
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 9, 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 September 9, 2014, PDL BioPharma, Inc. (the Company) issued a press release with revenue guidance for the third quarter ending September 30, 2014. A copy of the press release is attached hereto as Exhibit 99.1.

Detailed Queen et al. Product Sales and Royalties

On September 9, 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 (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: September 9, 2014

Exhibit Index

| Exhibit No. | Description |
|--------------------|--------------------|
| 99.1 | Press Release |
| 99.2 | Information Sheet |

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PDL BioPharma Provides Third Quarter 2014 Revenue Guidance of \$165 Million

INCLINE VILLAGE, NV, September 9, 2014 – PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today announced revenue guidance for the third quarter ending September 30, 2014, of approximately \$165 million, as compared with actual revenue of \$100.2 million for the third quarter of 2013, an approximate 65 percent increase.

The forecasted revenues for the third quarter of 2014 include royalty payments from PDL's licensees to the Queen et al. patents, net royalty payments from acquired royalty rights, 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 third quarter of 2014 are estimated to be approximately \$124 million, a 29% increase over the same period in 2013.

The forecasted growth in revenues is driven by increased second quarter 2014 sales for Avastin®, Herceptin®, Kadcyla®, Perjeta®, Tysabri® and Actemra® for which PDL receives royalties in the third quarter of 2014, along with a higher fixed royalty rate in 2014 over the blended fixed and tiered 2013 rate for Genentech-related products. Compared to the same period in 2013, reported worldwide sales for Avastin increased approximately 5 percent in the second quarter of 2014, Herceptin increased approximately 10 percent in the second quarter of 2014, Kadcyla increased approximately 95 percent in the second quarter of 2014 and Perjeta increased 266 percent in the second quarter of 2014. Reported worldwide sales for Tysabri, a Biogen Idec product, increased approximately 38 percent for the second quarter of 2014 compared to the same period in 2013, and Actemra, a Chugai/Roche product, increased approximately 50 percent for the second quarter of 2014 compared to the same period in 2013.

Revenue guidance for the third 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 revenues from acquired rights will be approximately \$28 million for the third quarter of 2014, which includes approximately \$33 million in cash receipts from acquired royalties offered by a \$5 million decrease in fair value of the royalty rights.

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.

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 third quarter ending September 30, 2014, of approximately \$12 million, compares actual interest revenue of \$3 million for the third quarter of 2013, an approximate 300 percent increase.

About PDL BioPharma

PDL BioPharma manages a portfolio of patents and royalty assets, consisting primarily of its Queen et al. antibody humanization 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.

In 2011, PDL initiated a strategy to bring in new income generating assets from the healthcare sector. To accomplish this goal, PDL seeks to provide 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 continues to pursue this strategic initiative for which it has already invested approximately \$715 million to date. PDL is focused 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 recupereate 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 | — | 115,910 |
| 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 | — | 114,345 |
| 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 | — | 51,050 |
| 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 | — | 28,427 |
| 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 | — | 12,917 |
| 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 | — | 7,473 |
| 2013 | — | 551 | 830 | 859 | 2,240 |
| Tysabri | Q1 | Q2 | Q3 | Q4 | Total |
| 2014 | 12,857 | 13,350 | 16,048 | — | 42,255 |
| 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 | — | 11,797 |
| 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 | — | 659 |
| Entyvio | Q1 | Q2 | Q3 | Q4 | Total |
| 2014 | — | — | 153 | — | 153 |

* 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 | — | 5,454,576 |
| 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 | — | 5,388,006 |
| 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 | — | 2,402,364 |
| 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 | — | 1,344,786 |
| 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 | — | 607,842 |
| 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 | — | 351,657 |
| 2013 | — | 21,459 | 73,626 | 85,906 | 180,991 |
| Tysabri | Q1 | Q2 | Q3 | Q4 | Total |
| 2014 | 428,561 | 442,492 | 534,946 | — | 1,405,999 |
| 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 | — | 386,886 |
| 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 | — | 23,323 |
| Entyvio | Q1 | Q2 | Q3 | Q4 | Total |
| 2014 | — | — | 5,347 | — | 5,347 |

* 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.