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): November 15, 2011

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:

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- o 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 November 15, 2011, PDL BioPharma, Inc. (the Company) will make a presentation at Lazard Capital Markets 8th Annual Healthcare Conference in New York City, New York, and hold one-on-one discussions with analysts and investors using defined presentation materials. On November 16, 2011, the Company will hold one-on-one discussions with certain investors as part of a non-deal roadshow using the same presentation materials. A copy of the Company's presentation materials for November 15-16, 2011, has been posted to the Company's website and is attached hereto as Exhibit 99.1.

Beginning on November 16, 2011, the Company will hold one-on-one discussions with investors and an investment bank's sales personnel as part of its non-deal roadshow using a different set of defined presentation materials. A copy of the Company's presentation materials for November 16, 2011, will be posted to the Company's website and is attached hereto as Exhibit 99.2.

Limitation of Incorporation by Reference

In accordance with General Instruction B.2. of Form 8-K, this information, including the Exhibits, 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. The information in this Item 7.01 of this Current Report on Form 8-K will not be deemed an admission as to the materiality of any information that is required to be disclosed solely by Regulation FD.

Cautionary Statements

This Current Report on Form 8-K and the presentations 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 2010 Annual Report on Form 10-K and other periodic reports 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.

(d) Exhibits.

Exhibit No.	Description
99.1	November 15-16 Presentation
99.2	November 16 Presentation

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 R. Larson
Christine R. Larson
Vice President and Chief Financial Officer

Dated: November 15, 2011

EXHIBIT INDEX

Exhibit No.	Description
99.1	November 15-16 Presentation
99.2	November 16 Presentation

PDL BioPharma™

Lazard Capital Markets 8th Annual Healthcare Conference

November 15, 2011

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 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;
- Changes in any of the other assumptions on which PDL's projected royalty revenues are based;
- Changes in foreign currency rates;
- Positive or negative results in PDL's attempt to acquire royalty-related assets;
- The outcome of pending litigation or disputes, including PDL's current dispute with Genentech related to ex-U.S. sales of Genentech licensed products; 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.

PDL BioPharma™

Key Information

Company	**PDL BioPharma, Inc.**
Ticker	**PDLI (NASDAQ)**
Location	**Incline Village, Nevada**
Employees	**Less than 10**
2010 Revenues	**$345 million**
2011- Q3YTD Revenue	**$289 million**
2011 Regular Dividends	**$0.15 /share paid on March 15, June 15, September 15 & December 15**
Q3-2011 Cash Position[1]	**$225 million**
Shares O/S[2]	**~ 140 million**
Average Daily Volume	**~ 2.1 million shares**

1. As of September 30, 2011; 2. Not fully diluted

Overview of PDL BioPharma

Company Overview

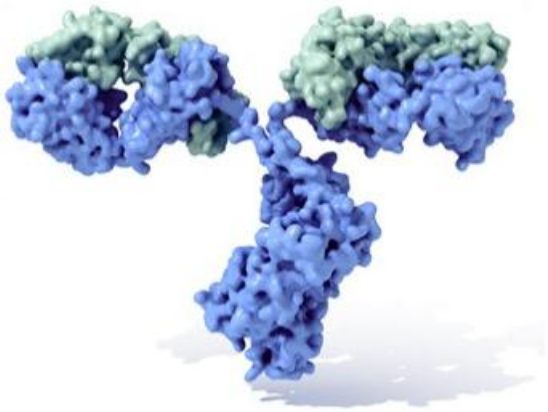
- **PDL pioneered the humanization of monoclonal antibodies which enabled the discovery of a new generation of targeted treatments for cancer and immunologic diseases**

- **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/ Novartis, Elan/BiogenIdec, Pfizer/Wyeth/J&J and Chugai**

PDL BioPharma

Antibody Humanization Technology



- **Antibodies are naturally produced by humans to fight foreign substances, such as bacteria and viruses**
- **In the 1980's, scientists began creating antibodies in non-human immune systems, such as those of mice, that could target specific sites on cells to fight various human diseases**
- **However, mouse derived antibodies are recognized by the human body as foreign substances and may be rejected by the human immune system**

- PDL's technology allows for the "humanization" of mouse derived antibodies by moving the important binding regions from the mouse antibody onto a human framework
- PDL's humanization technology is important because the humanized antibodies retain the binding and activity levels from the original mouse antibody
- PDL's technology has been incorporated into antibodies to treat cancer, eye diseases, arthritis, multiple sclerosis and other health conditions with aggregate annual sales of over $17 billion

PDL BioPharma™

Mission Statement

- **Queen et al. Patents**
  - Manage patent portfolio
  - Manage license agreements
- **Purchase new royalty generating assets**
  - Assets that improve shareholder return
  - Commercial stage assets
  - Prefer biologics with strong patent protection
- **Optimize return for shareholders**

PDL BioPharma

Corporate Governance

Management

- **John McLaughlin**
  President & CEO
- **Christine Larson**
  VP & CFO
- **Christopher Stone**
  VP, General Counsel & Secretary
- **Caroline Krumel**
  VP of Finance
- **Danny Hart**
  Associate General Counsel

Board of Directors

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

PDL BioPharma

Licensed Products and Royalty Revenue

Approved Licensed Products: Overview

Product	Licensee	2010 WW Sales	Approved Indications
AVASTIN bevacizumab	Genentech (US) and Roche (ex-US)	$6.4 billion[1]	■ Metastatic colorectal cancer ■ Advanced non-small cell lung cancer ■ Renal cancer ■ Metastatic HER2- breast cancer ■ Glioblastoma
Herceptin trastuzumab	Genentech (US) and Roche (ex-US)	$5.4 billion[1]	■ Metastatic HER2+ breast cancer ■ Metastatic HER2+ stomach cancer
LUCENTIS RANIBIZUMAB INJECTION	Genentech (US) and Novartis (ex-US)	$3.0 billion[1]	■ Wet age-related macular degeneration (AMD) ■ Macular edema or swelling following retinal vein occlusion ■ Diabetic macular edema ■ Lucentis is the only approved treatment for wet AMD proven to improve or maintain vision
Xolair Omalizumab	Genentech (US) and Novartis (ex-US)	$1.0 billion[1]	■ Moderate to severe persistent allergic asthma ■ First approved therapy designed to target the antibody IgE, a key underlying cause of the symptoms of allergy related asthma
TYSABRI (natalizumab)	Biogen Idec and Elan	$1.2 billion[1]	■ Multiple Sclerosis (MS) in adult patients with relapsing forms of the disease ■ Crohn's disease in adult patients with moderate-to-severe forms of the disease who have had an inadequate response to or are unable to tolerate conventional therapies
ACTEMRA tocilizumab	Roche and Chugai	$0.5 billion[2]	■ Rheumatoid arthritis (RA)

1. As reported to PDL by its licensee 2. As reported by Roche; assume 1.155 CHF/USD

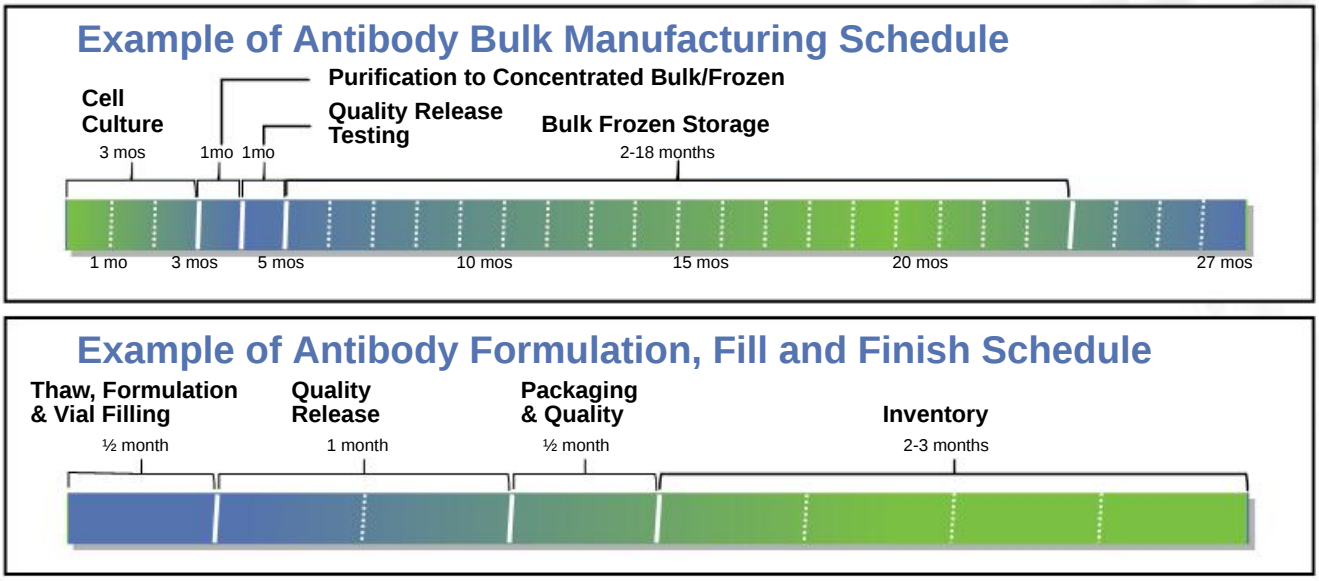
PDL BioPharma

How Long Will PDL Receive Royalties from Queen et al. Patents?

