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): September 13, 2010

PDL BioPharma, Inc.

(Exact name of Company as specified in its charter)

000-19756
(Commission File Number)

Delaware	94-3023969
(State or Other Jurisdiction of Incorporation)	(I.R.S. Employer Identification No.)

932 Southwood Boulevard
Incline Village, Nevada 89451
(Address of principal executive offices, with zip code)

(775) 832-8500
(Company's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Company under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

On September 13, 2010, PDL BioPharma, Inc. (the "Company") will make a presentation at the Rodman & Renshaw 12th Annual Healthcare Conference in New York City, New York. 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, this information, including Exhibit 99.1, 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 7.01of this Current Report will not be deemed an admission as to the materiality of any information that is required to be disclosed solely by Regulation FD.

Item 8.01 Other Events.

On September 13, 2010, the Company issued a press release specifying the adjustment of the conversion rate for its 2.00% Convertible Senior Notes due February 15, 2012. The press release is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

Cautionary Statements

This Current Report on Form 8-K, the presentation and the press release 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 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	Presentation at Rodman & Renshaw 12th Annual Healthcare Conference on September 13, 2010
99.2	Press Release, dated September 13, 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 R. Larson
Christine R. Larson
Vice President and Chief Financial Officer

Dated: September 13, 2010

EXHIBIT INDEX

Exhibit No.	Description
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99.2	Press Release, dated September 13, 2010

PDL BioPharma™

Rodman & Renshaw 12th Annual Healthcare Conference

September 13, 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;
- Changes in foreign currency rates;
- The outcome of pending litigation, interferences or disputes, including our current disputes with MedImmune related to Synagis and with Genentech related to ex-US 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.

Key Information

- Company: PDL BioPharma
- Ticker: PDLI (NASDAQ)
- Location: Incline Village, Nevada
- Employees: Less than 10
- 2009 Revenues: $318 million
- 2009 Expenses: $21 million
- 2009 Dividends: $0.50/share, $0.50/share, $1.67/share
- 2010 Dividends: $0.50/share on April 1st [1] and $0.50/share on October 1st [2]
- Shares O/S[3]: ~130.8 million
- Avg. Daily Vol.: ~3 million shares

1. Record holders as of March 15th; 2. Record holders as of September 15th; 3. 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

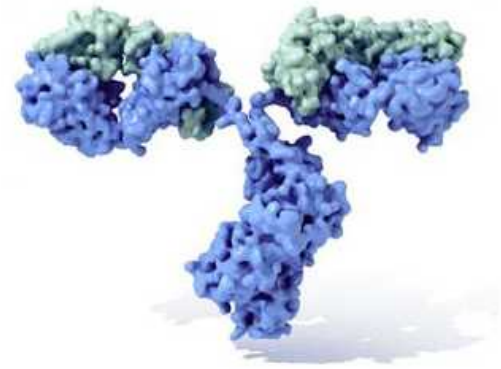
- Licensees consist of large biotechnology and pharmaceutical companies including Roche/Genentech/ Novartis, Elan/BiogenIdec, Pfizer/Wyeth/J&J and Chugai

PDL BioPharma

Mission

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

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 almost $20 billion

PDL BioPharma

2009 Performance

- **PDL is a highly profitable company with revenue in 2009 of $318 million and fewer than 10 employees**
- **PDL is domiciled in the State of Nevada where there is no state corporate income tax**
- **PDL's mission is to improve shareholder return**
  - In 2009, we paid three dividends of $0.50/share in April, $0.50/share in October and $1.67/share in December totaling $2.67
  - Our goal is to pay dividends annually & we 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

