
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): December 10, 2014

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))
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Item 7.01 Regulation FD Disclosure.

Press Release

On December 10, 2014, PDL BioPharma, Inc. (the Company) issued a press release with revenue guidance for the fourth quarter ending December 31, 2014. A copy of the press release is attached hereto as Exhibit 99.1.

Detailed Queen et al. Product Sales and Royalties

On December 10, 2014, the Company distributed to analysts covering the Company's securities and posted to its website a summary of certain information underlying the Company's receipt of royalty payments related to the Queen et al. patents (the Information Sheet) to assist those analysts and its stockholders in valuing the Company's securities. The Information Sheet is based on information provided to the Company by its licensees and includes reported Queen et al. net sales revenues by licensed product and Queen et al. royalty revenue by licensed product. A copy of the Information Sheet is attached hereto as Exhibit 99.2

Limitation of Incorporation by Reference

In accordance with General Instruction B.2. of Current Report on Form 8-K, the information in Item 7.01 of this report, including Exhibits 99.1 and 99.2, is furnished 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. Such information will not be deemed an admission as to the materiality of any such information that is required to be disclosed solely by Regulation FD.

Cautionary Statements

This filing, the press release, the Information Sheet and the Company's statements herein and in the attached press release 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, purchase income generating assets and take other corporate actions are disclosed in the "Risk Factors" contained in the Company's 2013 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 3, 2014, as updated by subsequent filings. 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.

Exhibit No.	Description
99.1	Press Release
99.2	Information Sheet

SIGNATURES

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

PDL BIOPHARMA, INC.
(Company)

By: /s/ Peter S. Garcia
Peter S. Garcia
Vice President and Chief Financial Officer

Dated: December 10, 2014

Exhibit Index

Exhibit No.	Description
99.1	Press Release
99.2	Information Sheet

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PDL BioPharma Provides Fourth Quarter 2014 Revenue Guidance of \$158 Million

INCLINE VILLAGE, NV, December 10, 2014 – PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today announced revenue guidance for the fourth quarter ending December 31, 2014, of approximately \$158 million, as compared with actual revenue of \$112 million for the fourth quarter of 2013, an approximate 41 percent increase.

The forecasted revenues for the fourth quarter of 2014 include royalty payments from PDL's licensees to the Queen et al. patents, the estimated change in fair value of the acquired royalty rights, and estimated interest revenue from notes receivable debt financings to late stage healthcare companies.

Queen et al. Royalties

Total royalties from the Queen et al. licenses for the fourth quarter of 2014 are estimated to be approximately \$132 million, a 34 percent increase over the same period in 2013.

The forecasted growth in revenues is driven by increased third quarter 2014 sales for Avastin[®], Herceptin[®], Xolair[®], Kadcyla[®], Perjeta[®], Tysabri[®] and Actemra[®] for which PDL receives royalties in the fourth quarter of 2014, along with a higher fixed royalty rate in 2014 compared to the blend of fixed and tiered rates applicable in most of 2013 for Genentech-related products. Compared to the same period in 2013, reported worldwide sales for Avastin increased approximately 5 percent in the third quarter of 2014, Herceptin increased approximately 9 percent in the third quarter of 2014, Xolair increased approximately 30 percent in the third quarter of 2014, Kadcyla increased approximately 90 percent in the third quarter of 2014 and Perjeta increased 213 percent in the third quarter of 2014. Reported worldwide sales for Tysabri, a Biogen Idec product, increased approximately 24 percent for the third quarter of 2014 compared to the same period in 2013, and Actemra, a Chugai/Roche product, increased approximately 44 percent for the third quarter of 2014 compared to the same period in 2013.

Revenue guidance for the fourth quarter of 2014 is net of an estimated payment due under the February 2011 settlement agreement with Novartis AG (Novartis). PDL pays to Novartis certain amounts based on net sales of Lucentis, made by Novartis, during calendar year 2011 and beyond. The amount paid is less than we receive in royalties on such sales.

The sales information presented above is based on information provided by PDL's licensees in their quarterly reports to the Company as well as from public disclosures made by PDL's licensees.