- **PDL's revenues consist of royalties generated on sales of licensed products**
  - Sold in a patented jurisdiction before the expiration of the Queen et al. patents in mid-2013 through end of 2014

<u>or</u>

  - Made prior to the expiration of the Queen et al. patents in a patented jurisdiction and sold anytime thereafter



Queen et al Patents - Royalty Rates

- **Tysabri and Actemra**
  - Flat, low single-digit royalty
- **Genentech Products (Avastin, Herceptin, Lucentis[1] and Xolair)**
  - Tiered royalties on product made or sold in US
  - Flat, 3% royalty on product made and sold outside US
  - Blended global royalty rate on Genentech Products in 2010 was 1.9%
  - Blended royalty rate on Genentech Products in 2010 made or sold in US was 1.5%

Genentech Product Made or Sold in U.S.	
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%*
Genentech Product Made and Sold Ex-U.S.	
All Sales	*3.0%*

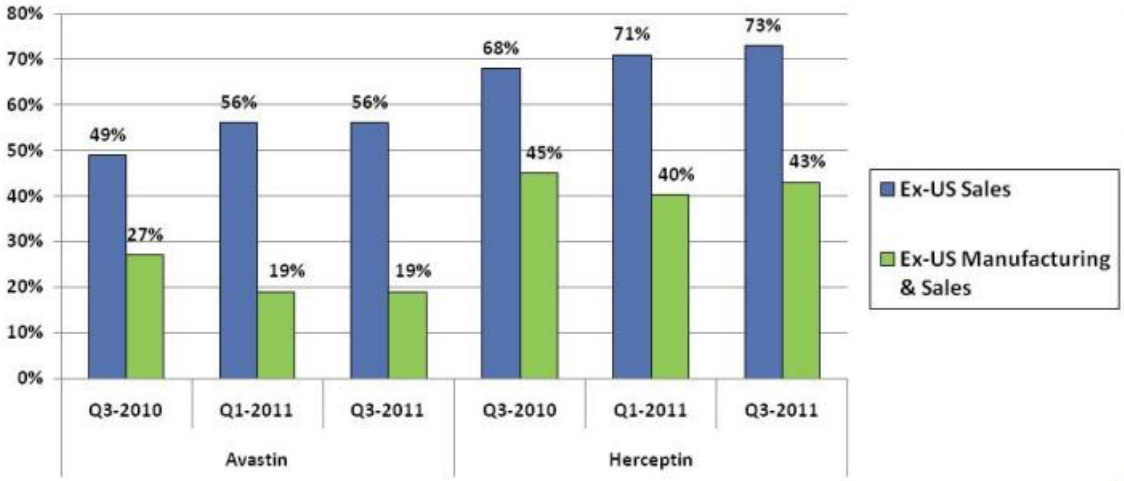
1. As part of a settlement with Novartis, which commercializes Lucentis outside US, PDL agreed to pay to Novartis certain amounts based on net sales of Lucentis made by Novartis during calendar year 2011 and beyond. The amounts to be paid are less than we receive in royalties on such sales and we do not currently expect such amount to materially impact our total annual revenues in 2011.

PDL BioPharma

Shift of Manufacturing Sites = Higher Royalties

- **Roche is moving some manufacturing ex-US which may result in higher royalties to PDL due**
  - **The flat 3% royalty for Genentech Products (made and sold ex-US**
  - Two new plants in Singapore (CHO = antibody and e. coli = antibody fragment)
    - E. coli (Lucentis) and CHO (Avastin) plants are approved for commercial supply to the US
    - E. coli and CHO plants are expected to be approved for commercial supply to the EU in 2011
    - Currently, all Lucentis is made in the US

Percent of Total Worldwide Sales[1]

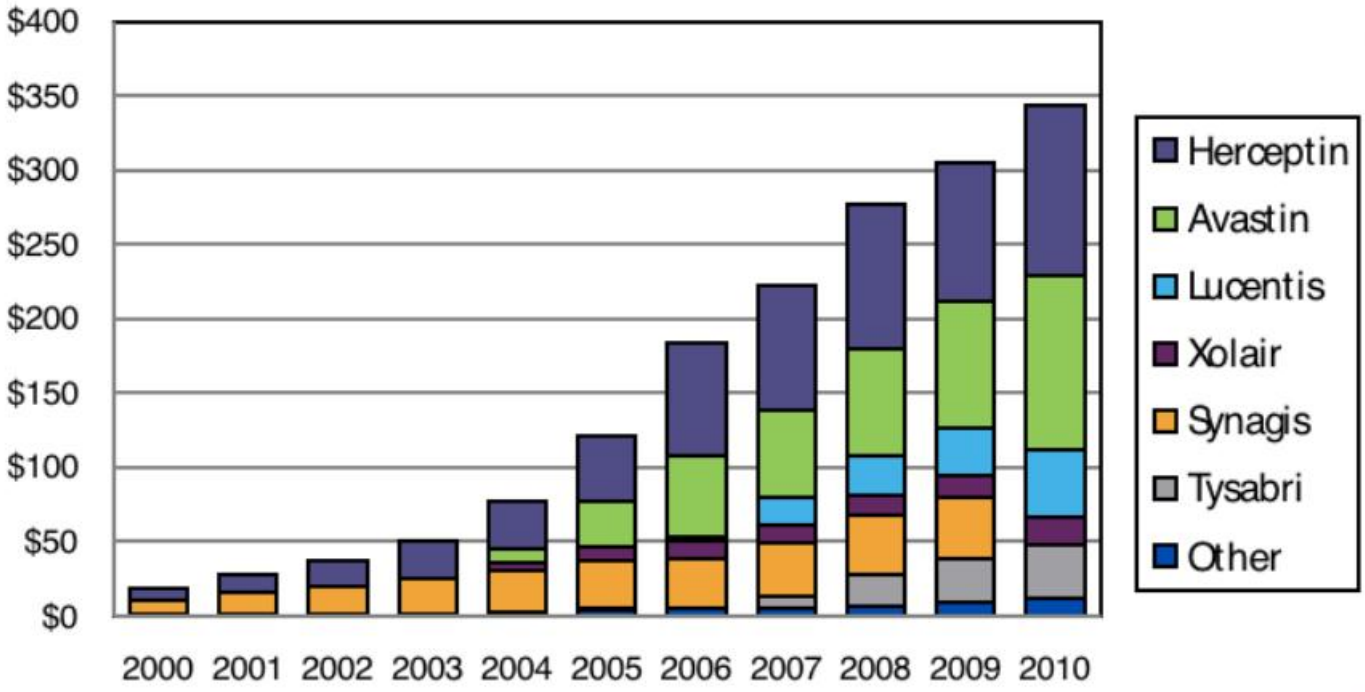


1. As reported to PDL by its licensee

Royalty Revenue & Licensed Products

Royalties by Product

($ in millions)



PDL BioPharma

Royalty Products - Approved

Royalty Products - Avastin

- **Avastin**
- Herceptin
- Lucentis
- Xolair
- Tysabri
- Actemra

ü On June 4, 2011, Genentech announced results from Phase 3 study evaluating Avastin in combination with chemotherapy (gemcitabine and carboplatin) followed by the continued use of Avastin alone in women with previously treated (recurrent) platinum-sensitive ovarian cancer which showed that women who received Avastin experienced a 52% reduction in the risk of their disease progressing (HR=0.48, p<0.0001) compared to women who received chemotherapy alone.

ü Two previous Phase 3 studies in women with newly diagnosed ovarian cancer demonstrated that front-line Avastin in combination with standard chemotherapy (carboplatin and paclitaxel), followed by the continued use of Avastin alone, significantly increased progression free survival compared to treatment with chemotherapy alone.

ü In August 2011, Roche submitted an application for approval for first line treatment in EU.

ü Genentech expects to file an application for approval in US in late 2011 so that it can meet FDA's request for overall survival data.

PDL BioPharma

Royalty Products - Herceptin

- Avastin
- Herceptin
- Lucentis
- Xolair
- Tysabri
- Actemra

ü On October 18, 2011, Roche announced Phase 3 results that showed that subcutaneous (SQ) formulation of Herceptin has comparable safety and efficacy to intravenous (IV) formulation.

ü SQ formulation is ready-to-use and requires about 5 minutes to administer compared to 30 minutes administration time for IV formulation.

PDL BioPharma

Royalty Products - Lucentis

- Avastin
- Herceptin
- **Lucentis**
- Xolair
- Tysabri
- Actemra

ü On January 7, 2011, Novartis announced that Lucentis has been approved in the EU for the treatment of visual impairment due to diabetic macular edema (DME).

ü On June 6, 2011, Novartis announced that Lucentis has been approved in the EU for the treatment of visual impairment due to macular edema secondary to retinal vein occlusion.

- § DME is a leading cause of blindness in the working-age population in most developed countries.

ü On June 28, 2011, Genentech reported positive results from two pivotal Phase 3 clinical studies in patients with diabetic macular edema.

- § Both studies showed that patients treated with Lucentis experienced significant, rapid and sustained improvement in vision compared to those who received sham injections.
- § Additional analyses showed that patients who received Lucentis were significantly more likely to achieve 20/40 vision and experience less progression of underlying diabetic retinopathy disease.

PDL BioPharma

Royalty Products - Lucentis

- Avastin
- Herceptin
- **Lucentis**
- Xolair
- Tysabri
- Actemra

- ü On November 22, 2010, Regeneron and Bayer reported top line data from two Phase 3 trials investigating VEGF Trap in age-related macular degeneration (AMD) patients which suggest that it may be injected into the eye every other month with safety and efficacy comparable to that of monthly dosing of Lucentis.
- ü On December 20, 2010, Regeneron reported positive Phase 3 data in the treatment of retinal vein occlusion (RVO) for which Lucentis is approved.
  - § Unlike the AMD trial, monthly administration was used in the RVO trial, which does not afford a dosing advantage with respect to Lucentis.
- ü On February 22, 2011, Regeneron and Bayer filed an application for approval of VEGF Trap for AMD with an initial PDUFA date of August 20, 2011 which was subsequently extended to November 18, 2011. An FDA Advisory Committee recommended approval of VEGF Trap on June 17, 2011.
- ü On June 7, 2011, Regeneron and Bayer filed an application for AMD in EU.
- ü Regeneron filed suit in February 2011 seeking a summary judgment that it does not infringe Genentech's patents.
- ü Genentech filed a countersuit in April 2011 asserting that Regeneron is willfully infringing Genentech's patents, seeking treble damages and asking for injunctive relief.

PDL BioPharma

Royalty Products - Lucentis

- Avastin
- Herceptin
- **Lucentis**
- Xolair
- Tysabri
- Actemra

ü On April 4, 2011, Genentech and Johns Hopkins University reported results of a review of files of 77,886 patients with AMD who received either Avastin off-label or Lucentis.

ü Patients receiving Avastin off-label had an 11% increased risk of overall mortality, 57% increased risk of hemorrhagic cerebrovascular accident, 80% more likely to have ocular inflammation and 11% more likely to have cataract surgery following treatment than Lucentis treated patients.

ü Authors of the study note that it is limited due to incomplete information on confounding factors such as smoking, lipid and blood pressure levels, etc.

PDL BioPharma

Royalty Products - Lucentis

- Avastin
- Herceptin
- **Lucentis**
- Xolair
- Tysabri
- Actemra

- ü On April 28, 2011, *New England Journal of Medicine* reported the results from the NEI's CATT study comparing Lucentis and Avastin on fixed and variable schedules in the treatment of AMD.
- ü Efficacy results from the first year of the two year study showed that, with respect to the primary endpoint of mean change in visual acuity (number of lines of letters on an eye chart) at 12 months, less expensive Avastin was not inferior to Lucentis.
  - § It is estimated that off label use of Avastin in the U.S. was 60% prior to the results of the CATT trial.
- ü At 12 months, serious adverse events (primarily hospitalizations) occurred at a 24% rate for patients receiving Avastin and a 19% rate for patients receiving Lucentis. However, preliminary 24 month safety data showed no difference between Lucentis and Avastin treated patients in terms of death, stroke and all arteriothrombotic events.
- ü On August 30, 2011, FDA issued a health warning alert after at least 16 AMD patients suffered eye infections after being treated with repackaged Avastin.

