukemia
Elan/J&J/Pfizer	Bapineuzumab	Phase 3	Alzheimer's Disease
Lilly	Solanezumab	Phase 3	Alzheimer's Disease
	Teplizumab	Phase 3	Newly Diagnosed Type 1 Diabetes

✓ On January 28, 2010, Roche announced EU approval for the use of Herceptin first line treatment of HER-2 positive stomach or gastro-esophageal junction cancers

Select Licensed Products

Licensee	Product	Status	Indications
Roche (Genentech)	Avastin	Approved	Colorectal Cancer NSCLC Metastatic Breast Cancer Glioblastoma Metastatic Renal Cell
		Phase 3	Ovarian Cancer Gastric Prostate Cancer Adjuvant settings
	Herceptin	Approved	Breast HER2+ Cancer HER2+ stomach and gastro-esophageal Cancers
	trastuzumab-DM1	Phase 2 and 3	Breast HER2+ Cancer
Ela			
Ro			
Wy			
Ela			
Lilly			
	Teplizumab	Phase 3	Newly Diagnosed Type 1 Diabetes

- ✓Additional data from on-going Phase 3 trial in over 3,000 early stage breast cancer patient showed one year treatment with Herceptin plus one of several commonly used chemotherapeutics reduced the risk of recurrence by 36% and risk of death by 37% compared to chemotherapy alone - at least 80% of the women who received one year treatment with Herceptin were cancer free at five years
- ✓Additional data from on-going open label Phase 3 trial in 3,400 early stage breast cancer patients showed disease free survival rates at five years of 80% and 84% (depending on whether Herceptin treatment was sequential or concurrent with chemotherapy, respectively) compared to 72% for chemotherapy alone

Select Licensed Products

Licensee	Product	Status	Indications
Roche (Genentech)	Avastin	Approved Phase 3	Colorectal Cancer NSCLC Metastatic Breast Cancer Glioblastoma Metastatic Renal Cell Ovarian Cancer Gastric Prostate Cancer Adjuvant settings
	Herceptin	Approved	Breast HER2+ Cancer HER2+ stomach and gastro-esophageal Cancers
	trastuzumab-DM1	Phase 2 and 3	Breast HER2+ Cancer
	Teplizumab	Phase 3	Newly Diagnosed Type 1 Diabetes

- ✓ Roche announced results from a Phase 2 study of T-DM1 showing that it shrank the tumors in 33% of women with HER2+ breast cancer that had worsened following previous treatment. In this single-arm study of over 100 patients; 45% of women experienced a clinical benefit. This is significant because the women had essentially exhausted all other medical options
- ✓ Roche has said that it expects to discuss this data with the FDA to ascertain whether it can file a BLA for third line treatment in 2010
- ✓ For second line treatment, patient enrollment is on track in the Phase 3 trial
- ✓ For first line treatment, patient enrollment has been completed in a Phase 2 with interim data expected this year, and a first line Phase 3 trial is targeted to begin mid-2010

Select Licensed Products

Licensee	Product	Status	Indications
Roche (Genentech)	Avastin	Approved	Colorectal Cancer NSCLC Metastatic Breast Cancer Glioblastoma
			HER2+ stomach and gastro-esophageal Cancers
	trastuzumab-DM1	Phase 2 and 3	Breast HER2+ Cancer
	Lucentis	Approved Phase 3	AMD RVO DME
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Elan/J&J/Pfizer	Bapineuzumab	Phase 3	Alzheimer's Disease
Lilly	Solanezumab	Phase 3	Alzheimer's Disease
	Teplizumab	Phase 3	Newly Diagnosed Type 1 Diabetes

- ✓On December 22, 2009, Genentech announced that it had submitted a sBLA to the FDA for treatment of patients with macular edema following retinal vein occlusion (RVO)
- ✓Assuming a 10-month standard review, PDUFA date would fall on October 22, 2010