Acquired Royalty Rights

PDL estimates that royalty payments from acquired rights and a change in fair value of the royalty rights asset will be approximately \$13 million for the fourth quarter of 2014, which includes approximately \$21 million in cash receipts from acquired royalties.

Currently, the majority of the revenue from acquired royalty rights is related to royalties from the sales of Glumetza[®]. PDL generally recognizes royalty revenues from Glumetza in the month received by us, that is, royalty revenues are generally recognized one month following the month in which sales by the licensees occurred. The revenue guidance on the change in fair value of the acquired royalty rights in this quarter does not include any major changes in the fair value measurement of the Glumetza royalty right asset due to the recent inventory issue disclosed by Salix Pharmaceuticals. While we continue to

monitor the inventory issue, there is not currently enough information for us to quantify its revenue impact on future periods. If future cash flows for the Depomed royalties are revised downward, this would reduce the fair value of the asset and would result in a non-cash reduction to acquired royalty rights revenue from Depomed.

Interest Revenue

Interest income related to interest from notes receivable that were previously reported outside of revenues as a component of "Interest and other income, net" in the condensed consolidated statements of income has been reclassified to "Interest revenue" as a component of revenue in the condensed consolidated statements of income. Forecasted interest revenue for the fourth quarter ending December 31, 2014, of approximately \$13 million, compares actual interest revenue of \$7.5 million for the fourth quarter of 2013, an approximate 78 percent increase.

About PDL BioPharma

PDL manages a portfolio of patents and royalty assets, consisting primarily of its Queen et al. patents and license agreements with various biotechnology and pharmaceutical companies. PDL pioneered the humanization of monoclonal antibodies and, by doing so, enabled the discovery of a new generation of targeted treatments for cancer and immunologic diseases for which it receives significant royalty revenue. PDL is currently focused on intellectual property asset management, acquiring new income generating assets and maximizing value for its shareholders.

The Company was formerly known as Protein Design Labs, Inc. and changed its name to PDL BioPharma, Inc. in 2006. PDL was founded in 1986 and is headquartered in Incline Village, Nevada.

PDL provides non-dilutive growth capital and financing solutions to late-stage public and private healthcare companies and offers immediate financial monetization of royalty streams to companies, academic institutions, and inventors. PDL has invested approximately \$780 million to date. PDL evaluates its investments based on the quality of the income generating assets and potential returns on investment.

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

This press release contains forward-looking statements. 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 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;
- The productivity of acquired income generating assets may not fulfill our revenue forecasts and, if secured by collateral, we may be undersecured and unable to recuperate our capital expenditures in the transaction;
- Changes in any of the other assumptions on which PDL's projected royalty revenues are based;
- The change in foreign currency exchange rate;
- Positive or negative results in PDL's attempt to acquire income generating assets; 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 press release are discussed in PDL's filings with the SEC, including the "Risk Factors" sections of its annual report filed with the SEC on March 3, 2014, as updated by subsequent quarterly reports. 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 press release are qualified in their entirety by this cautionary statement.

