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): August 3, 2017

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.☐

Item 2.02 Results of Operations and Financial Condition.

On August 3, 2017, PDL BioPharma, Inc. (the Company) issued a press release announcing its financial results for the second quarter ended June 30, 2017. A copy of this earnings release is furnished hereto as Exhibit 99.1. The Company will host an earnings call and webcast on August 3, 2017, during which the Company will discuss its financial results for the second quarter ended June 30, 2017.

Item 7.01 Regulation FD Disclosure.

Presentation Materials

On August 3, 2017, the Company posted to its website a set of presentation materials that it will use during its earnings call and webcast to assist participants with understanding the Company's financial results for the quarter ended June 30, 2017. A copy of this presentation is attached hereto as Exhibit 99.2.

Information Sheet

On August 3, 2017, the Company distributed to analysts covering the Company's securities a summary of certain information regarding the Company's net income, dividends, recent transactions and licensed product development and sales (the Information Sheet) to assist those analysts in valuing the Company's securities. The Information Sheet and its associated tables are attached hereto as Exhibit 99.3.

Limitation of Incorporation by Reference

In accordance with General Instruction B.2. of Form 8-K, the information in this report, including the exhibits, is furnished pursuant to Items 2.02 and 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 and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended or the Exchange Act.

Cautionary Statements

This filing and its exhibits 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 Annual Report on Form 10-K, filed with the Securities and Exchange Commission on March 1, 2017, as updated by subsequent periodic 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.

The following exhibits are furnished with this report:

Exhibit No.	Description
99.1	Press Release
99.2	Presentation
99.3	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: August 3, 2017

Exhibit Index

Exhibit No.	Description
99.1	Press Release
99.2	Presentation
99.3	Information Sheet

Exhibit 99.1

Contacts:

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PDL BioPharma Announces Second Quarter 2017 Financial Results
Total Revenues Increased by 583% and 52% for 2Q17 and YTD 2017, respectively

INCLINE VILLAGE, NV, August 3, 2017 – PDL BioPharma, Inc. (PDL or the Company) (NASDAQ: PDLI) today reported financial results for the second quarter ended June 30, 2017 including:

- Total revenues of $143.8 million and $189.3 million for the three and six months ended June 30, 2017, respectively.
- GAAP diluted EPS of $0.39 and $0.42 for the three and six months ended June 30, 2017, respectively.
- GAAP net income attributable to PDL's shareholders of $60.4 million and $67.7 million for the three and six months ended June 30, 2017, respectively.
- Non-GAAP net income attributable to PDL's shareholders of $40.2 million and $53.5 million for the three and six months ended June 30, 2017. A full reconciliation of all components of the GAAP to non-GAAP financial results can be found in Table 4 at the end of the release.

Revenue Highlights

- Total revenues of $143.8 million for the three months ended June 30, 2017 included:
  - Royalties from PDL's licensees to the Queen et al. patents of $16.3 million, which consisted of royalties earned on sales of Tysabri® under a license agreement;
  - Net royalty payments from acquired royalty rights and a change in fair value of the royalty rights assets of $83.7 million, which consisted of the change in estimated fair value of our royalty right assets, primarily related to Depomed, Inc., University of Michigan, AcelRx Pharmaceuticals, Inc. and Kybella;
  - Interest revenue from notes receivable financings to kaléo and CareView Communications of $5.5 million; and
  - Product revenues of $18.8 million, which consisted of $16.2 million from sales of Tekturna® and Tekturna HCT® in the United States, Rasilez® and Rasilez HCT® in the rest of the world (collectively, the Noden Products) and $2.6 million for sales and leasing of the LENSAR Laser System.
- Total revenues increased by 583 percent for the three months ended June 30, 2017, when compared to the same period in 2016.
  - The increase in royalties from PDL's licensees to the Queen et al. patents is due to the increased royalties on Tysabri® from Biogen, Inc.
  - The increase in royalty rights - change in fair value was primarily due to the current period increase in fair value of the Depomed, Inc. royalty asset by $87.0 million.
  - PDL received $34.6 million in net cash royalties from its royalty rights in the second quarter of 2017, compared to $14.7 million for the same period of 2016. The increase in cash royalties is mainly due to the launch of the authorized generic for Glumetza® in February 2017 sold by Valeant Pharmaceuticals International, inc. (Valeant) subsidiary, oceanside Pharmaceuticals, Inc. PDL received royalties on the authorized generic equivalents under the same terms as the branded Glumetza, retroactive to February 2017.

