

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): March 5, 2012

PDL BioPharma, Inc.

(Exact name of Company as specified in its charter)

000-19756
(Commission File Number)

Delaware
(State or Other Jurisdiction of
Incorporation)

94-3023969
(I.R.S. Employer Identification No.)

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

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

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 8.01 Other Events.

On March 5, 2012, PDL BioPharma, Inc. (the Company) issued a press release specifying the adjustment of the conversion rates of its outstanding convertible notes related to the Company's upcoming March 14, 2012, dividend payment. The press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Cautionary Statements

This filing and the press release, and the Company's statements herein and in the attached press release regarding its intentions with respect to the quarterly dividend payment include and constitute "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 and limit the Company's ability to pay dividends are disclosed in the "Risk Factors" contained in the Company's 2011 Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 23, 2012. 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	Press Release

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PDL BIOPHARMA, INC.
(Company)

By: /s/ John P. McLaughlin
John P. McLaughlin
President, Chief Executive Officer and Acting
Chief Financial Officer

Dated: March 5, 2012

EXHIBIT INDEX

Exhibit No.

Description

99.1

Press Release

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**PDL BioPharma Announces Conversion Rate Adjustments for
 Its Convertible Notes**

INCLINE VILLAGE, NV, March 5, 2012, -- PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today announced that the adjusted conversion rate for its:

- 2.875% Convertible Senior Notes due February 15, 2015 (February 2015 Notes) is 159.098 shares of common stock per \$1,000 principal amount or approximately \$6.29 per share, effective March 8, 2012;
- 3.75% Convertible Senior Notes due May 1, 2015 (May 2015 Notes) is 139.2165 shares of common stock per \$1,000 principal amount or approximately \$7.18 per share, effective March 5, 2012; and
- 2.875% Series 2012 Convertible Senior Notes due February 15, 2015 (Series 2012 Notes) is 159.098 shares of common stock per \$1,000 principal amount or approximately \$6.29 per share, effective March 5, 2012.

The conversion rates for the notes are adjusted in connection with the regular quarterly dividend of \$0.15 to be paid on March 14, 2012, to all stockholders who own shares of PDL on March 7, 2012, the record date.

February 2015 Notes

The conversion rate for the February 2015 Notes was previously 155.396 shares of common stock per \$1,000 principal amount of the February 2015 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 March 5, 2012, for the cash dividend, and the denominator of which is such average closing price minus the per share dividend amount.

May 2015 Notes

The conversion rate for the May 2015 Notes was previously 135.9607 shares of common stock per \$1,000 principal amount of the May 2015 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 10 consecutive trading days immediately preceding the ex-dividend date of March 5, 2012, for the cash dividend, and the denominator of which is such average closing price minus the per share dividend amount.

Series 2012 Notes

The conversion rate for the Series Notes was previously 155.396 shares of common stock per \$1,000 principal amount of the Series 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 March 5, 2012, for the cash dividend, and the denominator of which is such average closing price minus the per share 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. Today, PDL is focused on intellectual property asset management, investing in new royalty bearing assets and maximizing the value of its patent portfolio and related assets. 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 dividend payment described above constitute "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. Important factors that could impair the value of the Company's royalty assets and limit the Company's ability to pay dividends are disclosed in the risk factors contained in the Company's 2011 Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 23, 2012. 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.

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