Queen et al. Royalties

Royalty Revenue by Product (\$ in 000's) *

Avastin	Q1	Q2	Q3	Q4	Total
2014	38,122	38,924	38,864	40,723	156,632
2013	33,234	46,720	32,224	32,287	144,464
2012	23,215	41,670	25,955	30,041	120,882
2011	22,283	41,967	23,870	22,886	111,006
2010	16,870	44,765	29,989	24,922	116,547
2009	13,605	35,161	21,060	15,141	84,966
2008	9,957	30,480	19,574	12,394	72,405
2007	8,990	21,842	17,478	9,549	57,859
2006	10,438	15,572	15,405	12,536	53,952
Herceptin	Q1	Q2	Q3	Q4	Total
2014	36,646	38,292	39,407	40,049	154,394
2013	30,287	47,353	30,961	33,038	141,640
2012	25,702	44,628	30,433	28,307	129,070
2011	25,089	42,209	31,933	21,812	121,042
2010	23,402	38,555	27,952	25,441	115,350
2009	16,003	32,331	26,830	18,615	93,779
2008	14,092	34,383	28,122	20,282	96,880
2007	19,035	28,188	22,582	14,802	84,608
2006	15,142	19,716	21,557	20,354	76,769
Lucentis	Q1	Q2	Q3	Q4	Total
2014	17,390	16,777	16,883	16,695	67,746
2013	12,032	30,066	13,536	12,127	67,760
2012	10,791	27,938	12,552	11,097	62,377
2011	8,878	24,313	12,157	10,750	56,099
2010	7,220	19,091	10,841	8,047	45,198
2009	4,621	12,863	8,123	6,152	31,759
2008	3,636	11,060	7,631	4,549	26,876
2007	2,931	6,543	6,579	3,517	19,570
2006	—	—	289	3,335	3,624
Xolair	Q1	Q2	Q3	Q4	Total
2014	8,886	9,099	10,442	11,237	39,663
2013	5,930	10,025	7,334	7,330	30,619
2012	5,447	8,609	6,504	6,145	26,705
2011	4,590	7,621	5,916	5,823	23,949
2010	3,723	6,386	4,980	4,652	19,741
2009	2,665	5,082	4,085	3,722	15,553
2008	1,488	4,866	3,569	2,927	12,850
2007	1,684	3,942	3,332	2,184	11,142
2006	2,263	2,969	3,041	2,495	10,768
Perjeta	Q1	Q2	Q3	Q4	Total
2014	3,375	4,385	5,157	5,850	18,767
2013	340	1,414	748	879	3,381
2012	—	—	58	250	308

Queen et al. Royalties

Royalty Revenue by Product (\$ in 000's) *

Kadcyla	Q1	Q2	Q3	Q4	Total
2014	1,934	2,491	3,048	3,464	10,937
2013	—	551	830	859	2,240
Tysabri	Q1	Q2	Q3	Q4	Total
2014	12,857	13,350	16,048	15,015	57,270
2013	12,965	13,616	11,622	12,100	50,304
2012	11,233	12,202	11,749	12,255	47,439
2011	9,891	10,796	11,588	11,450	43,725
2010	8,791	8,788	8,735	9,440	35,754
2009	6,656	7,050	7,642	8,564	29,912
2008	3,883	5,042	5,949	6,992	21,866
2007	839	1,611	2,084	2,836	7,370
2006	—	—	—	237	237
Actemra	Q1	Q2	Q3	Q4	Total
2014	3,446	3,932	4,419	5,406	17,202
2013	2,631	2,816	2,939	3,744	12,131
2012	1,705	2,074	2,145	2,462	8,385
2011	913	1,136	1,401	1,460	4,910
2010	1,587	237	315	688	2,827
2009	585	537	909	1,197	3,228
2008	44	—	146	369	559
2007	32	—	—	17	49
Gazyva	Q1	Q2	Q3	Q4	Total
2014	51	283	325	436	1,094
Entyvio	Q1	Q2	Q3	Q4	Total
2014	—	—	153	2,192	2,344

* As reported to PDL by its licensees. Totals may not sum due to rounding.

Q1 2014 royalty revenue by product above do not include a \$5 million payment received from Genentech in Q1 2014 for a retroactive settlement payment from 2013.