- The decrease in interest revenues was primarily due to the early repayment of the Paradigm Spine, LLC note receivable investment.
- Product revenues were derived from sales of the Noden Products, which PDL did not begin to recognize until the third quarter of 2016, and the sale and lease of the LENSAR Laser System, which PDL did not begin to recognize until May 11, 2017.
- License and other revenue increased by $19.2 million primarily due to a $19.5 million payment from Merck as part of the previously announced settlement agreement to resolve the patent infringement lawsuits related to Keytruda®.

- Total revenues increased by 52 percent for the six months ended June 30, 2017, when compared to the same period in 2016.
  - The decrease in royalties from PDL's licensees to the Queen et al. patents is due to the expiration of the patent license agreement with Genentech, Inc.
  - The increase in royalty rights - change in fair value was primarily due to the current period increase in fair value of the Depomed, Inc. royalty asset by $93.5 million.
  - PDL received $48.1 million in net cash royalties from its royalty rights in the six months ended June 30, 2017, compared to $31.9 million for the same period of 2016.
  - The decrease in interest revenues was primarily due to the early repayment of the Paradigm Spine, LLC note receivable investment and ceasing to recognize interest from the LENSAR note receivable.
  - Product revenue variances were the same as the three months ended June 30, 2017.

Operating Expense Highlights

- Operating expenses were $31.1 million for the three months ended June 30, 2017, compared to $9.9 million for the same period of 2016. The increase in operating expenses for the three months ended June 30, 2017, as compared to the same period in 2016, was primarily a result of the $18.9 million in expenses related to the Noden operations, including $7.4 million of non-cash intangible asset amortization and a change in fair value of contingent consideration, and $3.8 million in LENSAR operating activities since the business acquisition on May 11, 2017.
- Operating expenses were $58.0 million for the six months ended June 30, 2017, compared to $19.8 million for the same period of 2016. The increase in operating expenses for the six months ended June 30, 2017, as compared to the same period in 2016, was primarily a result of the $34.4 million in expenses related to the Noden operations, including $14.8 million of non-cash intangible asset amortization and a change in fair value of contingent consideration, and $3.8 million in LENSAR operating activities.

Recent Developments

- PDL completed its $30 million share repurchase program, purchasing 13.347 million shares during the four-month period from the initial announcement in March 2017 through completion in June 2017.
- In July 2017, PDL received a royalty payment from Valeant in the amount of $6.6 million for royalties earned on sales of Glumetza for the month of June. The royalty payment included royalties related to the authorized generic version of Glumetza. This payment will be recorded as part of PDL's third quarter of 2017 revenue.

Other Financial Highlights

- PDL had cash, cash equivalents, short-term investments and other investments of $435.3 million at June 30, 2017, compared to $242.1 million at December 31, 2016.
- Net cash provided by operating activities in the six months ended June 30, 2017 was $61.6 million, compared with $94.8 million in the same period in 2016
- PDL anticipates an estimated cash tax rate of 15% as the company begins to utilize available tax operating loss carry forwards and credits and expects an effective tax rate of approximately 47% in fiscal 2017, which is dependent on the mix and timing of income.

Conference Call and Webcast Details

PDL will hold a conference call to discuss financial results at 4:30 p.m. Eastern Time today, August 3, 2017.

To access the live conference call via phone, please dial (800) 668-4132 from the United States and Canada or (224) 357-2196 internationally. The conference ID is 51927827. Please dial in approximately 10 minutes prior to the start of the call. A telephone replay will be available beginning approximately one hour after the call through one week following the call, and may be accessed by dialing (855) 859-2056 from the United States and Canada or (404) 537-3406 internationally. The replay passcode is 51927827.

To access the live and subsequently archived webcast of the conference call, go to the Company's website at http://www.pdl.com and go to "Events & Presentations." Please connect to the website at least 15 minutes prior to the call to allow for any software download that may be necessary.

About PDL BioPharma, Inc.

We seek to provide a significant return for our shareholders by acquiring and managing a portfolio of companies, products, royalty agreements and debt facilities in the biotech, pharmaceutical and medical device industries. In 2012, we began providing alternative sources of capital through royalty monetizations and debt facilities, and in 2016, we began acquiring commercial-stage products and launching specialized companies dedicated to the commercialization of these products. To date, we have consummated 17 of such transactions, of which nine are active and outstanding. We have two debt transactions outstanding, representing deployed and committed capital of $170.0 million and $190.0 million, respectively: CareView and kaléo; we have one hybrid royalty/debt transaction outstanding, representing deployed and committed capital of $44.0 million: Wellstat Diagnostics; and we have five royalty transactions outstanding, representing deployed and committed capital of $396.1 million and $397.1 million, respectively: KYBELLA®, AcelRx, University of Michigan, Viscogliosi Brothers and Depomed. Our equity and loan investments in Noden represent deployed and committed capital of $179.0 million and $202.0 million, respectively.