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

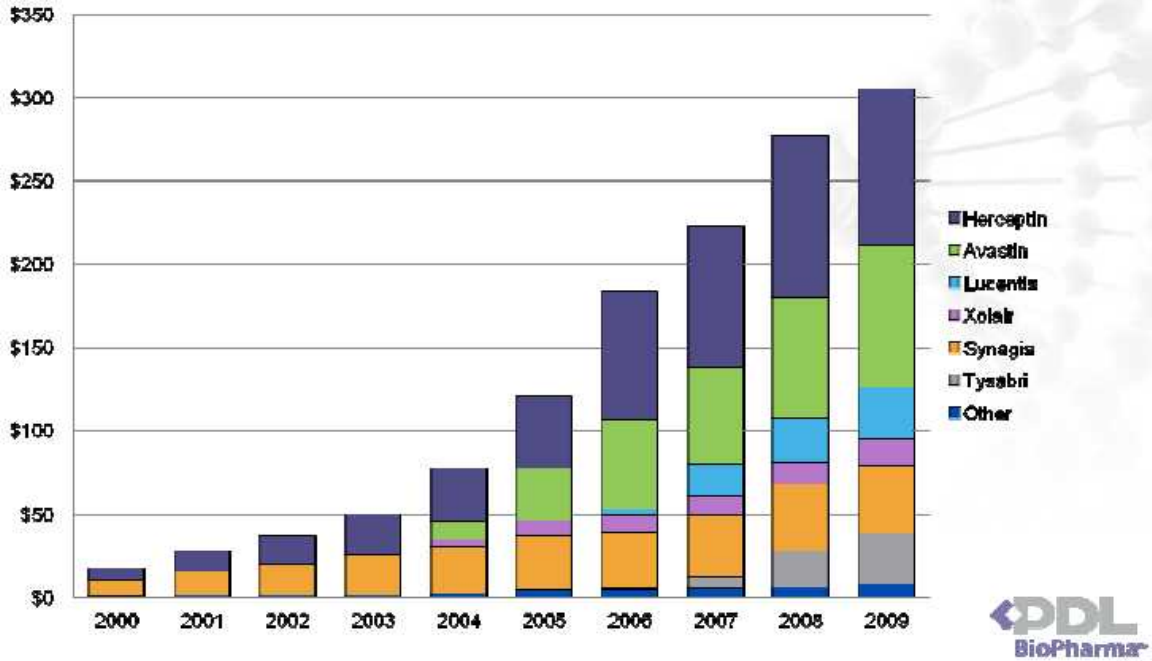
- **Fred Frank**
  Lead Director
- **Jody Lindell**
- **John McLaughlin**
- **Paul Sandman**
- **Harold Selick**

Royalty Revenue

Royalty Revenue & Licensed Products

PDL Royalties by Product

($ in millions)

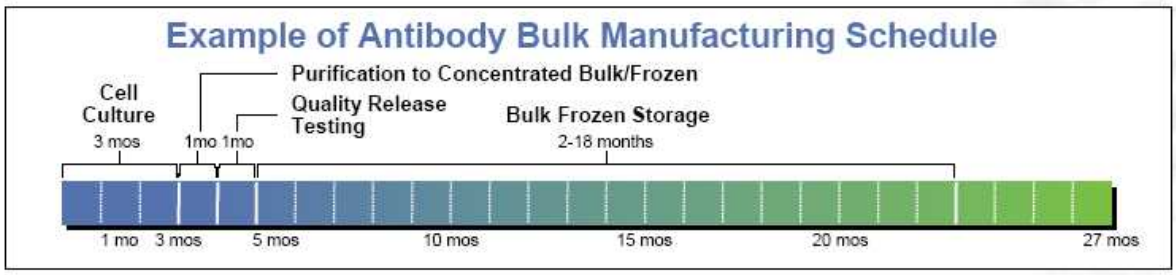


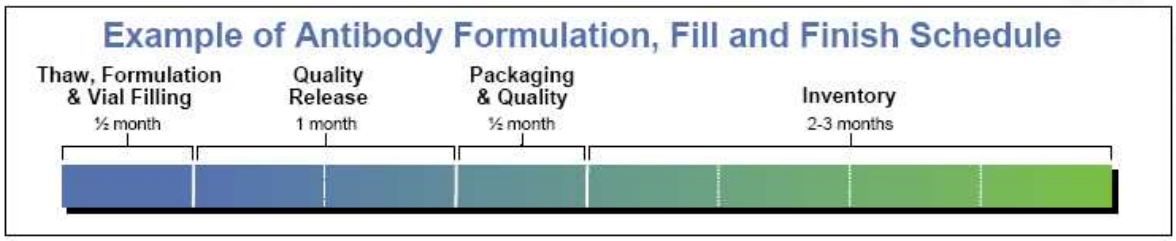
PDL BioPharma

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





Genentech/Roche Royalties *

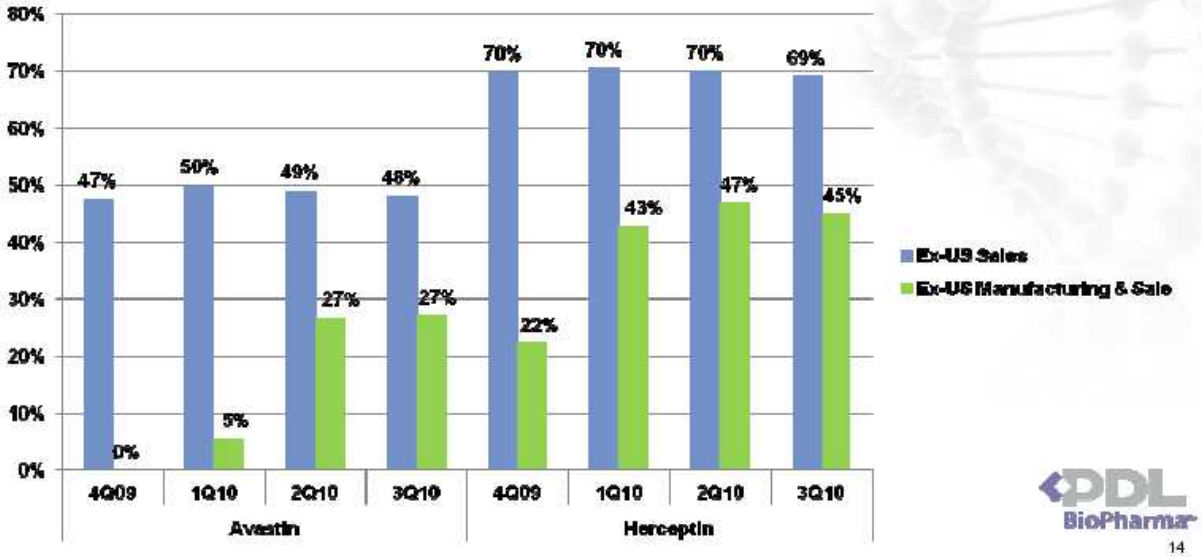
Product Made in US	
Net Sales up to $1.5 Billion	3.0%
Net Sales Between $1.5 Billion and $2.5 Billion	2.5%
Net Sales Between $2.5 Billion and $4.0 Billion	2.0%
Net Sales Over $4.0 Billion	1.0%
Product Made and Sold Ex-US	
All Sales	3.0%