PDL BioPharma™

Royalty Products - Tysabri

- Avastin
- Herceptin
- Lucentis
- Xolair
- **Tysabri**
- Actemra

ü In the label for Tysabri, EMEA has included, and FDA is considering including, JC virus (JCV) status as a risk factor for the rare but sometimes fatal brain infection known as PML.

ü Because patients have increased risk of developing PML after 24 months of Tysabri treatment and because physicians can use this assay to detect presence of JC virus and take patients off Tysabri if JC virus is detected, physicians have become more comfortable prescribing Tysabri.

ü As of October 4, 2011, Biogen Idec reported net patients adds of 2,100 and 170 cases of PML.

- § Net patient adds is the difference between new patients treated less those who discontinued Tysabri therapy due to JC virus status or other reasons.

PDL BioPharma

Potential Royalty Products - Development Stage

Potential Royalty Products - T-DM1

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

- On October 13, 2010, Roche/Genentech announced preliminary, six month results from a Phase 3 trial in second line HER2+ breast cancer patients which showed that 48% of women treated with T-DM1 had their tumors shrink compared with 41% of those taking the combination of Herceptin and Taxotere.
  - Among the women taking the standard therapy, 75% had side effects of grade 3 or higher on a 5-point scale, compared with 37% of those getting T-DM1.
- Roche highlighted this product in their November 7, 2011 update to the financial community on their late stage development products.
- Roche/Genentech expect to file for second line approval in 2012 and first line in 2014.

PDL BioPharma

Potential Royalty Products - Ocrelizumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

- ü Phase 2b.
- ü Genentech announced 96-week results from Phase 2 study in patients with relapsing-remitting multiple sclerosis which showed that the significant reduction in disease activity as measured by the total number of active brain lesions and relapses, previously reported for 24 weeks, was maintained through 96 weeks.
- ü **Unlicensed product.**

PDL BioPharma

Potential Royalty Products - Pertuzumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

- On December 10, 2010, Roche/Genentech reported the results from a Phase 2 trial investigating the neoadjuvant (prior to surgery) use of pertuzumab and Herceptin plus chemotherapy for the treatment of early-stage, HER2+ breast cancer.
- Treatment significantly improved the rate of complete tumor disappearance in the breast by more than half compared to Herceptin plus docetaxel, p=0.014.
- On July 15, 2011, Roche/Genentech reported the results from a Phase 3 trial in pertuzumab plus Herceptin and docetaxel met the primary endpoint of progression-free survival (PFS) vs. Herceptin plus docetaxel alone.
- Roche highlighted this product in their November 7, 2011 update to the financial community on their late stage development products.
- Roche/Genentech expect to file for approval at the end of 2011.

PDL BioPharma

Potential Royalty Products - Afutuzumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

- ü Phase 3.
- ü Roche/Genentech expect to file for approval in 2013.

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

PDL BioPharma

Potential Royalty Products - Bapineuzumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

- Phase 3.
- On July 19, 2011, researchers from Pfizer and Johnson & Johnson reported long-term safety of 194 patients in a mid-stage trial of the drug that stayed on treatment after the initial phase ended.
  - The brain swelling condition called vasogenic edema, which caused safety concerns early on in the trial, may decrease over time.
- Data expected in second half of 2012.

PDL BioPharma

Potential Royalty Products - Solanezumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

- ü Phase 3.
- ü Data expected in second half of 2012.
- ü 12.5 year know how royalty in addition to patent royalty.

PDL BioPharma

Potential Royalty Products - Datoluzumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

ü Phase 2.

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

PDL BioPharma

Potential Royalty Products - Daclizumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

ü Positive efficacy data reported from first of two Phase 3 trials.

Farletuzumab
Ovarian Cancer

PDL BioPharma

Potential Royalty Products - Farletuzumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

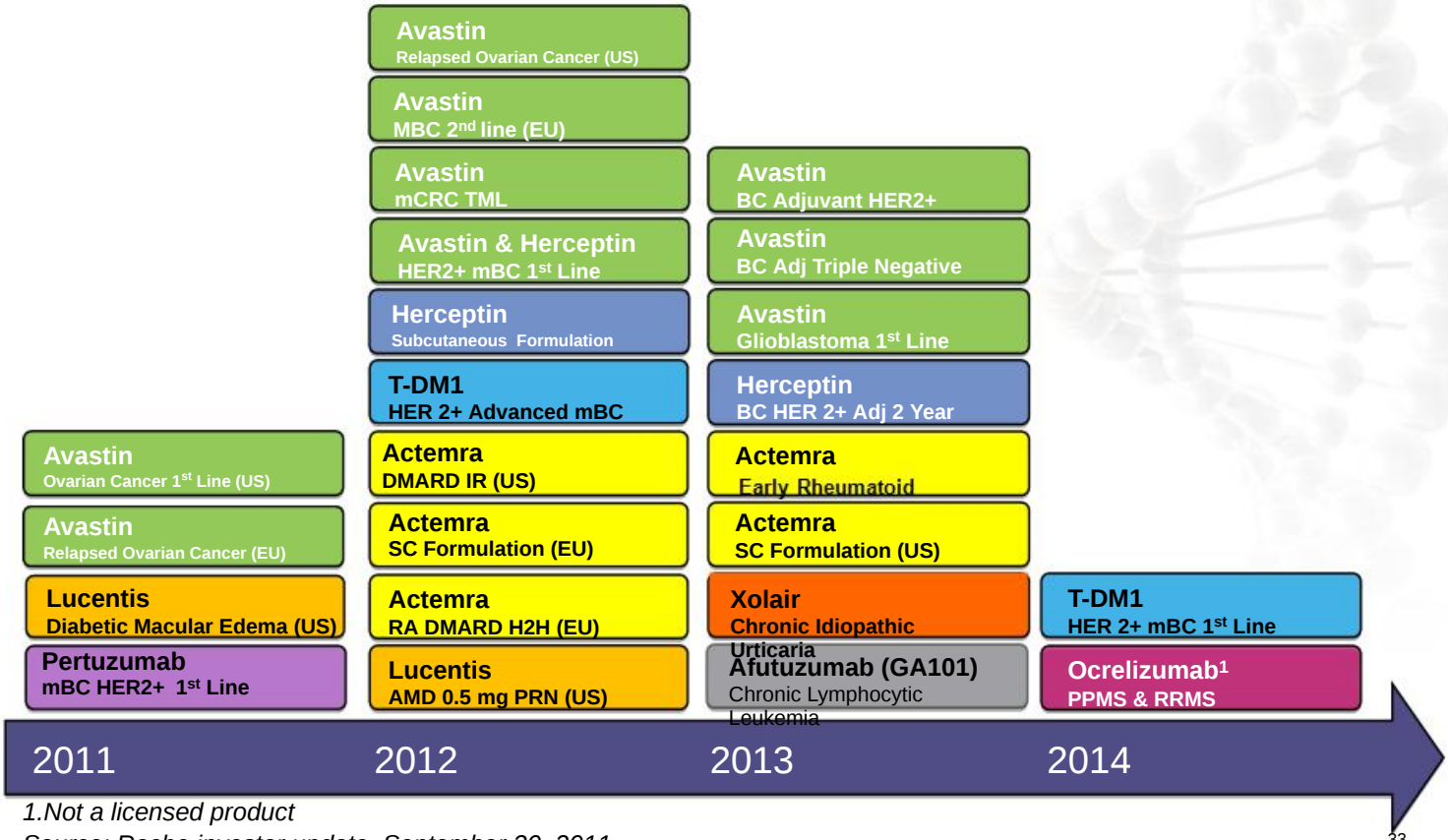
Farletuzumab
Ovarian Cancer

ü Phase 3.

PDL BioPharma

Genentech / Roche - Product Pipeline

US & EU Filings Calendar



1.Not a licensed product

Source: Roche investor update, September 30, 2011

Financials

Financial Overview

INCOME STATEMENT

	Fiscal Year Ending 12/31		Year to Date
	2009	2010 [1]	Q3-2011 [2]
Revenue	$ 318	$ 345	$ 289
Expenses	21	134	14
EBIT	297	211	275
Net Interest Expense	17	61	28
Pre-Tax Profit	280	150	247
Taxes	91	58	87
Net Income	$ 189	$ 92	$ 160

BALANCE SHEET

	As of 12/31/2010	As of 9/30/2011
Cash, Cash Equivalents & Investments	$ 248	$ 225
Total Assets	$ 317	$ 271
Total Debt	$ 517	$ 450
Total Stockholders' Deficit	$ (324)	$ (243)

1. **Includes $92.5 million one time legal settlement to MedImmune. Net interest expense includes $17.6 million loss on convertible note retirement.**
2. **Includes $10.0 million one time legal settlement from UCB.**

PDL BioPharma

Debt

Current and Long-Term Liabilities

- **$155 million 3.75% senior convertible notes due May 2015**
  - Notes issued May 16, 2011; conversion rate is 132.6682 / $1,000 face amount ($7.54/share)
  - Bond hedge effectively increases conversion price to $8.87 / share
  - Notes “net share settle” and are excluded from diluted EPS
- **$180 million 2.875% convertible senior notes due February 2015**
  - Conversion rate is 151.713 shares / $1,000 face amount ($6.59/share)
  - PDL has commenced a tender offer for all or a substantial portion of these Notes in exchange for new notes that net share settle - similar to terms of “net share settle” provision in 3.75% Notes which excludes such shares from diluted EPS
- **$300 million 10.25% secured non-recourse notes; principal balance of $115 million as of September 30, 2011**
  - Approximately 40% of Genentech royalties dedicated to quarterly principal and interest
  - After retirement, securitized Genentech royalties will be retained by PDL
- **The purpose of restructuring PDL’s debt is to free up cash for the acquisition of new royalty assets**

($ in millions)	Debt Outstanding 12/31/2009	12/31/2010	9/30/2011
2.75% Convertible Debt			
August 2010 Note Holder Put	$ 200	$ -	$ -
2.00% Senior Convertible Debt			
February 2012 Maturity	228	133	-
10.25% Securitization Note			
September 2012 Anticipated Maturity	300	204	115
2.875% Senior Convertible Debt			
February 2015 Maturity	-	180	180
3.75% Senior Convertible Debt			
May 2015 Maturity	-	-	155
Total Debt	$ 728	$ 517	$ 450