Forward-looking Statements

This press release contains "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. 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. Important factors that could impair the value of the Company's royalty assets, restrict or impede the ability of the Company to invest in new royalty bearing assets and limit the Company's ability to pay dividends are disclosed in the risk factors contained in the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission, filed with the Securities and Exchange Commission on March 1, 2017. 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.

TABLE 1
PDL BIOPHARMA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME DATA
(In thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Revenues				
Royalties from Queen et al. patents	$ 16,285	$ 14,232	$ 30,441	$ 135,687
Royalty rights - change in fair value	83,725	(855)	96,871	(27,957)
Interest revenue	5,460	7,343	10,917	16,307
Product revenue, net	18,829	—	31,410	—
License and other	19,536	327	19,636	134
Total revenues	143,835	21,047	189,275	124,171
Operating Expenses				
Cost of product revenue (excluding intangible amortization)	4,515	—	7,067	—
Amortization of intangible assets	6,148	—	12,163	—
General and administrative expenses	11,288	6,951	23,864	16,797
Sales and marketing	3,616	—	6,200	—
Research and development	4,281	—	6,047	—
Change in fair value of anniversary payment and contingent consideration	1,207	—	2,649	—
Acquisition-related costs	—	2,959	—	2,959
Total operating expenses	31,055	9,910	57,990	19,756
Operating income	112,780	11,137	131,285	104,415
Non-operating expense, net				
Interest and other income, net	276	129	488	242
Interest expense	(5,015)	(4,461)	(9,986)	(9,011)
Gain on bargain purchase	6,271	—	6,271	—
Total non-operating expense, net	1,532	(4,332)	(3,227)	(8,769)
Income before income taxes	114,312	6,805	128,058	95,646
Income tax expense	53,873	2,657	60,425	35,611
Net income	60,439	4,148	67,633	60,035
Less: Net (loss)/income attributable to noncontrolling interests	—	—	(47)	—
Net income attributable to PDL's shareholders	$ 60,439	$ 4,148	$ 67,680	$ 60,035
Net income per share				
Basic	$ 0.39	$ 0.03	$ 0.42	$ 0.37
Diluted	$ 0.39	$ 0.03	$ 0.42	$ 0.37
Shares used to compute income per basic share	155,654	163,791	159,677	163,729
Shares used to compute income per diluted share	156,394	164,029	160,168	163,920
Cash dividends declared per common share	$ —	$ 0.05	$ —	$ 0.10

TABLE 2
PDL BIOPHARMA, INC.
CONDENSED CONSOLIDATED BALANCE SHEET DATA
(Unaudited)
(In thousands)

	June 30, 2017	December 31, 2016
Cash, cash equivalents and short-term investments	$ 435,323	$ 242,141
Total notes receivable	$ 217,193	$ 270,950
Total royalty rights - at fair value	$ 342,958	$ 402,318
Total assets	$ 1,301,971	$ 1,215,387
Total convertible notes payable	$ 237,837	$ 232,443
Total stockholders' equity	$ 818,798	$ 755,423

TABLE 3
PDL BIOPHARMA, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW DATA
(Unaudited)
(In thousands)

	Six Months Ended June 30,	
	2017	2016
Net income	$ 67,633	$ 60,035
Adjustments to reconcile net income to net cash provided by (used in) operating activities	(44,789)	25,969
Changes in assets and liabilities	38,768	8,748
Net cash provided by operating activities	$ 61,612	$ 94,752

TABLE 4
PDL BIOPHARMA, INC.
GAAP to NON-GAAP RECONCILIATION:
NET INCOME AND DILUTED EARNINGS PER SHARE
(Unaudited)
(In thousands, except per share amount)

A reconciliation between net income on a GAAP basis and on a non-GAAP basis is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
GAAP net income attributed to PDL's shareholders as reported	$ 60,439	$ 4,148	$ 67,680	$ 60,035
Adjustments to Non-GAAP net income (as detailed below)	(20,225)	10,984	(14,159)	40,164
Non-GAAP net income attributed to PDL's shareholders	$ 40,214	$ 15,132	$ 53,521	$ 100,199

An itemized reconciliation between net income on a GAAP basis and on a non-GAAP basis is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
GAAP net income attributed to PDL's shareholders as reported	$ 60,439	$ 4,148	$ 67,680	$ 60,035
Adjustments:				
Mark-to-market adjustment to fair value assets	(49,157)	15,543	(48,809)	59,866
Non-cash interest revenues	(77)	(325)	(152)	(2,276)
Non-cash stock-based compensation expense	963	813	2,075	1,599
Non-cash debt offering costs	2,719	1,558	5,394	4,019
Mark-to-market adjustment on warrants held	(36)	418	(136)	747
Amortization of the intangible assets	6,148	—	12,163	—
Mark-to-market adjustment of anniversary payment and contingent consideration	1,207	—	2,649	—
Income tax effect related to above items	18,008	(7,023)	12,657	(23,791)
Total adjustments	(20,225)	10,984	(14,159)	40,164
Non-GAAP net income	$ 40,214	$ 15,132	$ 53,521	$ 100,199