** Excludes royalties for Actemra / RoActemra*

- Genentech/Roche commercialized products include Avastin, Herceptin, Lucentis and Xolair which generated $14 billion total sales in 2009
  - In 2009, only 12% of Genentech/Roche royalties were ex-US manufactured and sold products
  - In H1-2010, 24% of Genentech/Roche sales were ex-US manufactured and sold products
- Average royalty rate on all Genentech/Roche products under Genentech license was 1.7% in 2009

Genentech/Roche—Future Manufacturing

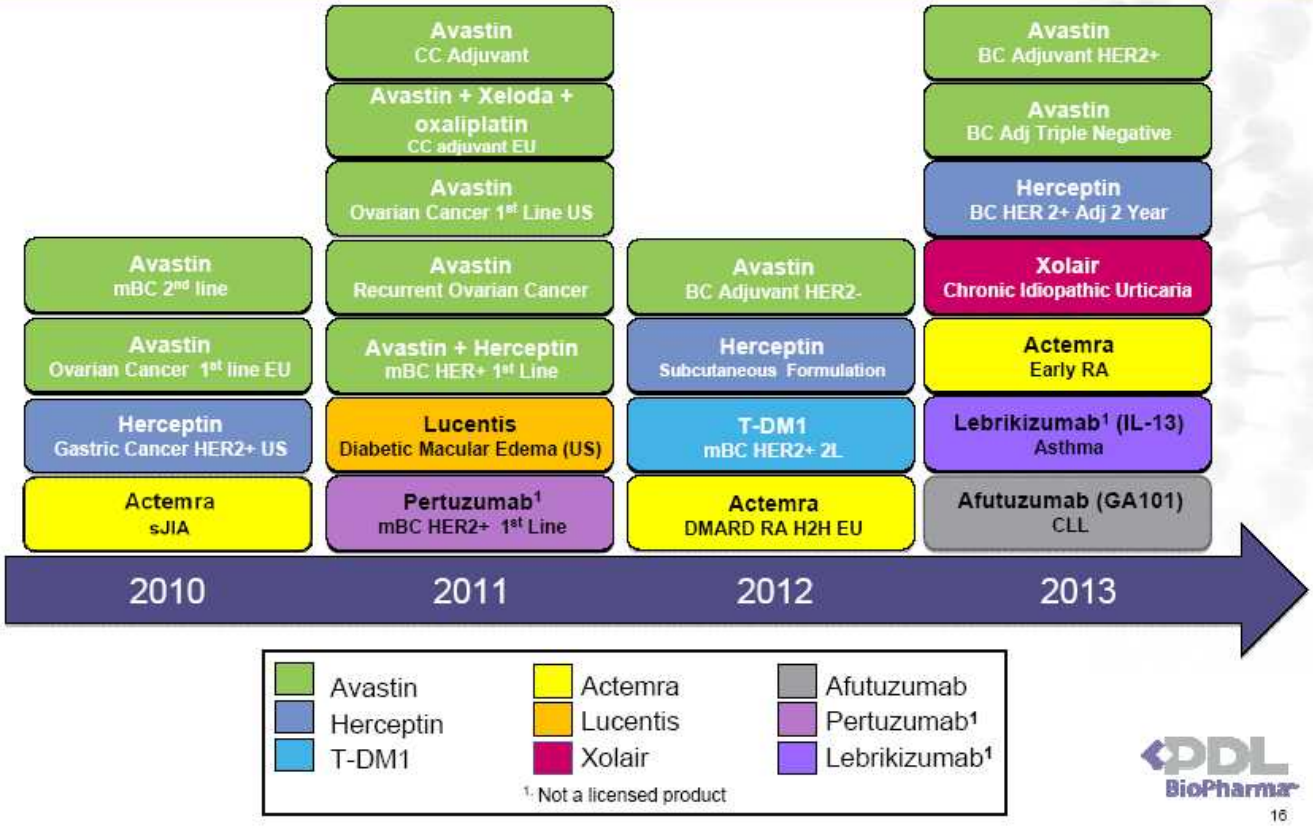
- Roche has begun to move some manufacturing ex-US
  - Two new plants in Singapore (CHO = antibody and e. coli = antibody fragment)
    - E. coli (Lucentis) plant will be operational in late 2010
    - Currently, all Lucentis is made in US
  - Production at Penzburg (Herceptin) and Basel (Avastin) plants
- Roche says it will complete global restructuring of manufacturing in 2010