PDL BioPharma™

Legal Matters

Pending Dispute with Genentech and Roche

- **In August 2010, Genentech sent a fax on behalf of Roche and Novartis asserting its products do not infringe PDL's supplementary protection certificates (SPCs)**
  - Products include Avastin, Herceptin, Lucentis and Xolair
  - SPCs are patent extensions in Europe that are issued on a country-by-country and product-by-product basis

- **PDL Response**
  - Genentech's assertions are without merit
  - PDL disagrees with Genentech's assertions of non-infringement
  - Genentech had waived its rights to challenge our patents, including SPCs in its 2003 Settlement Agreement with PDL

- **2003 Settlement Agreement**
  - Resolved intellectual property disputes between the two companies at that time
  - Limits Genentech's ability to challenge infringement of PDL's patent rights, including SPCs, and waives Genentech's right to challenge or assist other in challenging the validity of our patent rights

PDL BioPharma

Nevada Lawsuit Against Genentech/Roche

- **PDL filed a lawsuit against Genentech and Roche in Nevada state court**
  - Lawsuit states that fax constitutes a breach of 2003 Settlement Agreement because Genentech assisted Roche in challenging PDL's patents and SPCs
  - Complaint seeks compensatory damages, including liquidated damages and other monetary remedies set forth in the 2003 Settlement Agreement, punitive damages and attorney's fees

- **In November 2010, Genentech and Roche filed two motions to dismiss**
  - They contend that 2003 Settlement Agreement applies only to PDL's U.S. patents
  - They asserted that the Nevada court lacks personal jurisdiction over Roche

- **On July 11, 2011, court denied Genentech and Roche's motion to dismiss four of PDL's five claims for relief and denied Roche's separate motion to dismiss for lack of personal jurisdiction.**
  - The court dismissed one of PDL's claims that Genentech committed a bad-faith breach of the covenant of good faith and fair dealing
  - Subsequent to the ruling, Roche has waived its defense that the Nevada court lacks personal jurisdiction for the purposes of this lawsuit

- **The court ruling allows PDL to continue to pursue its claims that:**
  - Genentech is obligated to pay royalties to PDL on international sales of the Genentech Products
  - Genentech, by challenging, at the behest of Roche and Novartis, whether PDL's SPCs cover the Genentech Products breached its contractual obligations to PDL under the 2003 settlement agreement
  - Genentech breached the implied covenant of good faith and fair dealing with respect to the 2003 settlement agreement
  - Roche intentionally and knowingly interfered with PDL's contractual relationship with Genentech in conscious disregard of PDL's rights

- **Parties are currently in discovery**

Optimizing Stockholder Return

Business Strategy

- Queen et al. patents expire in mid-2013 to December 2014; we anticipate royalties will likely continue to ~2016
- PDL has two possible future pathways

- **Purchase new royalty assets and ladder like a bond portfolio**
  - Continue to reinvest in new royalty assets and pay dividends
    - Commercial stage products
    - Sweet spot $75MM to $150MM
  - Debt repaid by end of 2015
  - Company continues as long as it can generate satisfactory return

- If unable to acquire royalty assets on attractive terms, build cash reserves to:
  - Repay debt
  - Use all excess cash to pay dividends to enhance shareholder return
  - Wind-up company in 2016 timeframe

PDL BioPharma™

Optimizing Stockholder Return

- **Continuously evaluating alternatives**
  - Dividends
  - Capital restructure
  - Share repurchase
  - Company sale
  - Purchase of commercial stage, royalty generating assets

PDL BioPharma™

Investment Highlights

- **Strong historic revenue growth from approved products**
- **Potential for additional indications from existing products, new product approvals and purchase of new royalty assets**
- **Potential to grow and diversify revenues with the addition of new royalty assets**
- **Significantly reduced expenses with no R&D burn**
- **Liquidity - volume averages 2.1 million shares/day**
- **Return to stockholders**
  - In 2011, $0.60/share to be paid in quarterly regular dividends of $0.15/share on March 15, June 15, September 15 and December 15

PDL BioPharma

Exhibit 99.2

Presentation to Sales Force

November 16, 2011

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 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;
- Changes in any of the other assumptions on which PDL's projected royalty revenues are based;
- Changes in foreign currency rates;
- Positive or negative results in PDL's attempt to acquire royalty-related assets;
- The outcome of pending litigation or disputes, including PDL's current dispute with Genentech related to ex-U.S. sales of Genentech licensed products; 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.

PDL BioPharma™

Key Information

Company	**PDL BioPharma, Inc.**
Ticker	**PDLI (NASDAQ)**
Location	**Incline Village, Nevada**
Employees	**Less than 10**
2010 Revenues	**$345 million**
2011- Q3YTD Revenue	**$289 million**
2011 Regular Dividends	**$0.15 /share paid on March 15, June 15, September 15 & December 15**
Q3-2011 Cash Position[1]	**$225 million**
Shares O/S[2]	**~ 140 million**
Average Daily Volume	**~ 2.1 million shares**

1. As of September 30, 2011; 2. Not fully diluted

Overview of PDL BioPharma

Company Overview

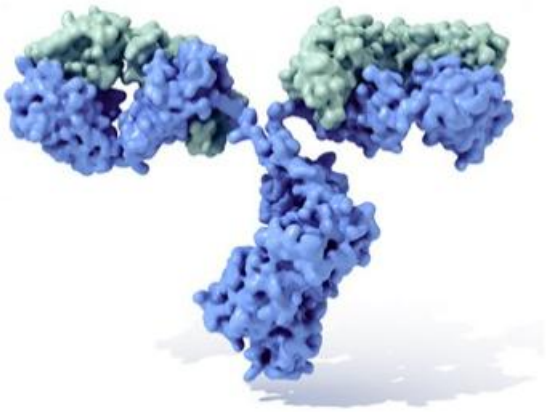
- **PDL pioneered the humanization of monoclonal antibodies which enabled the discovery of a new generation of targeted treatments for cancer and immunologic diseases**

- **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/ Novartis, Elan/BiogenIdec, Pfizer/Wyeth/J&J and Chugai**

PDL BioPharma™

Antibody Humanization Technology



- **Antibodies are naturally produced by humans to fight foreign substances, such as bacteria and viruses**
- **In the 1980's, scientists began creating antibodies in non-human immune systems, such as those of mice, that could target specific sites on cells to fight various human diseases**
- **However, mouse derived antibodies are recognized by the human body as foreign substances and may be rejected by the human immune system**

- PDL's technology allows for the "humanization" of mouse derived antibodies by moving the important binding regions from the mouse antibody onto a human framework
- PDL's humanization technology is important because the humanized antibodies retain the binding and activity levels from the original mouse antibody
- PDL's technology has been incorporated into antibodies to treat cancer, eye diseases, arthritis, multiple sclerosis and other health conditions with aggregate annual sales of over $17 billion

PDL BioPharma™

Mission Statement

- **Queen et al. Patents**
  - Manage patent portfolio
  - Manage license agreements
- **Purchase new royalty generating assets**
  - Assets that improve shareholder return
  - Commercial stage assets
  - Prefer biologics with strong patent protection
- **Optimize return for shareholders**

PDL BioPharma

Corporate Governance

Management

- **John McLaughlin**
  President & CEO
- **Christine Larson**
  VP & CFO
- **Christopher Stone**
  VP, General Counsel & Secretary
- **Caroline Krumel**
  VP of Finance
- **Danny Hart**
  Associate General Counsel

Board of Directors

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

PDL BioPharma

Approved Licensed Products

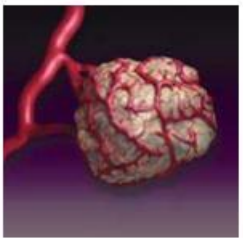
Approved Licensed Products: Overview

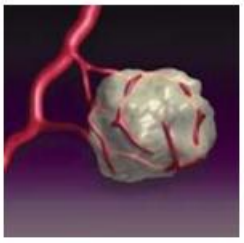
Product	Licensee	2010 WW Sales	Approved Indications
AVASTIN bevacizumab	Genentech (US) and Roche (ex-US)	$6.4 billion[1]	■ Metastatic colorectal cancer ■ Advanced non-small cell lung cancer ■ Renal cancer ■ Metastatic HER2- breast cancer ■ Glioblastoma
Herceptin trastuzumab	Genentech (US) and Roche (ex-US)	$5.4 billion[1]	■ Metastatic HER2+ breast cancer ■ Metastatic HER2+ stomach cancer
LUCENTIS PANIBIZUMAB INJECTION	Genentech (US) and Novartis (ex-US)	$3.0 billion[1]	■ Wet age-related macular degeneration (AMD) ■ Macular edema or swelling following retinal vein occlusion ■ Diabetic macular edema ■ Lucentis is the only approved treatment for wet AMD proven to improve or maintain vision
Xolair Omalizumab	Genentech (US) and Novartis (ex-US)	$1.0 billion[1]	■ Moderate to severe persistent allergic asthma ■ First approved therapy designed to target the antibody IgE, a key underlying cause of the symptoms of allergy related asthma
TYSABRI (natalizumab)	Biogen Idec and Elan	$1.2 billion[1]	■ Multiple Sclerosis (MS) in adult patients with relapsing forms of the disease ■ Crohn's disease in adult patients with moderate-to-severe forms of the disease who have had an inadequate response to or are unable to tolerate conventional therapies
ACTEMRA tocilizumab	Roche and Chugai	$0.5 billion[2]	■ Rheumatoid arthritis (RA)

1. As reported to PDL by its licensee 2. As reported by Roche; assume 1.155 CHF/USD

PDL BioPharma

Avastin





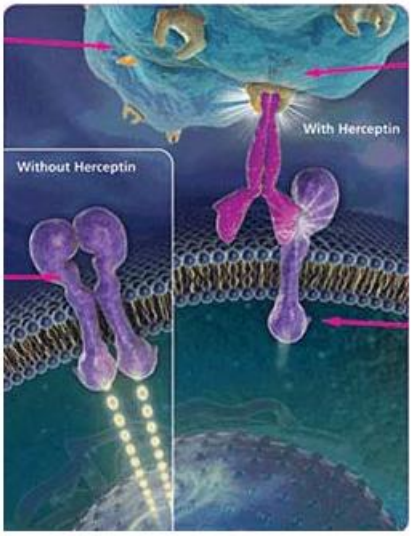
Treatment with Avastin reduces vascularization or blood supply of tumor