Select Licensed Products

Licensee	Product	Status	Indications
Roche (Genentech)	Avastin	Approved Phase 3	Colorectal Cancer NSCLC Metastatic Breast Cancer Glioblastoma Metastatic Renal Cell Ovarian Cancer Gastric Prostate Cancer Adjuvant settings
			DME
	Xolair	Approved sBLA	Moderate-Severe Asthma Pediatric Asthma
Elan	Tysabri	Approved	Multiple Sclerosis
Roche/Chugai	Actemra	Approved	Rheumatoid Arthritis
Wyeth	Mylotarg	Approved	Acute Myeloid Leukemia
Elan/J&J/Pfizer	Bapineuzumab	Phase 3	Alzheimer's Disease
Lilly	Solanezumab	Phase 3	Alzheimer's Disease
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✓ On November 18, the FDA Advisory Committee on Pulmonary-Allergy Drugs Advisory Committee did not support approval of the sBLA to expand the label from adults to include children 6 to <12 years old with moderate to severe persistent asthma

Select Licensed Products

Licensee	Product	Status	Indications
Roche (Genentech)	Avastin	Approved Phase 3	Colorectal Cancer NSCLC Metastatic Breast Cancer Glioblastoma Metastatic Renal Cell Ovarian Cancer Gastric Prostate Cancer Adjuvant settings
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Elan/J&J/Pfizer	Bapineuzumab	Phase 3	Alzheimer's Disease
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	Teplizumab	Phase 3	Newly Diagnosed Type 1 Diabetes

✓ FDA and EMEA changed the labeling to reflect risk of PML increased with duration of treatment

Select Licensed Products

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Elan/J&J/Pfizer	Bapineuzumab	Phase 3	Alzheimer's Disease
Lilly	Solanezumab	Phase 3	Alzheimer's Disease
	Teplizumab	Phase 3	Newly Diagnosed Type 1 Diabetes

- ✓ On January 8, 2010, Genentech announced US approval for the treatment of adult patients with moderately to severely active rheumatoid arthritis (RA) who have had an inadequate response to one or more tumor necrosis factor antagonists
- ✓ Actemra was already approved for this indication in the EU

Select Licensed Products

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Roche (Genentech)	Avastin	Approved Phase 3	Colorectal Cancer NSCLC Metastatic Breast Cancer Glioblastoma Metastatic Renal Cell Ovarian Cancer Gastric Prostate Cancer Adjuvant settings
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	trastuzumab-DM1	Phase 2 and 3	Breast HER2+ Cancer
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Wyeth	Mylotarg	Approved	Acute Myeloid Leukemia
Elan/J&J/Pfizer	**Bapineuzumab**	Phase 3	Alzheimer's Disease
Lilly	Solanezumab	Phase 3	Alzheimer's Disease
	Teplizumab	Phase 3	Newly Diagnosed Type 1 Diabetes

- ✓On February 26, results from a Phase 2 study of 28 patients with Alzheimer's disease were reported on *Lancet Neurology* which showed 9 percent reduction in amyloid-beta deposits on the brain from a baseline in treated patients compared to a plaque increase of 15 percent in placebo patients
- ✓Amyloid-beta deposits were measured using a neuroimaging technique known as PiB PET

Select Licensed Products

Licensee	Product	Status	Indications
Roche (Genentech)	Avastin	Approved Phase 3	Colorectal Cancer NSCLC Metastatic Breast Cancer Glioblastoma Metastatic Renal Cell Ovarian Cancer Gastric Prostate Cancer Adjuvant settings
Elan			
Roc			
Wyeth	Mylotarg	Approved	Acute Myeloid Leukemia
Elan/J&J/Pfizer	Bapineuzumab	Phase 3	Alzheimer's Disease
Lilly	Solanezumab	Phase 3	Alzheimer's Disease
	Teplizumab	Phase 3	Newly Diagnosed Type 1 Diabetes