Use of Non-GAAP Financial Measures

We supplement our consolidated financial statements presented on a GAAP basis by providing additional measures which may be considered "non-GAAP" financial measures under applicable SEC rules. We believe that the disclosure of these non-GAAP financial measures provides our investors with additional information that reflects the amounts and financial basis upon which our management assesses and operates our business. These non-GAAP financial measures are not in accordance with generally accepted accounting principles and should not be viewed in isolation or as a substitute for reported, or GAAP, net income, and diluted earnings per share, and are not a substitute for, or superior to, measures of financial performance performed in conformity with GAAP.

"Non-GAAP net income" is not based on any standardized methodology prescribed by GAAP and represent GAAP net income adjusted to exclude (1) mark-to market adjustments related to the fair value election for our investments in royalty rights presented in our earnings, which include the fair value re-measurement of future discounted cash flows for each of the royalty rights assets we have acquired, (2) non-cash interest revenue from notes receivable (3) stock-based compensation expense, (4) non-cash interest expense related to PDL debt offering costs, (5) mark-to market adjustments related to warrants held, (6) mark-

to-market adjustment related to acquisition-related contingent considerations, (7) amortization of intangible assets, and to adjust (7) the related tax effect of all reconciling items within our reconciliation of our GAAP to Non-GAAP net income. Non-GAAP financial measures used by PDL may be calculated differently from, and therefore may not be comparable to, non-GAAP measures used by other companies.

Exhibit 99.2

Second Quarter 2017
Financial Results Conference Call

August 3, 2017

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;
- Our ability to realize the benefits of our investment in Noden Pharma DAC and LENSAR, Inc.;
- 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;
- Failure to acquire additional sources of revenues sufficient to continue operations;
- Competitive or market pressures on our licensees, borrowers and royalty counterparties;
- 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 assumptions on which PDL's projected revenues are based;
- Changes in foreign currency rates;
- Positive or negative results in PDL's attempt to acquire income generating assets;
- Our ability to utilize our net operating loss carryforwards and certain other tax attributes;
- The outcome of litigation or disputes, including potential product liability; 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™

Building Value Through Investments

- Focused on growth in order to continue value creation for shareholders.
- Have completed two significant equity transactions since last summer—Noden Pharma and LENSAR.
- Built rich portfolio of income generating assets from which we are reaping the benefits—especially relating to royalties from Depomed asset.

PDL

Noden Background

- Noden Pharma
  - Domiciled in Ireland and has operating companies in US and EU.
  - Platform upon which to build a specialty pharmaceutical company.
  - PDL purchased remaining interest in Noden in May 2017 and now owns 100% of Noden companies.
  - Noden already has two products on the market—both indicated for hypertension.
    - Tekturna and Tekturna HCT, as they are known in the US, and Rasilez® and Rasilez HCT®, as they are known in the rest of the world.

PDL™

Commercializing Tekturna - US

- Transitioned responsibilities from Novartis to Noden in US and continuing the transition ex-US.
- US net revenue increased 33% for Q2 to $12.9 million from $9.7 million in Q1. First full quarter utilizing contracted sales force.
- Strategic imperative for Noden in the US is:
  - Drive growth by stopping prescription erosions and driving depth and breadth of prescribing among targets.
  - Deliver a powerful message supporting use of Tekturna in appropriate patient types.
  - Enhance and optimize patient success.
- Positioning with physicians to target the 47% of US adult hypertension patients who have uncontrolled blood pressure.
- Noden filed its NDA for the pediatric indication and formulation of Tekturna, and the PDUFA fee of $2.2 million was paid.
  - Approval estimated in Q1/18 and would grant Tekturna an additional six months of marketing exclusivity in US.

Commercializing Rasilez – Ex US

- Novartis distributing until transfer of marketing authorizations and Noden receiving a transfer of profits.
  - Transfers (specifically EU, Switzerland, Canada and Japan) are now expected to take place in the fourth quarter of this year.
- Noden's Q2 ex-US revenue increased ~16% to $3.3 million under profit transfer arrangement with Novartis.
- Novartis continues deregistering product in countries with limited sales volumes and low operating margins.
- Working on licensing product in China where it is approved but has not been recently marketed.
- Expect to see improved profitability resulting from shift in geographic mix of revenue to higher US percentage.