- **Licensee**
  - Genentech (US) and Roche (ex-US)
- **Mechanism**
  - As tumor grows, it exceeds the ability of the local blood supply to nourish it
  - Tumor causes up regulation of vascular endothelial growth factor (VEGF) stimulating angiogenesis (or the growth of leaky blood vessels) to nourish the tumor
  - Avastin targets and inhibits VEGF reduction in blood vessels "starving" the tumor
- **Approvals**
  - Metastatic colorectal cancer, advanced non-small cell lung cancer, renal cancer, metastatic HER2- breast cancer and glioblastoma
- **Sales**
  - 2010 worldwide net sales of $6.4 billion[1]
  - **Status**
    - US is reviewing approval for metastatic HER2- breast cancer and EU has narrowed this label, resulting in drop in sales for this indication
    - Positive Phase 3 data in treatment of first line and recurrent ovarian cancer

1. As reported to PDL by its licensee

PDL BioPharma™

Herceptin



Without Herceptin treatment, cell surface receptors signal into the HER2+ breast cancer cell to proliferate

Herceptin binds to cell surface receptors inhibiting intracellular signals thus preventing cancer cell proliferation and signaling the immune system to "kill" the cancer cell

- **Licensee**
  - Genentech (US) and Roche (ex-US)
- **Mechanism**
  - Some breast cancer cells make too many (over-express) copies of a particular gene known as HER2 that causes rapid growth of the breast cancer cell
  - Herceptin works by attaching itself to the HER2 receptors on the surface of breast cancer cells, blocking them from receiving growth signals and slowing or stopping the growth of the breast cancer cell
  - Herceptin may also fight breast cancer by alerting the immune system to destroy cancer cells onto which it is attached
- **Approvals**
  - Metastatic HER2+ breast cancer, metastatic HER2+ stomach cancer
- **Sales**
  - 2010 worldwide net sales of $5.4 billion[1]
- **Status**
  - Positive Phase 3 results that showed that subcutaneous (SQ) formulation of Herceptin has comparable safety and efficacy to intravenous (IV) formulation and can be administered in about 5 minutes compared to 30 minutes for IV formulation.

1. As reported to PDL by its licensee

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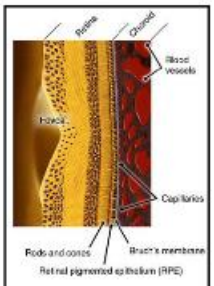
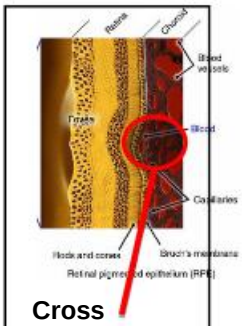
Lucentis

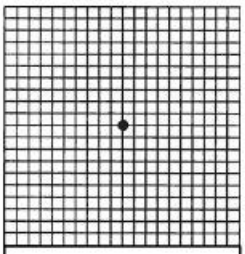


Cross section of normal macula at back of eye

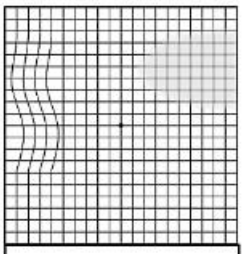


Cross section of macula with AMD causing loss of vision

- **Licensee**
  - Genentech (US) and Novartis (ex-US)
- **Mechanism**
  - A form of VEGF known as VEGF-A causes the formation of leaky blood vessels resulting in the swelling in macula and vision loss
  - Lucentis binds to and inhibits VEGF-A before it can cause the formation of the leaky blood vessels preserving and sometimes improving vision
- **Approvals**
  - Wet age-related macular degeneration (AMD), macular edema or swelling following retinal vein occlusion, diabetic macular edema
- **Sales**
  - 2010 worldwide net sales of $3.0 billion[1]
- **Status**
  - § Recent NIH study comparing safety and effectiveness of Lucentis finds less expensive Avastin equally efficacious - will adversely affect future Lucentis sales for AMD
    - ü It's estimated that in the U.S. 65% + of AMD patients are already being treated with off-label Avastin
  - § FDA is scheduled to decide on November 18, 2011 whether to approve Regeneron's Eylea, which has shown safety and efficacy comparable to Lucentis but can be dosed every other month in AMD patients instead of Lucentis' monthly dosing
    - § If approved, Eylea's more convenient dosing regimen will likely adversely affect future Lucentis' sales in AMD
    - § Eylea less likely to affect newer Lucentis' indications because Eylea is dosed same as Lucentis - monthly



Amsler Grid as seen through normal eyes

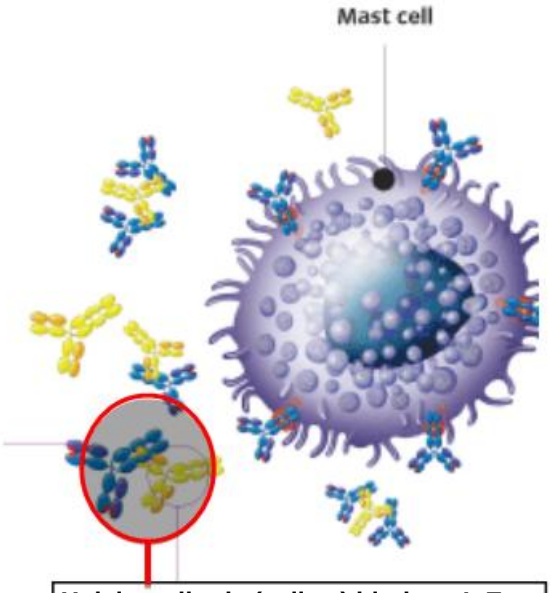


Amsler Grid as seen through eyes with AMD

1. As reported to PDL by its licensee

PDL BioPharma

Xolair



Xolair antibody (yellow) binds to IgE (blue) preventing IgE from binding to mast cell. Otherwise, IgE binding to mast cell would result in wheezing, sneezing and asthma.

- **Licensee**
  - Genentech (US) and Novartis (ex-US)
- **Mechanism**
  - IgE plays a role in allergic disease by causing the release of inflammatory mediators from mast cells that result in sneezing, wheezing and asthma
  - Xolair binds to and neutralizes circulating IgE by preventing IgE from binding to its mast-cell receptor
- **Approvals**
  - Moderate-to-severe persistent asthma
- **Sales**
  - 2010 worldwide net sales of $1.0 billion[1]

1. As reported to PDL by its licensee

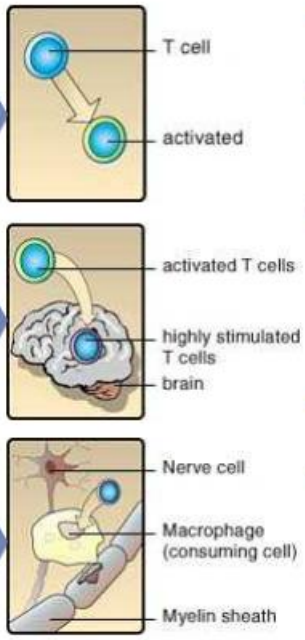
PDL BioPharma™

Tysabri

In MS, the body's autoimmune system is inappropriately activated, resulting in it attacking the body. Here, defense cells, known as T cells, are activated.

Activated T cells are able to cross the blood brain barrier affording them access to nerve cells.

Activated T cells attack, and recruit other defense cells known as macrophages, to attack and consume the myelin sheath or insulation surrounding nerve fibers. The resulting holes in the myelin slow the transmission of impulses along the nerve and cause the symptoms of MS.

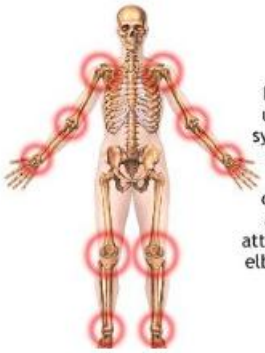


- **Licensee**
  - Biogen Idec and Elan
- **Mechanism**
  - Tysabri binds to an integrin that reduces the ability of the immune response cells to cross the blood brain barrier and attack nerve cells
- **Approvals**
  - Treatment for patients with relapsing forms of multiple sclerosis (RRMS) who have had an inadequate response to, or are unable to tolerate, alternative MS therapies
  - Treatment for adult patients with moderate -to-severe Crohn's disease who have had an inadequate response to, or are unable to tolerate, conventional therapies
- **Sales**
  - 2010 worldwide net sales of $1.2 billion [1]
- **Status**
  - Use of Tysabri is associated with a rare but often fatal brain infection known as PML
  - The EU label for Tysabri has been updated, and US label is expected to be updated, to reflect the use of a test that can measure whether patients are at risk of PML
  - **Physicians have become more comfortable prescribing Tysabri because they can use the test to take patients off Tysabri who are at risk of PML**
  - As of October 4, 2011, Biogen Idec reported net patients adds of 2,100 and 170 cases of PML

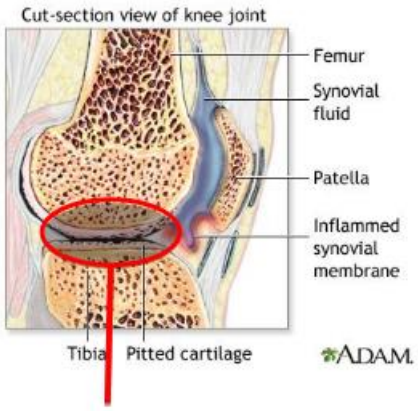
1. As reported to PDL by its licensee

PDL BioPharma

Actemra



Rheumatoid arthritis usually affects joints symmetrically (on both sides equally), may initially begin in a couple of joints only, and most frequently attacks the wrists, hands, elbows, shoulders, knees and ankles



It is the degradation and eventual destruction of this cartilage that causes the symptoms of RA.