Genentech/Roche - Future Royalty Products

- In December 2008, Genentech exercised options for 4 additional antigens and extended other options paying fees of $1.8 million
- Genentech can convert the exercised options into license agreements by identifying the target antigen if certain other conditions are met
- Genentech/Roche has a number of humanized antibodies in Phase 2/3
  - ***Pertuzumab***: HER2+ breast cancer - Phase 3 started in Q1-2008
  - ***Afutuzumab (GA101)***: CLL, NHL - Phase 3 started in Q4-2009
  - ***Ocrelizumab***: Relapsing remitting multiple sclerosis Phase 2b data expected 10/2010; Phase 3 go/no-go decision 12/2010
  - ***Lebrikizumab***: Phase 2 asthma, identified by Roche as possible Phase 3 in 2010 with possible filing in 2013

Genentech / Roche – US & EU Filings



Royalty Products – Approved

Royalty Products - Avastin

Licensee	Product	Status	Indications
Roche (Genentech)	**Avastin**	**Approved** **sBLA** Phase 3	Colorectal Cancer NSCLC Metastatic Renal Cell Glioblastoma **Metastatic Breast HER2- 1st Line** **Metastatic Breast HER2- 2nd Line** Ovarian Cancer Gastric Prostate Cancer Adjuvant settings
	Herceptin	Approved	Breast HER2+ Cancer HER2+ Stomach and Gastro-Esophageal cancers
El			
Ro			
Pfi			

- ✓ On July 20, 2009, based on follow-up Avastin breast cancer studies that failed to show a meaningful survival benefit, the FDA's Oncology Drugs Advisory Committee recommended that first line treatment with Avastin in combination with paclitaxel for HER2- breast cancer be removed from the U.S. label for this drug.
- ✓ Based on our internal model, we estimate that in 2009, this indication represented less than 5% of total global Avastin sales.
- ✓ On July 22, 2010 Genentech and Roche announced that they had filed with the FDA for approval of Avastin for second line treatment of HER2- breast cancer.

Royalty Products - Herceptin

Licensee	Product	Status	Indications
Roche (Genentech)	Avastin	Approved sBLA Phase 3	Colorectal Cancer NSCLC Metastatic Renal Cell Glioblastoma Metastatic Breast HER2- 1st Line Metastatic Breast HER2- 2nd Line Ovarian Cancer Gastric Prostate Cancer Adjuvant settings
	Herceptin	**Approved**	Breast HER2+ Cancer **HER2+ Stomach and Gastro-Esophageal cancers**
	Lucentis	Approved Approved Phase 3	AMD RVO DME
	Xolair	Approved sBLA	Moderate-Severe Asthma Pediatric Asthma
Ela			
Ro			
Pfiz			

- ✓ On April 22, Genentech filed sBLA with FDA for first line treatment of HER2+ stomach or gastro-esophageal junction cancers.
  - Expected PDUFA date is Friday, October 22, 2010.
  - On January 28, Roche announced EU approval for the use of Herceptin first line treatment of HER-2+ stomach or gastro-esophageal junction cancers.

Royalty Products - Lucentis

Licensee	Product	Status	Indications
Roche (Genentech)	Avastin	Approved sBLA Phase 3	Colorectal Cancer NSCLC Metastatic Renal Cell Glioblastoma Metastatic Breast HER2- 1st Line Metastatic Breast HER2- 2nd Line Ovarian Cancer Gastric Prostate Cancer Adjuvant settings
	Herceptin	Approved	Breast HER2+ Cancer HER2+ Stomach and Gastro-Esophageal cancers
	Lucentis	Approved **Approved** Phase 3	AMD **RVO** DME
	Xolair	Approved sBLA	Moderate-Severe Asthma Pediatric Asthma
Elan	Tysabri	Approved	Multiple Sclerosis
Ro			
Pf			

✓ On June 22, Genentech announced that FDA approved Lucentis for the treatment of macular edema following retinal vein occlusion (RVO).