PDL

LENSAR - wholly owned subsidiary of PDL

- On May 11, LENSAR and PDL announced the financial restructuring of LENSAR.
  - LENSAR is now a wholly owned subsidiary of PDL.
  - Most of LENSAR outstanding debt owed to PDL was converted to equity.
  - PDL has begun to consolidate LENSAR's financial statements effective with Q2 2017 publicly reported financials.
  - There are $114 million in net operating loss carryforwards available to PDL as a result of the LENSAR transaction.
  - CEO: Nicholas Curtis; COO: Alan Connaughton.
  - Under PDL ownership, LENSAR is well positioned for future growth in the femtosecond laser assisted refractive surgery sector.

PDL

16 Royalty & Debt Investments

10 Current Deals

Royalty Acquisition	Royalty Acquisition	Senior Secured Financing	Royalty Acquisition	Royalty Acquisition
kybella	AcelRx Pharmaceuticals, Inc.	CAREVIEW COMMUNICATIONS	University of Michigan	VB Viscogliosi Bros., LLC
$9,500,000 July 2016	$65,000,000 September 2015	$40,000,000 June 2015	$65,600,000 November 2014	$15,500,000 June 2014

Senior Secured Note Purchase	Royalty Transaction/ Senior Secured Financing	Royalty Acquisition	Senior Secured Financing	Senior Secured Financing
kaléo	Wellstat Diagnostics, LLC	Depomed	LENSAR	DIRECT FLOW MEDICAL, INC.
$150,000,000 April 2014	$44,000,000 November 2012	$240,500,000 October 2013	$60,000,000 October 2013	$60,000,000 November 2013
			Converted to equity in Q2 2017	Written down to $10 million in Q4 2016

6 Concluded Deals

Senior Secured Financing	Senior Secured Financing	Royalty Transaction/ Senior Secured Financing	Senior Secured Financing	Royalty Transaction/ Senior Secured Financing	Royalty Acquisition
PARADIGM SPINE	DURATA THERAPEUTICS	AxoGen	MERUS LABS	AVINGER	ARIAD
$75,000,000 February 2014	$70,000,000 October 2013	$20,800,000 October 2012	$55,000,000 July 2012	$40,000,000 April 2013	Up to $140,000,000 July 2015

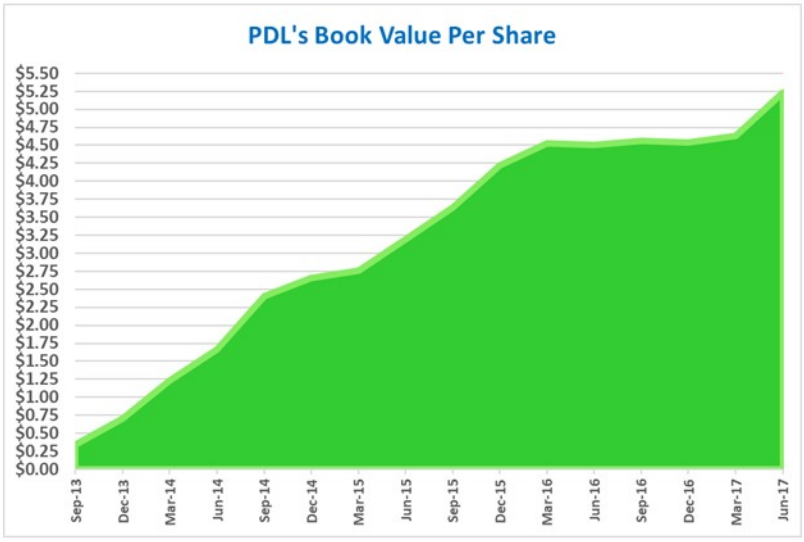
Concluded deals have yielded an average IRR of 18.2%

Direct Flow Medical not considered concluded as we are still in process of monetizing assets