- **Licensee**
  - Roche and Chugai
- **Mechanism**
  - Rheumatoid arthritis (RA) is an autoimmune disease in which the body's immune system attacks itself
  - One of the defense mechanisms inappropriately activated in RA is IL-6, which can result in destruction of the cartilage between joints causing the symptoms of RA
  - Actemra binds to and neutralizes IL-6 preventing it from destroying cartilage, thereby blocking one of the causes of RA
- **Approvals**
  - Treatment of signs and symptoms in moderate-to-severe adult RA patients, slowing of structural damage to joints caused by RA and preservation physical function of joints afflicted by RA
- **Sales**
  - 2010 worldwide net sales of $459 million[1]

1. As reported by Roche; assume 1.155 CHF/USD

PDL BioPharma

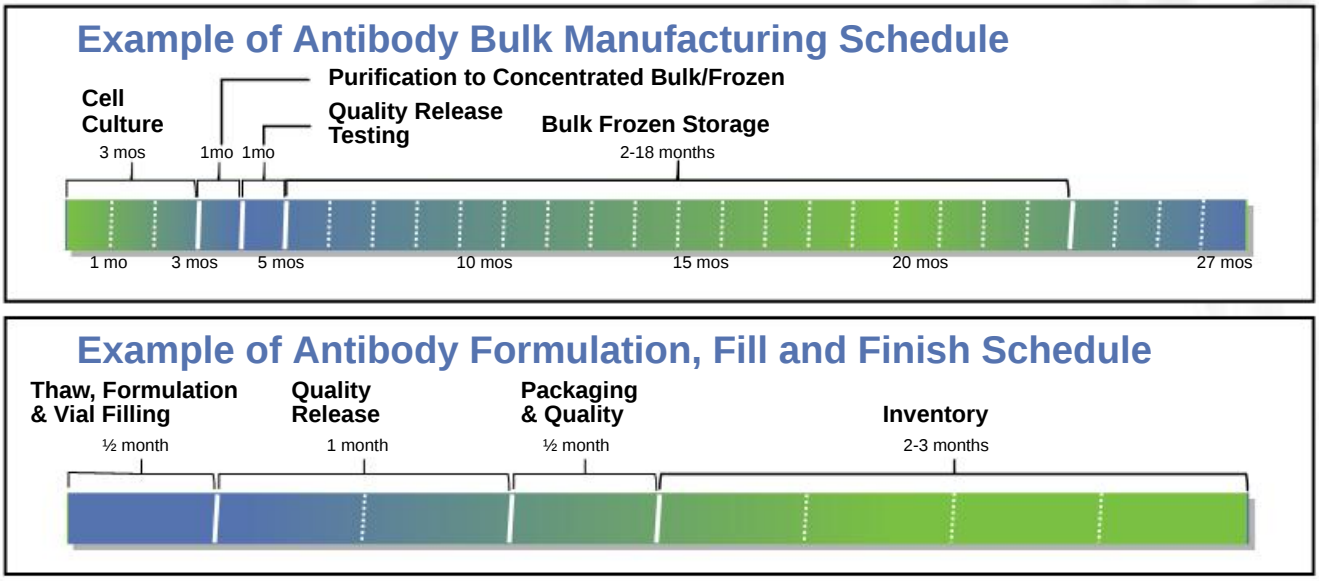
Royalty Revenue

How Long Will PDL Receive Royalties from Queen et al. Patents?

- **PDL's revenues consist of royalties generated on sales of licensed products**
  - Sold in a patented jurisdiction before the expiration of the Queen et al. patents in mid-2013 through end of 2014

<u>or</u>

  - Made prior to the expiration of the Queen et al. patents in a patented jurisdiction and sold anytime thereafter



Queen et al Patents - Royalty Rates

- **Tysabri and Actemra**
  - Flat, low single-digit royalty
- **Genentech Products (Avastin, Herceptin, Lucentis[1] and Xolair)**
  - Tiered royalties on product made or sold in US
  - Flat, 3% royalty on product made and sold outside US
  - Blended global royalty rate on Genentech Products in 2010 was 1.9%
  - Blended royalty rate on Genentech Products in 2010 made or sold in US was 1.5%

Genentech Product Made or Sold in U.S.	
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%*
Genentech Product Made and Sold Ex-U.S.	
All Sales	*3.0%*

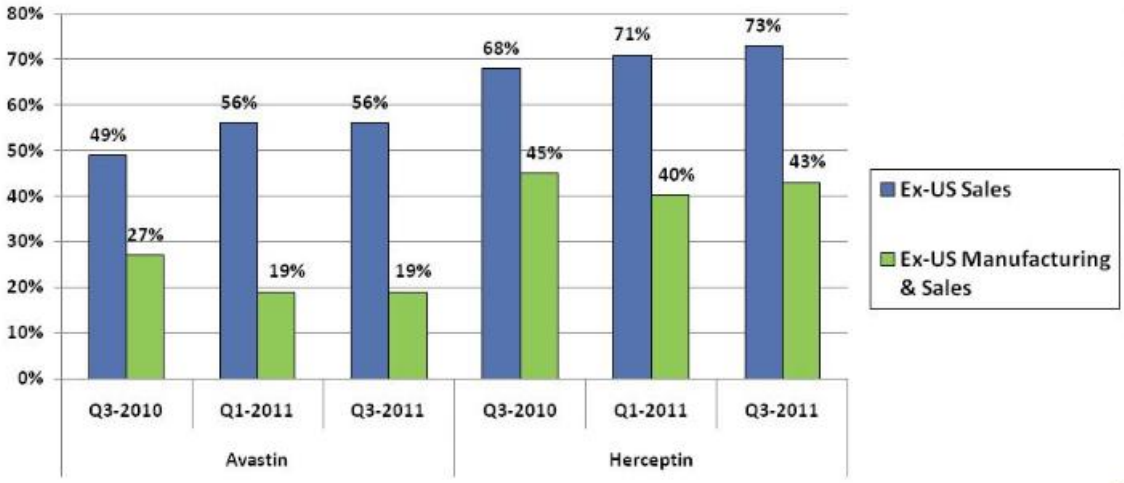
1. As part of a settlement with Novartis, which commercializes Lucentis outside US, PDL agreed to pay to Novartis certain amounts based on net sales of Lucentis made by Novartis during calendar year 2011 and beyond. The amounts to be paid are less than we receive in royalties on such sales and we do not currently expect such amount to materially impact our total annual revenues in 2011.

PDL BioPharma

Shift of Manufacturing Sites = Higher Royalties

- **Roche is moving some manufacturing ex-US which may result in higher royalties to PDL due**
  - **The flat 3% royalty for Genentech Products (Avastin and Herceptin) is to be applied to Genentech Products made and sold ex-US**
  - Two new plants in Singapore (CHO = antibody and e. coli = antibody fragment)
    - E. coli (Lucentis) and CHO (Avastin) plants are approved for commercial supply to the US
    - E. coli and CHO plants are expected to be approved for commercial supply to the EU in 2011
    - Currently, all Lucentis is made in the US

Percent of Total Worldwide Sales[1]

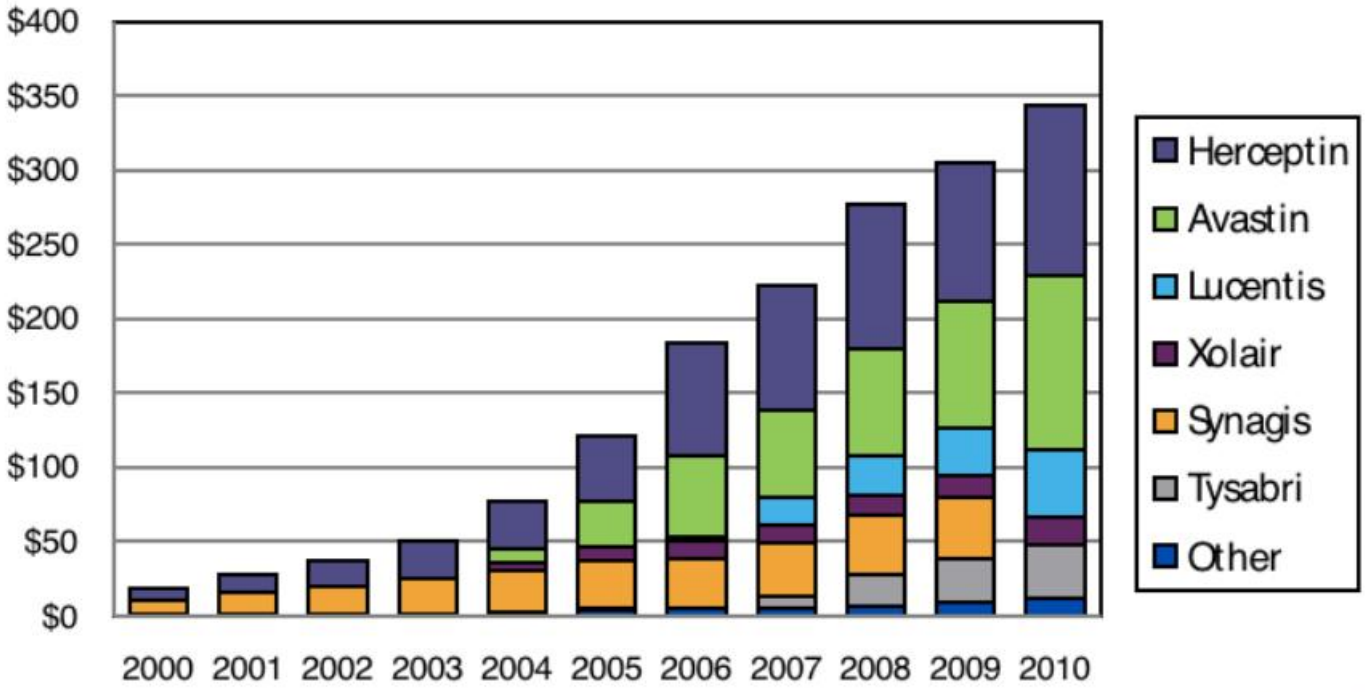


1. As reported to PDL by its licensee

Royalty Revenue from Licensed Products

Royalties by Product

($ in millions)



PDL BioPharma

Potential Royalty Products - Development Stage

Potential Royalty Products - T-DM1

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

- On October 13, 2010, Roche/Genentech announced preliminary, six month results from a Phase 3 trial in second line HER2+ breast cancer patients which showed that 48% of women treated with T-DM1 had their tumors shrink compared with 41% of those taking the combination of Herceptin and Taxotere.
  - Among the women taking the standard therapy, 75% had side effects of grade 3 or higher on a 5-point scale, compared with 37% of those getting T-DM1.
- Roche highlighted this product in their November 7, 2011 update to the financial community on their late stage development products.
- Roche/Genentech expect to file for second line approval in 2012 and first line in 2014.

PDL BioPharma

Potential Royalty Products - Pertuzumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

- On December 10, 2010, Roche/Genentech reported the results from a Phase 2 trial investigating the neoadjuvant (prior to surgery) use of pertuzumab and Herceptin plus chemotherapy for the treatment of early-stage, HER2+ breast cancer.
- Treatment significantly improved the rate of complete tumor disappearance in the breast by more than half compared to Herceptin plus docetaxel, p=0.014.
- On July 15, 2011, Roche/Genentech reported the results from a Phase 3 trial in pertuzumab plus Herceptin and docetaxel met the primary endpoint of progression-free survival (PFS) vs. Herceptin plus docetaxel alone.
- Roche highlighted this product in their November 7, 2011 update to the financial community on their late stage development products.
- Roche/Genentech expect to file for approval at the end of 2011.

PDL BioPharma

Potential Royalty Products - Bapineuzumab & Solanezumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

- ü Both antibodies to beta amyloid are in Phase 3.
- ü On July 19, 2011, researchers from Pfizer and Johnson & Johnson reported long-term safety of 194 patients in a mid-stage trial of bapineuzumab that stayed on treatment after the initial phase ended.
  - The brain swelling condition called vasogenic edema, which caused safety concerns early on in the trial, may decrease over time.
- ü Data on both drugs expected in second half of 2012.
- ü PDL has 12.5 year know-how royalty on Solanezumab and patent royalty on both drugs.