Royalty Products - Lucentis

Licensee	Product	Status	Indications
Roche (Genentech)	Avastin	Approved	Colorectal Cancer
	Lucentis	Approved 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
Pfizer (Wyeth)	Mylotarg	Approved	Acute Myeloid Leukemia

- ✓ On April 27, NIH's National Eye Institute published data from a Phase 3 trial of laser therapy with or without Lucentis or a corticosteroid in patients with diabetic macular edema (DME) that showed eyes treated with Lucentis plus laser therapy had a significant improvement in the one-year best corrected visual acuity (BCVA) score from baseline vs. laser therapy alone ($p<0.001$).
- ✓ Given these results, many clinicians are expecting off-label use in this setting prior to approval.

Royalty Products - Lucentis

- ✓ On May 24, Novartis and Genentech reported that Phase 3 trial investigating Lucentis with and without laser therapy as a treatment for diabetic macular edema met the primary endpoint of significantly improved best-corrected visual acuity (BCVA) score from baseline to 12 months vs. laser therapy alone ($p<0.0001$ for both).
- ✓ Specifically, Lucentis with and without laser therapy led to mean gains from baseline in BCVA score of 5.9 and 6.1 letters, respectively, versus 0.8 letters for laser therapy alone.
- ✓ Additionally, 43% and 37% of patients treated with Lucentis with and without laser therapy, respectively, had improved vision by at least 10 letters on the study eye chart versus16% for laser therapy alone.

Li			
Ro			
			HER2+ Stomach and Gastro-Esophageal cancers
	Lucentis	Approved 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
Pfizer (Wyeth)	Mylotarg	Approved	Acute Myeloid Leukemia

Royalty Products - Tysabri

- ✓ Biogen Idec and Élan reported preliminary data from serum samples of Tysabri-treated patients analyzed by the partners' anti-JC virus (JCV) antibody assay to detect anti-JCV antibodies, which are believed to be a risk factor for developing progressive multifocal leukoencephalopathy (PML).
  - An analysis of 831 serum samples from patients with relapsing MS enrolled in the open-label, STRATA study of Tysabri showed that anti-JCV antibodies were detected in 53.6% of patients using the anti-JCV antibody assay
  - In serum samples from 17 Tysabri-treated patients who were later diagnosed with PML, the assay showed that all patients were anti-JCV antibody positive prior to the onset of PML.
- ✓ Biogen Idec disclosed five more cases of PML brain infection in patients taking *Tysabri*, bringing the total PML cases to 63 as of August 4th. The number of deaths from PML remains at 12.

		Approved Phase 3	RVO DME
	Xolair	Approved sBLA	Moderate-Severe Asthma Pediatric Asthma
Elan	**Tysabri**	**Approved**	**Multiple Sclerosis**
Roche (Chugai)	Actemra	Approved	Rheumatoid Arthritis
Pfizer (Wyeth)	Mylotarg	Approved	Acute Myeloid Leukemia

Royalty Products - Actemra

Licensee	Product	Status	Indications
R			
		sBLA	Pediatric Asthma
Elan	Tysabri	Approved	Multiple Sclerosis
Roche (Chugai)	**Actemra**	**Approved**	**Rheumatoid Arthritis**
Pfizer (Wyeth)	Mylotarg	Approved	Acute Myeloid Leukemia

- ✓ On April 23, Roche announced that RoACTEMRA has received a recommendation for approval from the European Medicines Agency to extend its indication to reduce the rate of progression of joint damage and improve physical function in patients with rheumatoid arthritis (RA), when given in combination with methotrexate.
- ✓ On March 16, Genentech announced that sBLA had been submitted to FDA to include claims for the prevention of structural joint damage (as assessed by radiograph) and improvement in physical function in adults with moderately to severely active RA.
- ✓ On June 18, Roche reported Phase 3 data in patient with systemic juvenile idiopathic arthritis (sJIA) that showed, following three months of treatment, 85% of patients achieved 30% improvement in symptoms of sJIA and absence of fever, compared to 24% of patients receiving placebo, and that 70% achieved ACR70 and 37% achieved ACR90.

Royalty Products - Mylotarg

Licensee	Product	Status	Indications
Roche (Genentech)	Avastin	Approved	Colorectal Cancer NSCLC Metastatic Renal Cell Glioblastoma Metastatic Breast HER2- 1st Line
	Xolair	Approved sBLA	Moderate-Severe Asthma Pediatric Asthma
Elan	Tysabri	Approved	Multiple Sclerosis
Roche (Chugai)	Actemra	Approved	Rheumatoid Arthritis
Pfizer (Wyeth)	**Mylotarg**	**Approved**	**Acute Myeloid Leukemia**

- ✓ On June 21, Pfizer announced the voluntary withdrawal from the U.S. market of Mylotarg for treatment of patients with acute myeloid leukemia.
- ✓ Pfizer took the action at the request of FDA after results from a mandated post-approval trial intended to confirm its clinical benefit raised new concerns about the product's safety and the drug failed to demonstrate clinical benefit to patients enrolled in trials.
- ✓ Pfizer is expected to have similar conversations with ex-US regulatory authorities in the coming months.
- ✓ Royalties on sales of Mylotarg are not material to PDL generating less than $2 million in 2009.