PDL™

Building Value Through Investments

PDL's book value increased to $5.24 in the period ending June 30, 2017

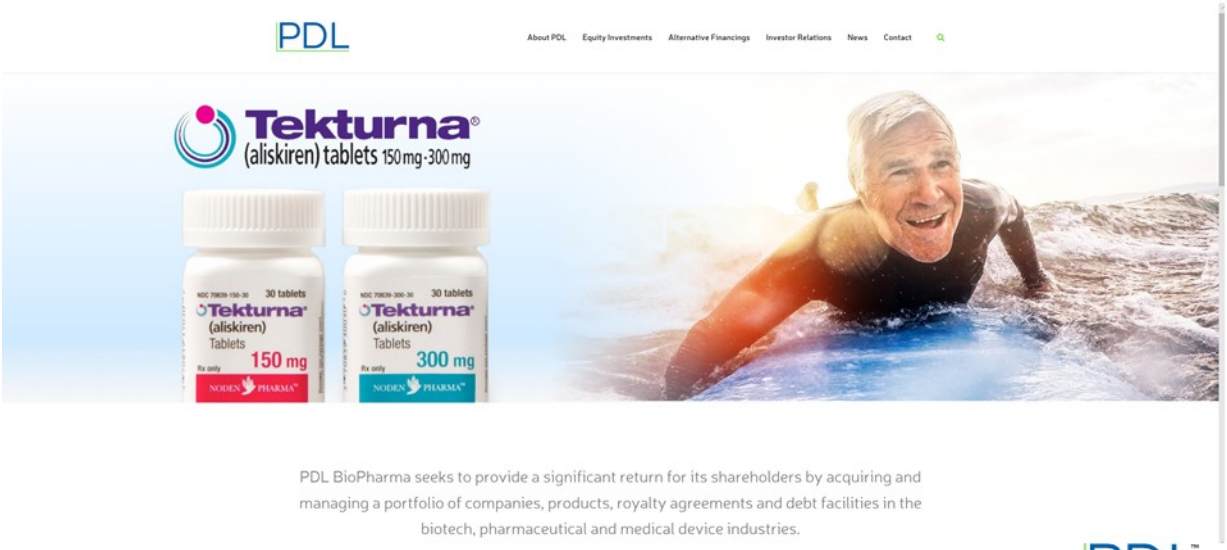


Does not include asset value of royalties from Queen et al patents.

PDL™

Emphasizing PDL Value to Wall Street

- New corporate website communicates PDL's strategy, value and opportunity to multiple audiences.



Second Quarter 2017 Financials

(In thousands, except per share amounts) (unaudited)	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Royalties from Queen et al. patents	$ 16,285	$ 14,232	$ 30,441	$ 135,687
Royalty rights - change in fair value	83,725	(855)	96,871	(27,957)
Interest revenue	5,460	7,343	10,917	16,307
Product revenue, net	18,829	-	31,410	-
License and other	19,536	327	19,636	134
Total revenues	143,835	21,047	189,275	124,171
Cost of product revenue	4,515	-	7,067	-
Amortization of intangible assets	6,148	-	12,163	-
General and administrative expenses	11,288	6,951	23,864	16,797
Sales and marketing	3,616	-	6,200	-
Research and development	4,281	-	6,047	-
Change in fair value of anniversary payment and contingent consideration	1,207	-	2,649	-
Acquisition-related costs	-	2,959	-	2,959
Total operating expenses	31,055	9,910	57,990	19,756
Operating income	112,780	11,137	131,285	104,415
Interest and other income, net	276	129	488	242
Interest expense	(5,015)	(4,461)	(9,986)	(9,011)
Gain on bargain purchase	6,271	-	6,271	-
Income before income taxes	114,312	6,805	128,058	95,646
Income tax expense	53,873	2,657	60,425	35,611
Net income	60,439	4,148	67,633	60,035
Less: Net income/(loss) attributable to noncontrolling interests	-	-	(47)	-
Net income attributable to PDL's shareholders	$ 60,439	$ 4,148	$ 67,680	$ 60,035
Net income per share - Basic	$ 0.39	$ 0.03	$ 0.42	$ 0.37
Net income per share - Diluted	$ 0.39	$ 0.03	$ 0.42	$ 0.37

Second Quarter 2017 Financials

Condensed consolidated balance sheet (unaudited)	June 30, 2017	December 31, 2016
Cash, cash equivalents and investments [1]	$ 435,323	$ 242,141
Total notes receivable	$ 217,193	$ 270,950
Total royalty rights - at fair value	$ 342,958	$ 402,318
Total assets	$ 1,301,971	$ 1,215,387
Convertible notes payable	$ 237,837	$ 232,443
Total stockholders's equity	$ 818,798	$ 755,423

[1] Includes $75MM certificate of deposit restricted until August, 2017.

PDL

PDL Share Repurchase Program

- On March 1, 2017, PDL's board authorized the repurchase of issued and outstanding PDL common stock having an aggregate value of up to $30 million through March 2018.
- As of June 30th, completed the $30.0 million repurchase program.
  - Repurchased a total of 13.3 million shares at an average cost of $2.25 per share.
  - As of end of Q217, had approximately 154.1 million shares outstanding.
- PDL is currently evaluating the possibility of a new stock repurchase program

PDL

PDL™

Question and Answer Session

PDL BioPharma, Inc.
Q2 2017
August 3, 2017

Following are some of the key points regarding PDL's second quarter 2017 financial and business results.