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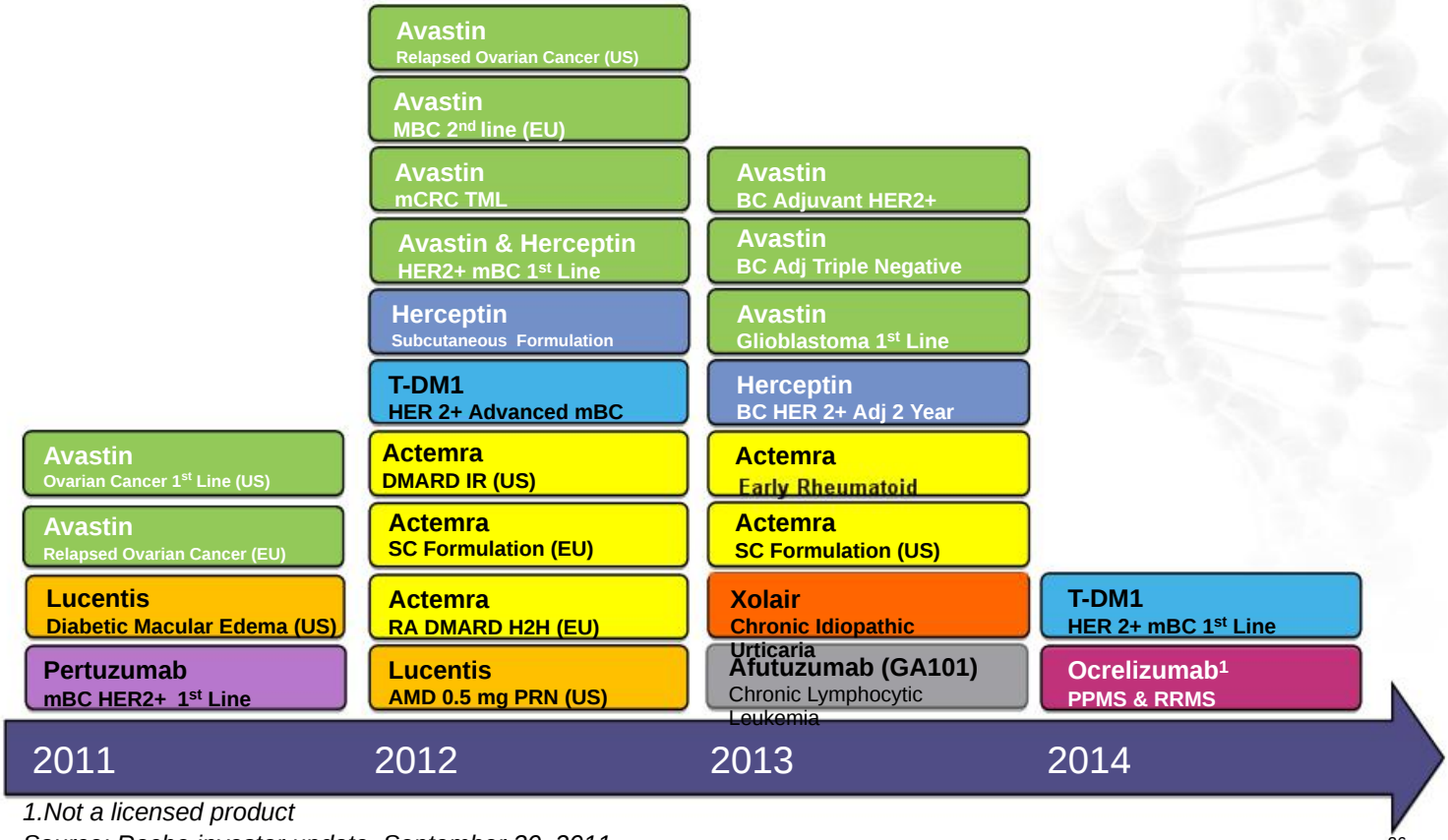
Genentech / Roche - Product Pipeline

US & EU Filings Calendar



1.Not a licensed product

Source: Roche investor update, September 30, 2011

Financials

Financial Overview

INCOME STATEMENT

	Fiscal Year Ending 12/31		Year to Date
	2009	2010 [1]	Q3-2011 [2]
Revenue	$ 318	$ 345	$ 289
Expenses	21	134	14
EBIT	297	211	275
Net Interest Expense	17	61	28
Pre-Tax Profit	280	150	247
Taxes	91	58	87
Net Income	$ 189	$ 92	$ 160

BALANCE SHEET

	As of 12/31/2010	As of 9/30/2011
Cash, Cash Equivalents & Investments	$ 248	$ 225
Total Assets	$ 317	$ 271
Total Debt	$ 517	$ 450
Total Stockholders' Deficit	$ (324)	$ (243)

1. **Includes $92.5 million one time legal settlement to MedImmune. Net interest expense includes $17.6 million loss on convertible note retirement.**
2. **Includes $10.0 million one time legal settlement from UCB.**

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Debt

Current and Long-Term Liabilities

- **$155 million 3.75% senior convertible notes due May 2015**
  - Notes issued May 16, 2011; conversion rate is 132.6682 / $1,000 face amount ($7.54/share)
  - Bond hedge effectively increases conversion price to $8.87 / share
  - Notes “net share settle” and are excluded from diluted EPS

- **$180 million 2.875% convertible senior notes due February 2015**
  - Conversion rate is 151.713 shares / $1,000 face amount ($6.59/share)
  - PDL has commenced a tender offer for all or a substantial portion of these Notes in exchange for new notes that net share settle - similar to terms of “net share settle” provision in 3.75% Notes which excludes such shares from diluted EPS

- **$300 million 10.25% secured non-recourse notes; principal balance of $115 million as of September 30, 2011**
  - Approximately 40% of Genentech royalties dedicated to quarterly principal and interest
  - After retirement, securitized Genentech royalties will be retained by PDL

- **The purpose of restructuring PDL’s debt is to free up cash for the acquisition of new royalty assets**

($ in millions)	Debt Outstanding 12/31/2009	12/31/2010	9/30/2011
2.75% Convertible Debt			
August 2010 Note Holder Put	$ 200	$ -	$ -
2.00% Senior Convertible Debt			
February 2012 Maturity	228	133	-
10.25% Securitization Note			
September 2012 Anticipated Maturity	300	204	115
2.875% Senior Convertible Debt			
February 2015 Maturity	-	180	180
3.75% Senior Convertible Debt			
May 2015 Maturity	-	-	155
Total Debt	$ 728	$ 517	$ 450

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Legal Matters

Pending Dispute with Genentech and Roche

- **In August 2010, Genentech sent a fax on behalf of Roche and Novartis asserting its products do not infringe PDL's supplementary protection certificates (SPCs)**
  - Products include Avastin, Herceptin, Lucentis and Xolair
  - SPCs are patent extensions in Europe that are issued on a country-by-country and product-by-product basis

- **PDL Response**
  - Genentech's assertions are without merit
  - PDL disagrees with Genentech's assertions of non-infringement
  - Genentech had waived its rights to challenge our patents, including SPCs in its 2003 Settlement Agreement with PDL

- **2003 Settlement Agreement**
  - Resolved intellectual property disputes between the two companies at that time
  - Limits Genentech's ability to challenge infringement of PDL's patent rights, including SPCs, and waives Genentech's right to challenge or assist other in challenging the validity of our patent rights

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Nevada Lawsuit Against Genentech/Roche

- **PDL filed a lawsuit against Genentech and Roche in Nevada state court**
  - Lawsuit states that fax constitutes a breach of 2003 Settlement Agreement because Genentech assisted Roche in challenging PDL's patents and SPCs
  - Complaint seeks compensatory damages, including liquidated damages and other monetary remedies set forth in the 2003 Settlement Agreement, punitive damages and attorney's fees

- **In November 2010, Genentech and Roche filed two motions to dismiss**
  - They contend that 2003 Settlement Agreement applies only to PDL's U.S. patents
  - They asserted that the Nevada court lacks personal jurisdiction over Roche

- **On July 11, 2011, court denied Genentech and Roche's motion to dismiss four of PDL's five claims for relief and denied Roche's separate motion to dismiss for lack of personal jurisdiction.**
  - The court dismissed one of PDL's claims that Genentech committed a bad-faith breach of the covenant of good faith and fair dealing
  - Subsequent to the ruling, Roche has waived its defense that the Nevada court lacks personal jurisdiction for the purposes of this lawsuit

- **The court ruling allows PDL to continue to pursue its claims that:**
  - Genentech is obligated to pay royalties to PDL on international sales of the Genentech Products
  - Genentech, by challenging, at the behest of Roche and Novartis, whether PDL's SPCs cover the Genentech Products breached its contractual obligations to PDL under the 2003 settlement agreement
  - Genentech breached the implied covenant of good faith and fair dealing with respect to the 2003 settlement agreement
  - Roche intentionally and knowingly interfered with PDL's contractual relationship with Genentech in conscious disregard of PDL's rights
- **Parties are currently in discovery**

Optimizing Stockholder Return

Business Strategy

- Queen et al. patents expire in mid-2013 to December 2014; we anticipate royalties will likely continue to ~2016
- PDL has two possible future pathways

- **Purchase new royalty assets and ladder like a bond portfolio**
  - Continue to reinvest in new royalty assets and pay dividends
    - Commercial stage products
    - Sweet spot $75MM to $150MM
  - Debt repaid by end of 2015
  - Company continues as long as it can generate satisfactory return

- If unable to acquire royalty assets on attractive terms, build cash reserves to:
  - Repay debt
  - Use all excess cash to pay dividends to enhance shareholder return
  - Wind-up company in 2016 timeframe

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Investment Highlights

- **Strong historic revenue growth from approved products**
- **Potential for additional indications from existing products, new product approvals and purchase of new royalty assets**
- **Potential to grow and diversify revenues with the addition of new royalty assets**
- **Significantly reduced expenses with no R&D burn**
- **Liquidity - volume averages 2.1 million shares/day**
- **Return to stockholders**
  - In 2011, $0.60/share to be paid in quarterly regular dividends of $0.15/share on March 15, June 15, September 15 and December 15

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Appendix

Royalty Products - Approved

Royalty Products - Avastin

- **Avastin**
- Herceptin
- Lucentis
- Xolair
- Tysabri
- Actemra

- üSince June 29, 2011, an FDA advisory committee, an FDA special committee and FDA staff have recommended that approval of Avastin for the treatment of HER2- breast cancer should be revoked.
- üGenentech has submitted a new proposal to maintain the approval with more restrictive labeling, REMS and a commitment to conduct a new 480 patient confirmatory trial.
- üFinal decision rests with the FDA Commissioner.
- üEMEA narrowed, but did not withdraw Avastin's approval for first line treatment of HER2- breast cancer in combination with paclitaxel or with Xeloda.
- üRoche lowered its estimate of peak annual sales of Avastin from CHF8 - CHF9 billion to CHF7 billion.
- üPDL believes that this indication is generating little US revenue.