Future Royalty Products – Development Stage

Future Royalty Products – T-DM1

Licensee	Product	Status	Indications
Roche (Genentech)	Trastuzumab-DM1	Phase 2 & 3	Breast HER2+ Cancer
	Ocrelizumab	Phase 2b	Relapsing Remitting Multiple Sclerosis
	Pertuzumab	Phase 3	Metastatic HER2+ Breast Cancer
Roche	Afutuzumab	Phase 3	Chronic Lymphocytic 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
Merck	Datoluzumab	Phase 2	Metastatic Colorectal Cancer
Seattle Genetics	Lintuzumab	Phase 2/3	Acute Myeloid Leukemia
Abbott/Biogen Idec	Daclizumab	Phase 3	Relapsing Remitting Multiple Sclerosis
Eisai			

- ✓ On August 27, FDA refused to file a BLA for third line treatment of metastatic HER2+ breast cancer stating that accelerated approval was inappropriate because patients in the Phase 2 trial supporting the filing had not exhausted all other approved treatment options.
- ✓ Genentech said that it will complete an on-going Phase 3 trial in second line patients and seek approval for this indication in mid-2012.

Licensed Unlicensed

Future Royalty Products - Ocrelizumab

Licensee	Product	Status	Indications
Roche (Genentech)	Trastuzumab-DM1	Phase 2 & 3	Breast HER2+ Cancer
	Ocrelizumab	**Phase 2b**	**Relapsing Remitting Multiple Sclerosis**
	Pertuzumab	Phase 3	Metastatic HER2+ Breast Cancer
Roche	Afutuzumab	Phase 3	Chronic Lymphocytic 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
Merck	Datoluzumab	Phase 2	Metastatic Colorectal Cancer
Seattle Genetics	Lintuzumab	Phase 2/3	Acute Myeloid Leukemia
Abbott/Biogen Idec	Daclizumab	Phase 3	Relapsing Remitting Multiple Sclerosis
Eisai	Farletuzumab	Phase 3	Ovarian Cancer

- ✓ Roche and Biogen Idec announced their decision to discontinue the ocrelizumab clinical development program in patients with rheumatoid arthritis due to safety concerns because of higher rates of infection in treated patients.
- ✓ The companies are continuing Phase 2 studies in patients with relapsing remitting multiple sclerosis.

Licensed Unlicensed

Future Royalty Products - Pertuzumab

Licensee	Product	Status	Indications
Roche (Genentech)	Trastuzumab-DM1	Phase 2 & 3	Breast HER2+ Cancer
	Ocrelizumab	Phase 2b	Relapsing Remitting Multiple Sclerosis
	Pertuzumab	**Phase 3**	**Metastatic HER2+ Breast Cancer**
Roche	Afutuzumab	Phase 3	Chronic Lymphocytic 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
Merck	Datoluzumab	Phase 2	Metastatic Colorectal Cancer
Seattle Genetics	Lintuzumab	Phase 2/3	Acute Myeloid Leukemia
Abbott/Biogen Idec	Daclizumab	Phase 3	Relapsing Remitting Multiple Sclerosis
Ei			

- ✓ Pertuzumab prevents dimerization of the HER1, HER2, HER3 and HER4.
- ✓ Phase 3 studying pertuzumab + Herceptin in metastatic first line HER2+ breast cancer initiated in late 2008.
- ✓ Roche expects a global regulatory filing of pertuzumab based on the this study at the end of 2011.

Licensed Unlicensed

Future Royalty Products - Datoluzumab

Licensee	Product	Status	Indications
Roche (Genentech)	Trastuzumab-DM1	Phase 2 & 3	Breast HER2+ Cancer
	Ocrelizumab	Phase 2b	Relapsing Remitting Multiple Sclerosis
	Pertuzumab	Phase 3	Metastatic HER2+ Breast Cancer
Roche	Afutuzumab	Phase 3	Chronic Lymphocytic 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
Merck	**Datoluzumab**	**Phase 2**	**Metastatic Colorectal Cancer**
Seattle Genetics	Lintuzumab	Phase 2/3	Acute Myeloid Leukemia
Abbott/Biogen Idec	Daclizumab	Phase 3	Relapsing Remitting Multiple Sclerosis
Eisai	Farletuzumab	Phase 3	Ovarian Cancer

- ✓ Datoluzumab is an anti-IGFr being studied for the treatment of metastatic colorectal cancer (Phase 2), luminal B breast cancer (Phase 2), non-small cell lung cancer (Phase 2), solid tumors (Phase 1) and multiple myeloma (Phase 1).
- ✓ Merck recently told investors that it intends to make a go/no go decision as to Phase 3 for colorectal cancer in 2010.

