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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): July 28, 2016

**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 8.01 Other Events.**

*ARIAD Royalty Agreement Second Tranche Payment*

On July 28, 2016, PDL funded the second tranche of \$50.0 million due on the first anniversary of the closing date of the ARIAD Royalty Agreement. Under the terms of the ARIAD Royalty Agreement and in conjunction with the payment of the second tranche of \$50.0 million, the Company's royalty rate will increase from 2.5% to 5.0 % of Iclusig<sup>®</sup> revenue.

On August 1, 2016, the Company issued a press release regarding the above. A copy of the press release is furnished hereto as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
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: August 1, 2016

## Exhibit Index

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press Release

**Contacts:**

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**PDL BioPharma Completes Second Tranche Payment  
 Under Royalty Transaction with ARIAD Pharmaceuticals**

INCLINE VILLAGE, Nev., August 1, 2016 -- PDL BioPharma, Inc. (PDL or the Company) (NASDAQ: PDLI) today announced that it has funded the second tranche of \$50 million to ARIAD Pharmaceuticals, Inc. (ARIAD) (NASDAQ: ARIA) which was due on first anniversary of the closing date under the terms of the ARIAD Royalty Agreement. This agreement was entered into in July 2015, in exchange for royalties on the net revenues of Iclusig<sup>®</sup> (ponatinib). As a result of the second tranche payment, under the terms of the ARIAD Royalty Agreement, PDL's royalty percentage will increase to 5.0% of the U.S. and European net revenues of Iclusig and 5.0% of the payments ARIAD receives elsewhere in the world until December 31, 2018 (subject to agreed-upon annual maximum payments). Beginning January 1, 2019 and thereafter, the royalty rate will increase to 6.5% in all jurisdictions and continue until December 31, 2033, subject to a put option of PDL upon the occurrence of specified events and a call option of ARIAD.

In May of 2016, PDL and ARIAD agreed to amend the ARIAD Royalty Agreement, as a result of ARIAD's share purchase agreement with Incyte Corporation (Incyte), to include net sales of Iclusig made by Incyte once it takes over ARIAD's commercialization operations with respect to Iclusig in the European Union and certain other countries. In addition, the Company and ARIAD agreed to restructure future funding under the Royalty Agreement such that ARIAD's option to draw up to an additional \$100 million between January and July of 2016 was reduced to a maximum amount of up to an additional \$40 million, which can be drawn at ARIAD's option in July of 2017.

**About PDL BioPharma, Inc.**

PDL seeks to acquire pharmaceutical products through equity investments and also provide growth capital and financing solutions to late-stage public and private healthcare companies, including immediate financial monetization of royalty streams to companies, academic institutions, and inventors. PDL has committed over \$1.4 billion and funded approximately \$1.1 billion in these investments 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 acquiring and managing income generating assets, and maximizing value for its stockholders.

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. For more information, please visit [www.pdl.com](http://www.pdl.com).

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