Queen et al. Sales Revenue

Reported Licensee Net Sales Revenue by Product (\$ in 000's) *

Avastin	Q1	Q2	Q3	Q4	Total
2014	1,786,912	1,838,764	1,828,900	1,916,353	7,370,929
2013	1,653,108	1,694,678	1,746,135	1,819,877	6,913,798
2012	1,502,757	1,573,727	1,551,327	1,662,977	6,290,788
2011	1,597,461	1,582,705	1,581,095	1,469,994	6,231,255
2010	1,506,788	1,596,892	1,594,707	1,646,218	6,344,605
2009	1,345,487	1,295,536	1,439,730	1,514,053	5,594,806
2008	980,715	1,084,930	1,180,427	1,239,382	4,485,454
2007	678,068	746,587	797,013	875,084	3,096,752
2006	439,318	516,052	570,551	592,897	2,118,817
Herceptin	Q1	Q2	Q3	Q4	Total
2014	1,731,564	1,801,990	1,854,452	1,877,614	7,265,621
2013	1,681,574	1,744,145	1,681,860	1,726,551	6,834,130
2012	1,515,255	1,625,313	1,663,695	1,650,495	6,454,759
2011	1,391,568	1,559,975	1,642,898	1,432,771	6,027,211
2010	1,270,846	1,349,512	1,300,934	1,409,310	5,330,602
2009	1,210,268	1,133,993	1,226,435	1,278,626	4,849,323
2008	1,105,426	1,195,215	1,211,982	1,186,806	4,699,428
2007	891,761	949,556	979,602	1,015,033	3,835,952
2006	529,585	659,719	761,099	803,576	2,753,979
Lucentis	Q1	Q2	Q3	Q4	Total
2014	818,376	789,483	794,505	785,669	3,188,031
2013	1,203,179	1,171,423	1,200,791	1,212,651	4,788,045
2012	1,079,092	1,086,543	1,097,541	1,109,695	4,372,871
2011	887,757	943,418	1,052,809	1,075,015	3,958,999
2010	721,967	698,890	745,376	804,684	2,970,917
2009	462,103	469,736	555,296	615,212	2,102,347
2008	363,615	393,682	460,167	454,922	1,672,386
2007	224,820	219,579	299,995	322,300	1,066,695
2006	—	—	10,689	157,742	168,431
Xolair	Q1	Q2	Q3	Q4	Total
2014	425,243	428,171	491,372	521,726	1,866,512
2013	341,309	365,778	391,900	401,333	1,500,321
2012	310,234	314,638	347,796	340,431	1,313,100
2011	267,754	277,642	310,874	314,911	1,171,182
2010	228,859	225,878	251,055	263,389	969,179
2009	184,669	181,086	211,006	219,693	796,454
2008	137,875	169,521	177,179	183,753	668,329
2007	129,172	130,700	144,250	147,754	551,876
2006	95,241	99,354	112,608	118,002	425,204
Perjeta	Q1	Q2	Q3	Q4	Total
2014	158,809	206,333	242,700	275,311	883,153
2013	34,008	55,076	66,353	87,949	243,386
2012	—	—	5,080	25,000	30,079

Queen et al. Sales Revenue

Reported Licensee Net Sales Revenue by Product (\$ in 000's) *

Kadcyla	Q1	Q2	Q3	Q4	Total
2014	91,031	117,212	143,414	163,028	514,685
2013	—	21,459	73,626	85,906	180,991
Tysabri	Q1	Q2	Q3	Q4	Total
2014	428,561	442,492	534,946	500,511	1,906,510
2013	434,677	451,358	387,407	403,334	1,676,776
2012	374,430	401,743	391,623	408,711	1,576,508
2011	329,696	356,876	388,758	381,618	1,456,948
2010	293,047	287,925	293,664	316,657	1,191,292
2009	221,854	229,993	257,240	285,481	994,569
2008	129,430	163,076	200,783	233,070	726,359
2007	30,468	48,715	71,972	94,521	245,675
2006	—	—	—	7,890	7,890
Actemra	Q1	Q2	Q3	Q4	Total
2014	114,865	124,736	147,285	180,197	567,082
2013	87,703	91,374	97,961	124,815	401,852
2012	56,662	66,624	71,505	82,053	276,843
2011	30,433	35,370	46,709	48,671	161,183
2010	52,908	5,405	10,493	22,919	91,725
2009	19,504	17,920	30,313	39,888	107,625
2008	1,452	1,377	5,981	12,305	21,115
2007	—	—	—	1,137	1,137
Gazyva	Q1	Q2	Q3	Q4	Total
2014	3,095	8,697	11,531	13,428	36,750
Entyvio	Q1	Q2	Q3	Q4	Total
2014	—	—	5,347	58,500	63,848

* As reported to PDL by its licensee. Dates in above charts reflect when PDL receives royalties on sales. Sales occurred in the quarter prior to the dates in the above charts.

Totals may not sum due to rounding.