Highlighted Financial Results from Q2 2017

- Total revenues of $143.8 million and $189.3 million for the three and six months ended June 30, 2017, respectively.
- GAAP diluted EPS of $0.39 and $0.42 for the three and six months ended June 30, 2017, respectively.
- GAAP net income attributable to PDL's shareholders of $60.4 million and $67.7 million for the three and six months ended June 30, 2017, respectively.
- Non-GAAP net income attributable to PDL's shareholders of $40.2 million and $53.5 million for the three and six months ended June 30, 2017.
- PDL completed its $30 million share repurchase program, purchasing 13.3 million shares during the four-month period from the initial announcement in March 2017 through completion in June 2017.

Updates on royalty-bearing products relating to Queen et al. Patents

Tysabri® (Approved royalty-bearing product relating to Queen et al. patents)

- Continue to receive royalties on Tysabri from Biogen with respect to sales of the licensed product manufactured prior to patent expiry in jurisdictions providing patent protection licenses.
- PDL received a royalty payment for the second quarter of 2017 in the amount of $16.3 million for royalties earned on sales of Tysabri. The duration of this royalty payment is based on the sales of product manufactured prior to patent expiry, the amount of which is uncertain.

Noden Pharma

- Noden US is commercializing Tekturna® and Tekturna HCT® in the United States and Noden Pharma DAC, an Irish based company, assumed commercialization responsibilities for Rasilez® and Rasilez HCT® in the rest of the world in the second half of 2017. The products are indicated for the treatment of hypertension.
- PDL repurchased it's non-controlling interest in Noden and now owns 100% of Noden and continues to hold three of five board seats.
- Noden and PDL are evaluating additional specialty pharma products in the form of optimized, established medicines, to acquire for Noden.
- Noden net revenue for the quarter ended June 30, 2017 was $16.2 million, with $12.9 million in US revenue and $3.3 million in the rest of world.
    - Gross margins on the US revenue in the second quarter were approximately 81.0 percent.
    - The $3.3 million of revenue for the ex-U.S. is net of cost of goods and a fee to Novartis through its transition services agreement and will continue until marketing authorizations have been transferred.
- Novartis and Noden Pharma DAC are working to transfer the marketing authorizations from Novartis companies to Noden Pharma DAC or to deregister the products.
    - These transfers (specifically EU, Switzerland, Canada and Japan) have been delayed per our original plan and are now expected to take place in the fourth quarter of this year.
    - Novartis has begun deregistering the product in countries in which the products have limited sales volumes and low operating margins.
- Noden filed its NDA for the pediatric indication and formulation of Tekturna. Approval is estimated to be sometime in the first quarter of 2018 and if approved, would grant Tekturna and Tekturna HCT an additional six months of marketing exclusivity in the US.

- Noden received a paragraph IV notice letter from Anchen Pharnaceuticals advising that Anchen had submitted an ANDA referencing Tekturna 150mg an 300mg tablets and containing certifications against U.S. Patent No. 8,617,595, which is listed in the Orange Book for Tekturna and expires on February 26, 2026. Noden filed a complaint for patent infringement in the US District Court of New Jersey against Anchen and Par Pharmaceuticals within 45 days from receipt of the paragraph IV notice letter. As a result, Anchen's ANDA is subject to a stay of approval for up to 30 months. The proceeding is currently in the pre-trial phase.

Updates on Income Generating Assets

Royalty Rights Assets

The following table provides additional details with respect to the fair value of the PDL royalty rights assets as of December 31, 2016 and with changes to June 30, 2017 as reflected in our Balance Sheet:

(in thousands)	Fair Value as of December 31, 2016	Change of Ownership	Royalty Rights - Change in Fair Value	Fair Value as of June 30, 2017
Depomed	$ 164,070	$ —	$ 51,697	$ 215,767
VB	14,997	—	299	15,296
U-M	35,386	—	199	35,585
ARIAD	108,631	(108,169)	(462)	—
AcelRx	67,483	—	4,304	71,787
Avinger	1,638	—	(503)	1,135
KYBELLA	10,113	—	(6,725)	3,388
	$ 402,318	$ (108,169)	$ 48,809	$ 342,958

The following table provides a summary of activity with respect to our royalty rights - change in fair value for the year ended June 30, 2017:

	Cash Royalties	Change in Fair Value	Royalty Rights - Change in Fair Value
Depomed	$ 41,767	$ 51,697	$ 93,464
VB	701	299	1,000
U-M	1,828	199	2,027
ARIAD	3,081	(462)	2,619
AcelRx	46	4,304	4,350
Avinger	610	(503)	107
KYBELLA	29	(6,725)	(6,696)
	$ 48,062	$ 48,809	$ 96,871

Updates on Royalty Rights Assets

Depomed, Inc.