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Royalty Products - Avastin

- Avastin
- Herceptin
- Lucentis
- Xolair
- Tysabri
- Actemra

ü On June 4, 2011, Genentech announced results from Phase 3 study evaluating Avastin in combination with chemotherapy (gemcitabine and carboplatin) followed by the continued use of Avastin alone in women with previously treated (recurrent) platinum-sensitive ovarian cancer which showed that women who received Avastin experienced a 52% reduction in the risk of their disease progressing (HR=0.48, p<0.0001) compared to women who received chemotherapy alone.

ü Two previous Phase 3 studies in women with newly diagnosed ovarian cancer demonstrated that front-line Avastin in combination with standard chemotherapy (carboplatin and paclitaxel), followed by the continued use of Avastin alone, significantly increased progression free survival compared to treatment with chemotherapy alone.

ü In August 2011, Roche submitted an application for approval for first line treatment in EU.

ü Genentech expects to file an application for approval in US in late 2011 so that it can meet FDA's request for overall survival data.

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Royalty Products - Herceptin

- Avastin
- Herceptin
- Lucentis
- Xolair
- Tysabri
- Actemra

ü On October 18, 2011, Roche announced Phase 3 results that showed that subcutaneous (SQ) formulation of Herceptin has comparable safety and efficacy to intravenous (IV) formulation.
ü SQ formulation is ready-to-use and requires about 5 minutes to administer compared to 30 minutes administration time for IV formulation.

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Royalty Products - Lucentis

- Avastin
- Herceptin
- **Lucentis**
- Xolair
- Tysabri
- Actemra

ü On January 7, 2011, Novartis announced that Lucentis has been approved in the EU for the treatment of visual impairment due to diabetic macular edema (DME).

ü On June 6, 2011, Novartis announced that Lucentis has been approved in the EU for the treatment of visual impairment due to macular edema secondary to retinal vein occlusion.

- § DME is a leading cause of blindness in the working-age population in most developed countries.

ü On June 28, 2011, Genentech reported positive results from two pivotal Phase 3 clinical studies in patients with diabetic macular edema.

- § Both studies showed that patients treated with Lucentis experienced significant, rapid and sustained improvement in vision compared to those who received sham injections.
- § Additional analyses showed that patients who received Lucentis were significantly more likely to achieve 20/40 vision and experience less progression of underlying diabetic retinopathy disease.

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Royalty Products - Lucentis

- Avastin
- Herceptin
- **Lucentis**
- Xolair
- Tysabri
- Actemra

- ü On November 22, 2010, Regeneron and Bayer reported top line data from two Phase 3 trials investigating VEGF Trap in age-related macular degeneration (AMD) patients which suggest that it may be injected into the eye every other month with safety and efficacy comparable to that of monthly dosing of Lucentis.
- ü On December 20, 2010, Regeneron reported positive Phase 3 data in the treatment of retinal vein occlusion (RVO) for which Lucentis is approved.
  - § Unlike the AMD trial, monthly administration was used in the RVO trial, which does not afford a dosing advantage with respect to Lucentis.
- ü On February 22, 2011, Regeneron and Bayer filed an application for approval of VEGF Trap for AMD with an initial PDUFA date of August 20, 2011 which was subsequently extended to November 18, 2011. An FDA Advisory Committee recommended approval of VEGF Trap on June 17, 2011.
- ü On June 7, 2011, Regeneron and Bayer filed an application for AMD in EU.
- ü Regeneron filed suit in February 2011 seeking a summary judgment that it does not infringe Genentech's patents.
- ü Genentech filed a countersuit in April 2011 asserting that Regeneron is willfully infringing Genentech's patents, seeking treble damages and asking for injunctive relief.

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Royalty Products - Lucentis

- Avastin
- Herceptin
- **Lucentis**
- Xolair
- Tysabri
- Actemra

ü On April 4, 2011, Genentech and Johns Hopkins University reported results of a review of files of 77,886 patients with AMD who received either Avastin off-label or Lucentis.

ü Patients receiving Avastin off-label had an 11% increased risk of overall mortality, 57% increased risk of hemorrhagic cerebrovascular accident, 80% more likely to have ocular inflammation and 11% more likely to have cataract surgery following treatment than Lucentis treated patients.

ü Authors of the study note that it is limited due to incomplete information on confounding factors such as smoking, lipid and blood pressure levels, etc.

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Royalty Products - Lucentis

- Avastin
- Herceptin
- **Lucentis**
- Xolair
- Tysabri
- Actemra

- On April 28, 2011, *New England Journal of Medicine* reported the results from the NEI's CATT study comparing Lucentis and Avastin on fixed and variable schedules in the treatment of AMD.
- Efficacy results from the first year of the two year study showed that, with respect to the primary endpoint of mean change in visual acuity (number of lines of letters on an eye chart) at 12 months, less expensive Avastin was not inferior to Lucentis.
  - It is estimated that off label use of Avastin in the U.S. was 60% prior to the results of the CATT trial.
- At 12 months, serious adverse events (primarily hospitalizations) occurred at a 24% rate for patients receiving Avastin and a 19% rate for patients receiving Lucentis. However, preliminary 24 month safety data showed no difference between Lucentis and Avastin treated patients in terms of death, stroke and all arteriothrombotic events.
- On August 30, 2011, FDA issued a health warning alert after at least 16 AMD patients suffered eye infections after being treated with repackaged Avastin.

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Royalty Products - Tysabri

- Avastin
- Herceptin
- Lucentis
- Xolair
- **Tysabri**
- Actemra

ü In the label for Tysabri, EMEA has included, and FDA is considering including, JC virus (JCV) status as a risk factor for the rare but sometimes fatal brain infection known as PML.

ü Because patients have increased risk of developing PML after 24 months of Tysabri treatment and because physicians can use this assay to detect presence of JC virus and take patients off Tysabri if JC virus is detected, physicians have become more comfortable prescribing Tysabri.

ü As of October 4, 2011, Biogen Idec reported net patients adds of 2,100 and 170 cases of PML.

§ Net patient adds is the difference between new patients treated less those who discontinued Tysabri therapy due to JC virus status or other reasons.

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Royalty Products - Actemra

- Avastin
- Herceptin
- Lucentis
- Xolair
- Tysabri
- **Actemra**

- ü On January 5, 2011, Roche announced that FDA expanded the Actemra label to include inhibition and slowing of structural joint damage, improvement of physical function, and achievement of major clinical response in adult patients with moderately to severely active rheumatoid arthritis.
- ü On April 18, 2011, FDA approved Actemra to treat patients age 2 and older with active systemic juvenile idiopathic arthritis (SJIA).
  - § It is the first approved treatment for SJIA, a rare and severe form of arthritis affecting children.
- ü On July 19, 2011, Chugai/Roche announced that a subcutaneous formulation of Actemra has shown efficacy in rheumatoid arthritis comparable to the approved intravenous formulation. Based on these non-inferiority data, the company plans to file for approval in Japan in 2012.

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Potential Royalty Products - Development Stage

Potential Royalty Products - T-DM1

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

- On October 13, 2010, Roche/Genentech announced preliminary, six month results from a Phase 3 trial in second line HER2+ breast cancer patients which showed that 48% of women treated with T-DM1 had their tumors shrink compared with 41% of those taking the combination of Herceptin and Taxotere.
  - Among the women taking the standard therapy, 75% had side effects of grade 3 or higher on a 5-point scale, compared with 37% of those getting T-DM1.
- Roche highlighted this product in their November 7, 2011 update to the financial community on their late stage development products.
- Roche/Genentech expect to file for second line approval in 2012 and first line in 2014.

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Potential Royalty Products - Ocrelizumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

- ü Phase 2b.
- ü Genentech announced 96-week results from Phase 2 study in patients with relapsing-remitting multiple sclerosis which showed that the significant reduction in disease activity as measured by the total number of active brain lesions and relapses, previously reported for 24 weeks, was maintained through 96 weeks.
- ü **Unlicensed product.**

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Potential Royalty Products - Pertuzumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

- On December 10, 2010, Roche/Genentech reported the results from a Phase 2 trial investigating the neoadjuvant (prior to surgery) use of pertuzumab and Herceptin plus chemotherapy for the treatment of early-stage, HER2+ breast cancer.
- Treatment significantly improved the rate of complete tumor disappearance in the breast by more than half compared to Herceptin plus docetaxel, p=0.014.
- On July 15, 2011, Roche/Genentech reported the results from a Phase 3 trial in pertuzumab plus Herceptin and docetaxel met the primary endpoint of progression-free survival (PFS) vs. Herceptin plus docetaxel alone.
- Roche highlighted this product in their November 7, 2011 update to the financial community on their late stage development products.
- Roche/Genentech expect to file for approval at the end of 2011.

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Potential Royalty Products - Afutuzumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

- ü Phase 3.
- ü Roche/Genentech expect to file for approval in 2013.

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

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Potential Royalty Products - Bapineuzumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

- Phase 3.
- On July 19, 2011, researchers from Pfizer and Johnson & Johnson reported long-term safety of 194 patients in a mid-stage trial of the drug that stayed on treatment after the initial phase ended.
  - The brain swelling condition called vasogenic edema, which caused safety concerns early on in the trial, may decrease over time.
- Data expected in second half of 2012.

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Potential Royalty Products - Solanezumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

- ü Phase 3.
- ü Data expected in second half of 2012.
- ü 12.5 year know how royalty in addition to patent royalty.

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Potential Royalty Products - Datoluzumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

ü Phase 2.

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

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Potential Royalty Products - Daclizumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

ü Positive efficacy data reported from first of two Phase 3 trials.

Farletuzumab
Ovarian Cancer

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Potential Royalty Products - Farletuzumab

T-DM1
Breast HER2+ Cancer

Ocrelizumab
Multiple Sclerosis

Pertuzumab
Breast HER2+ Cancer

Afutuzumab
Chronic Lymphocytic Leukemia

Bapineuzumab
Alzheimer's Disease

Solanezumab
Alzheimer's Disease

Datoluzumab
Colorectal Cancer

Daclizumab
Multiple Sclerosis

Farletuzumab
Ovarian Cancer

ü Phase 3.

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