- ✓ On December 21, 2009, PDL and Lilly entered into a non-exclusive license with respect to teplizumab, a humanized anti-CD3 monoclonal antibody, as well as other potential next generation anti-CD3 molecules
- ✓ Teplizumab is currently being studied by Lilly and its partner MacroGenics for the treatment of individuals with newly-diagnosed type 1 diabetes mellitus
- ✓ In June 2009, the pivotal Phase 2/3 reached its targeted enrollment
- ✓ Also in June 2009, a Phase 3 global study was initiated and is designed to capture patient-reported outcome measures in addition to safety and efficacy data

Genentech/Roche—Future Products

- **In December 2008, Genentech exercised options for four additional antigens and extended other options paying fees totaling $1.8 million**
- **Genentech can seek to convert the exercised options into license agreements by identifying the target antigen and so long as certain other conditions are met**
- **Genentech/Roche has a number of humanized antibodies in Phase 3**
  - *Pertuzumab*: HER2+ breast cancer- Phase 3 started in 1Q08
  - *GA101*: CLL, NHL – Phase 3 started in Q409
  - *Orcrelizumab*: RA – Positive Phase 3 in 4Q09, methotrexate naive and TNF inadequate responders in 2010 but Roche/BIIB announced on Monday suspension of RA trials based on safety concerns raised by DSMB

Genentech / Roche – US & EU Filings

2009	2010	2011	2012
Avastin + docetaxel mBC 1L (US)	**Avastin** mBC 2L	**Avastin** Recurrent ovarian ca platinum sensitive	**Avastin** BC adj HER2-
Avastin +STD chemo mBC 1L	**Avastin** CC adj	**Avastin** Prostrate ca	**Herceptin** SC formulation (EU)
Herceptin Gastric ca HER+ (EU)	**Avastin** Ovarian ca 1L	**Avastin + Herceptin** mBC HER2+ 1L	**GA 101**[1] CLL
Lucentis Retinal vein occlusion (US)	**Herceptin** Gastric ca HER2+ (US)	**Pertuzumab**[1] mBC HER2+	**T-DM1** mBC HER2+ 2L
	T-DM1 mBC HER2+ 3L (US)	**Lucentis** Diabetic macular edema (US)	

Avastin
Herceptin
Lucentis
T-DM1
Pertuzumab[1]
GA-101[1]

1. Not a licensed product

Optimizing Stockholder Return

Optimizing Stockholder Return

- **Intend to distribute royalty revenues, net of operating expenses, debt service and income taxes**
  - Will pay special dividend of $0.50 per share on April 1, 2010 to holders of record on March 15, 2010
  - Will pay second special dividend of $0.50 per share on October 1, 2010 to holders of record on September 15, 2010
- **Continuously evaluating alternatives**
  - Purchase of commercial stage, royalty generating assets
  - Convertible note buyback or share repurchase
  - Company sale
  - Do not expect to securitize any additional assets in 2010

PDL BioPharma™

High Dividend Yield with Upside Optionality

- **Inventory on hand at Queen patent et al. expiry 12/2014**
- **Change in manufacturing US / ex-US mix for Roche/Genentech resulting in higher average royalty rates**
- **New Phase 2/3 indications with existing commercial products**
- **New Phase 2/3 pipeline products:**
  - Solanezumab (Alzheimer's disease)
  - Bapineuzumab (Alzheimer's disease)
  - Teplizumab (newly diagnosed Type 1 Diabetes)
- **Genentech exercised 4 options in December 2008**

PDL BioPharma

Investment Rationale

- **Strong revenue growth from approved products**
- **Potential for additional indications from existing products and new product approvals**
- **Significantly reduced expenses with no R&D burn**
- **Liquidity—Volume averages 2 to 3 million share per day**
- **Return to stockholders**
  - Declared three special cash dividends totaling $2.67/share in 2009
  - Will pay two special cash dividends totaling $1.00/share in 2010

PDL BioPharma™