- To date (through June 30, 2017), we have received cash royalty payments of $253.1 million of the $240.5 million investment.
- Glumetza (and authorized generic version) royalty: 50% of net sales less COGS continues so long as the products are being commercialized. PDL is auditing Valeant.
- In July 2017, PDL received a royalty payment from Valeant in the amount of $6.6 million for royalties earned on sales of Glumetza for the month of June. The royalty payment included royalties related to the authorized generic version of Glumetza. This payment will be recorded as part of PDL's third quarter of 2017 revenue.
- Recent product approvals, Jentadueto XR, Invokamet XR and Synjardy XR have yielded $17 million in milestones in 2016 and started generating royalties to PDL.

- Low to mid-single digit royalties to PDL on new product approvals expected to continue to 2023 for Invokamet XR and 2026 for Jentadueto XR and Synjardy XR.

Notes Receivable

The following table presents the fair value of assets and liabilities not subject to fair value recognition by level within the valuation hierarchy:

	June 30, 2017			December 31, 2016		
	Carrying Value	Fair Value Level 2	Fair Value Level 3	Carrying Value	Fair Value Level 2	Fair Value Level 3
(In thousands)						
Assets:						
Wellstat Diagnostics note receivable	$ 50,191	$ —	$ 51,315	$ 50,191	$ —	$ 52,260
Hyperion note receivable	1,200	—	1,200	1,200	—	1,200
LENSAR note receivable	—	—	—	43,909	—	43,900
Direct Flow Medical note receivable	—	—	—	10,000	—	10,000
kaléo note receivable	146,654	—	143,591	146,685	—	142,539
CareView note receivable	19,148	—	19,300	18,965	—	19,200
Total	$ 217,193	$ —	$ 215,406	$ 270,950	$ —	$ 269,099

Updates on Notes Receivable

Wellstat Diagnostics, LLC

- In NY court action commenced by PDL to collect from related entities who are guarantors of the loan, the judge ruled in favor of PDL. On appeal, the appellate division of the NY court reversed on procedural grounds the portion of the decision granting PDL summary judgment, remanding the case to the trial division for a plenary action. The action is currently before the NY trial court and in the pre-trial phase. The parties will have the opportunity to conduct discovery and file dispositive motions prior to trial. No trial date has been set yet.

Direct Flow Medical, Inc.

- PDL initiated foreclosure proceedings in January 2017 which resulted in obtaining ownership of certain of the DFM assets through a wholly-owned subsidiary, DFM, LLC.
- PDL wrote off $51.1 million of assets against ordinary income in Q4 2016.
- YTD 2017, PDL monetized $8.1 million of those assets. PDL is in the process of monetizing the ex-China assets of DFM, LLC. The amount of which recovery, if any, is unknown at this time.
- As of June 30, 2017 remaining foreclosed assets are recorded as assets held for sale with a carrying value of $1.9 million.

LENSAR Credit Agreement

- LENSAR has emerged from bankruptcy, and LENSAR and PDL completed LENSAR's financial restructuring with a court-approved exit plan finalized on May 11, 2017.
- As a result of the restructuring, PDL converted most of its debt to an equity ownership position.
- LENSAR is now a wholly-owned subsidiary of PDL, and PDL began consolidating LENSAR's financial statements with PDL effective May 11, 2017.

kaleo, Inc.

- Despite Auvi-Q being voluntarily pulled from market and Sanofi returning the product right to kaléo, kaléo has made all required interest payments in full and on time to date.
- Auvi-Q returned to the market in February 2017 and third party reports suggest strong sales.
- Evzio sales have been much stronger than projected so far. This is secondary source of repayment to PDL.

- In the second quarter of 2017, PDL recognized and was paid $4.7 million in interest revenue from the kaléo note.

CareView Communications, Inc.

- A second $20.0 million tranche was to be funded by PDL upon CareView's attainment of specified milestones relating to the placement of CareView Systems and financial targets and was to be accomplished no later than June 30, 2017. These milestones were not achieved, and there is no additional funding obligation due to CareView from PDL.
- In the second quarter of 2017, PDL recognized and was paid $0.7 million in interest revenue from the CareView note.

Forward-looking Statements

This document contains "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. 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. Important risks and uncertainties with respect to the Company's business are disclosed in the risk factors contained in the Company's Annual Report on Form 10-K, as updated by subsequent quarterly reports filed with the Securities and Exchange Commission, 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.

Queen et al. Royalties

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

Tysabri	Q1	Q2	Q3	Q4	Total
2017	14,156	16,284	—	—	30,440
2016	13,970	14,232	14,958	15,513	58,673
2015	14,385	13,614	13,557	14,031	55,587
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

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

Queen et al. Sales Revenue

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

Tysabri	Q1	Q2	Q3	Q4	Total
2017	471,877	542,761	—	—	1,014,638
2016	465,647	474,379	498,618	517,099	1,955,743
2015	479,526	453,786	451,898	467,735	1,852,945
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

*** 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.