Licensed Unlicensed

Future Royalty Products - Lintuzumab

Licensee	Product	Status	Indications
Roche (Genentech)	Trastuzumab-DM1	Phase 2 & 3	Breast HER2+ Cancer
	Ocrelizumab	Phase 2b	Relapsing Remitting Multiple Sclerosis
	Pertuzumab	Phase 3	Metastatic HER2+ Breast Cancer
Roche	Afutuzumab	Phase 3	Chronic Lymphocytic 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
Merck	Datoluzumab	Phase 2	Metastatic Colorectal Cancer
Seattle Genetics	**Lintuzumab**	**Phase 2/3**	**Acute Myeloid Leukemia**
Abbott/Biogen Idec	Daclizumab	Phase 3	Relapsing Remitting Multiple Sclerosis
Eisai	Farletuzumab	Phase 3	Ovarian Cancer

✓ On September 13, 2010, Seattle Genetics reported that lintuzumab did not meet its primary endpoint of overall survival in its Phase 2/3 trial.

Licensed Unlicensed

Future Royalty Products - Daclizumab

Licensee	Product	Status	Indications
Roche (Genentech)	Trastuzumab-DM1	Phase 2 & 3	Breast HER2+ Cancer
	Ocrelizumab	Phase 2b	Relapsing Remitting Multiple Sclerosis
	Pertuzumab	Phase 3	Metastatic HER2+ Breast Cancer
Roche	Afutuzumab	Phase 3	Chronic Lymphocytic 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
Merck	Datoluzumab	Phase 2	Metastatic Colorectal Cancer
Seattle Genetics	Lintuzumab	Phase 2/3	Acute Myeloid Leukemia
Abbott/Biogen Idec	**Daclizumab**	**Phase 3**	**Relapsing Remitting Multiple Sclerosis**
Eisai	Farletuzumab	Phase 2	Ovarian Cancer

- ✓ On May 24, Abbott and Biogen Idec announced enrollment of the first patient in their 1,500 patient Phase 3 trial investigating daclizumab for the treatment of relapsing remitting multiple sclerosis.

Licensed Unlicensed

Future Royalty Products - Farletuzumab

Licensee	Product	Status	Indications
Roche (Genentech)	Trastuzumab-DM1	Phase 2 & 3	Breast HER2+ Cancer
	Ocrelizumab	Phase 2b	Relapsing Remitting Multiple Sclerosis
Roc			
Ela			
Lilly			
Mer			
Seattle Genetics	Lintuzumab	Phase 2/3	Acute Myeloid Leukemia
Abbott/Biogen Idec	Daclizumab	Phase 3	Relapsing Remitting Multiple Sclerosis
Eisai	**Farletuzumab**	**Phase 3**	**Ovarian Cancer**

- ✓ Final data from a Phase 2 study of Farletuzumab was presented on June 6 at ASCO meeting, in a presentation titled, "Efficacy and safety of farletuzumab, a humanized monoclonal antibody to folate receptor alpha, in platinum-sensitive relapsed ovarian cancer subjects: Final data from a multicenter Phase 2 study."
- ✓ Eisai is conducting worldwide Phase 3 trial in 900 patients who have relapsed after initial treatment for ovarian cancer – second line therapy.

Licensed Unlicensed

Debt

$250 Million Convertible Notes Due 2023

- **$250 million 2.75% convertible subordinated notes due August 2023**
  - Repurchased $50 million in 2009 and $84 million in Q2-2010
  - Repurchases reduced EPS dilution by 21 million shares on “as converted” basis
  - Conversion rate is 177.1594 shares / $1,000 face amount ($5.64/share)
  - Balance remaining after repurchase $115.8 million
- **In August 2010, exchanged $61.6 million of principal with 8 holders**
  - Total shares issued in the exchange were 11.1 million shares
  - Holders received an additional 3 shares of common stock per $1,000 principal or a conversion rate of 180.1594 shares / $1,000 face amount ($5.55/share)
  - Balance remaining after exchange $54.3 million
- **Also in August, notified the trustee of PDL’s intention to redeem the remaining $54.3 million balance**
  - Redemption notification effectively extended the holders’ August 16, 2010 put right to September 15, 2010
  - The 2023 Notes may be put to PDL for cash or shares at the note holders option at a conversion price of $5.64
  - The redemption will be finalized on September 15, 2010
  - Redemption may result in an additional up to 9.6 million new shares
  - Shares issued in the redemption, if any, will receive the October dividend

PDL BioPharma

Debt Remaining after September 15, 2010

- **$250 million 2.00% convertible senior notes due February 2012; current principal balance of $228 million**
  - Repurchased $22 million in 2009 reducing EPS dilution by 2 million shares on an "as converted" basis
  - Conversion rate is 128.318 shares / $1,000 face amount ($7.79/share)
  - Current dilution is 29.3 million shares on an "as converted" basis
  - Price as of September 10 was ~ 96.250 - 97.000 vs. 5.72

- **$300 million 10.25% note; current principal balance of $225 million**
  - Approximately 40% of Genentech royalties dedicated to quarterly principal and interest payments; principal repayment fluctuates in relation to royalties received
  - Anticipated final maturity is Q3-2012; legal maturity is March 2015
  - Due to higher royalties, repaid $75 million as of September 15, 2010
  - After final maturity, securitized Genentech royalties retained by PDL
  - Distributed $200 million as special dividend of $1.67/share in December 2009

Legal Matters

Genentech Communication

- **On August 11th, PDL received a fax from Genentech on behalf of Roche and Novartis asserting that Avastin, Herceptin, Lucentis and Xolair do not infringe PDL's supplementary protection certificates (SPC's) and seeking a response from PDL**
  - SPC's are the European equivalent of a patent extension and issued on a country-by-country basis for each product
  - SPC covers a specific product by generic name (e.g. trastuzumab for Herceptin)
- **PDL responded on August 31st that Genentech's assertions were without merit, that we disagreed with their assertions of non-infringement and cautioned that Genentech had waived its rights to challenge our patents, including SPC's**
  - We have requested a meeting with decision-makers in an attempt to resolve this matter amicably
- **PDL has also filed suit against Genentech in Nevada state court in Nevada to enforce our rights under the 2003 Settlement Agreement**

PDL BioPharma

MedImmune and Other Legal Matters

- **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:
    - Breach of contract for recovery of underpayments
    - Patent infringement because PDL has cancelled MEDI's license agreement due to its failure to pay all royalties due
    - MedImmune also blocked PDL's exercise of its audit rights
  - Single claim in MEDI litigation does not cover currently marketed Genentech/Roche products
  - Trial starts in January 2011
- **US Patent Interference**
  - US Patent Office has declared two interference proceedings between certain claims of Queen et al. patents and pending claims of Adair et al. patent
- **European Patent Office Opposition**
  - In 2003, EPO ordered review of certain claims which were upheld in 2007
  - Three parties have appealed that determination
  - Hearing starts in February 2011

PDL BioPharma

Optimizing Stockholder Return

Optimizing Stockholder Return

- **Continuously evaluating alternatives**
  - Dividends
  - Convertible note buyback / restructure
  - Share repurchase
  - Company sale
  - Purchase of commercial stage, royalty generating assets
  - Do not expect to securitize any more assets in 2010

Investment Rationale

- **Strong revenue growth from approved products**
- **Potential for additional indications from existing products, new product approvals and purchase of new royalty assets**
- **Significantly reduced expenses with no R&D burn**
- **Liquidity - volume averages 3 million shares / day**
- **Return to stockholders**
  - Declared three special cash dividends totaling $2.67/share in 2009
  - Paid special cash dividend of $0.50/share on April 1st
  - Will pay special cash dividend of $0.50/share on October 1st

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PDL BioPharma Announces Conversion Rate Adjustment for 2.00% Convertible Senior Notes Due February 15, 2012

INCLINE VILLAGE, NV, September 13, 2010 -- PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today announced an adjustment to the conversion rate for its 2.00% Convertible Senior Notes due February 15, 2012 (the 2012 Notes) effective September 16, 2010 in connection with the special dividend to be paid on October 1, 2010 to all stockholders who own shares of PDL on September 15, 2010, the record date.

The conversion rate for the 2012 Notes, as adjusted, is 140.571 shares of common stock per $1,000 principal amount or $7.11 per share. The conversion rate for the 2012 Notes was previously 128.318 shares of common stock per $1,000 principal amount of the 2012 Notes. In connection with a cash dividend, the conversion rate is increased by multiplying the previous conversion rate by a fraction, the numerator of which is the average closing price of PDL's common stock for the five consecutive trading days immediately preceding the ex-dividend date of September 13, 2010 for the cash dividend, and the denominator of which is the difference of such average closing price less the dividend amount.

About PDL BioPharma
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. PDL is focused on maximizing the value of its antibody humanization patents and related assets. The Company receives royalties on sales of a number of humanized antibody products marketed today and also may receive royalty payments on additional humanized antibody products launched before patent expiry in late 2014. For more information, please visit www.pdl.com.

NOTE: PDL BioPharma and the PDL BioPharma logo are considered trademarks of PDL BioPharma, Inc.

Forward-looking Statements
The foregoing statements regarding PDL's intentions with respect to the cash special dividend payment described above are forward-looking statements under the Private Securities Litigation Reform Act of 1995, and actual results could vary materially from the statements made. PDL's ability to pay the special dividend described above is subject to various risks, many of which are outside its control, including prevailing conditions in the capital markets, the continued strength of its royalty assets and other risks and uncertainties as detailed from time to time in the reports filed by PDL with the Securities and Exchange Commission.

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