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 3, 2014

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 2.02 Results of Operations and Financial Condition.

On March 3, 2014, PDL BioPharma, Inc. (the Company) issued a press release announcing the financial results for the fourth quarter and year ended December 31, 2013. A copy of this earnings release is attached hereto as Exhibit 99.1. The Company will host an earnings call and webcast on March 3, 2014, during which the Company will discuss its financial results for the fourth quarter and year ended December 31, 2013.

Item 7.01 Regulation FD Disclosure.

Presentation Materials

On March 3, 2014, 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. A copy of this presentation is attached hereto at Exhibit 99.2.

Information Sheet

On March 3, 2014, 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.

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. 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	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: March 3, 2014

Exhibit Index

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

Exhibit 99.1

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PDL BioPharma Announces Fourth Quarter and Full Year 2013 Financial Results

-Annual Revenues Increased 18 percent during 2013-

INCLINE VILLAGE, NV, March 3, 2014 – PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today reported financial results for the fourth quarter and year ended December 31, 2013.

Total revenues in 2013 increased 18 percent to $442.9 million from $374.5 million in 2012. For the fourth quarter of 2013, total revenues were $110.1 million, compared to $86.0 million in the fourth quarter of 2012. Royalty revenues for the fourth quarter of 2013 are based on third quarter 2013 product sales by PDL's licensees to the Queen et al. patents and on Depomed's Glumetza® royalties related to October and November 2013 U.S. sales. PDL recognized $11.2 million in revenue related to the Depomed royalties in the fourth quarter of 2013.

The full year 2013 royalty revenue growth over the full year 2012 is driven by increased sales of Avastin®, Herceptin®, Lucentis®, Xolair®, Perjeta®, Kadcyla®, Tysabri®, and Actemra® by PDL's licensees, along with the addition of the royalty payments from PDL's purchase of Depomed's diabetes-related royalties. Net sales of Avastin, Herceptin, Lucentis, Xolair, Perjeta, and Kadcyla were subject to a tiered royalty rate except in the case when the product is ex-U.S. manufactured and sold, in which case it was subject to a flat three percent royalty rate. Under the terms of a settlement agreement, entered into on January 31, 2014, and effective retroactively to August 15, 2013, Genentech will pay a fixed royalty rate of 2.125 percent on worldwide sales of all licensed products, as compared to the previous tiered royalty rate in the U.S and the fixed rate on all ex-U.S based manufactured and sold licensed products. The retroactive change in royalty rate from August 15, 2013, to December 31, 2013, will be recognized as royalty revenue by PDL in the first quarter of 2014.

Operating expenses in 2013 were $35.4 million, compared with $25.5 million in 2012. The increase in expenses the year ended December 31, 2013, was a result of the amortization for the Depomed intangible asset, an increase in professional services for other income generating assets, and increased legal expenses related to the settled litigation. For the fourth quarter of 2013, operating expenses were $13.5 million compared with $7.7 million for the same period in 2012. The increase in expenses for the quarter ended December 31, 2013, was a result of the Depomed intangible asset amortization.

Net income in 2013 was $264.5 million, or $1.66 per diluted share as compared with net income in 2012 of $211.7 million, or $1.45 per diluted share. Net income for the fourth quarter of 2013 was $61.1 million, or $0.39 per diluted share, as compared with net income of $49.4 million in the same period of 2012, or $0.34 per diluted share. The increase in net income in the fourth quarter is primarily due to a 27 percent increase in royalty revenues.

Net cash provided by operating activities in 2013 was $270.9 million, compared with $210.2 million in 2012. At December 31, 2013, PDL had cash, cash equivalents and investments of $99.5 million, compared with $148.7 million at December 31, 2012. The decrease was primarily attributable to the purchase of the Depomed intangible asset of $241.3 million, cash advanced on notes receivable of $148.7 million, payment of dividends of $84.0 million, offset in part by net cash provided by operating activities of $270.9 million and repayment of notes receivable of $58.1 million.

Recent Developments

Settlement Agreement

On January 31, 2014, PDL entered into a settlement agreement with Genentech and Roche that resolved all outstanding legal disputes between the parties, including its Nevada litigation with Genentech and Roche and its arbitration proceedings with Genentech related to the audit of royalties on sales. Under the terms of the agreement, effective retroactively to August 15, 2013, Genentech will pay a fixed royalty rate of 2.125 percent on worldwide sales of Avastin, Herceptin, Lucentis, Xolair, Kadcyla and Perjeta, as compared to the previous tiered royalty rate in the U.S and the fixed rate on all ex-U.S based manufactured and sold licensed products. Genentech will pay these royalties on all worldwide sales of Avastin, Herceptin, Xolair, Perjeta and Kadcyla occurring on or before December 31, 2015. With respect to Lucentis, Genentech will owe no royalties on U.S. sales occurring after June 30, 2013, and will pay a royalty of 2.125 percent on all ex-U.S. sales occurring on or before December 28, 2014. Pursuant to a separate agreement, Roche Glycart agreed that Gazyva® is a licensed product. The royalty term and royalty rate for Gazyva remain unchanged from the existing license agreement pertaining thereto. The settlement agreement precludes Genentech and Roche from challenging the validity of PDL's Queen patents, including its SPCs in Europe, from contesting their obligation to pay royalties, from contesting patent coverage for Avastin, Herceptin, Lucentis, Xolair, Perjeta, Kadcyla and Gazyva and from assisting any third party in challenging PDL's Queen patents and SPCs. The agreement further outlines the conduct of any audits initiated by PDL of the books and records of Genentech in an effort to ensure a full and fair audit procedure.

February 2018 Notes

On February 6, 2014, PDL agreed to sell $260.87 million aggregate principal amount of its February 2018 Notes in an underwritten public offering. The conversion rate of the February 2018 Notes was set at 109.1048 shares of common stock per $1,000 principal amount of the February 2018 Notes equivalent to an initial conversion price of approximately $9.17 per share of common stock. The Company granted the underwriters an option, which they subsequently exercised in full, to purchase up to an additional $39.13 million aggregate principal amount of the February 2018 Notes solely to cover overallotments (or $300 million principal amount in the aggregate). The conversion rate, subject to increase under certain circumstances, will not be increased in respect of regular quarterly cash dividends paid by us that do not exceed $0.15 per share.

On February 12, 2014, PDL issued $300 million aggregate principal amount of February 2018 Notes. In connection with the offering of the February 2018 Notes, the Company entered into privately negotiated convertible note hedge transactions with RBC Capital Markets and Wells Fargo Securities.

Series 2012 Notes Exchange

On February 7, 2014, PDL entered into exchange and purchase agreements with certain holders of approximately $131.7 million aggregate principal amount of outstanding Series 2012 Notes. The exchange agreements provide for the issuance, by the Company, of shares of common stock and a cash payment for the Series 2012 Notes being exchanged, and the purchase agreement provides for a cash payment for the Series 2012 Notes being repurchased. The Company issued a total of approximately 20.3 million shares of its common stock and paid an aggregate cash payment of approximately $34.2 million pursuant to the exchange and purchase agreements.

Paradigm Spine

On February 14, 2014, PDL entered into a credit agreement with Paradigm Spine, LLC (Paradigm), under which it made available to Paradigm up to $75 million to be used by Paradigm to refinance its existing credit facility and expand its domestic commercial operations. A portion of the amount available under the agreement in an aggregate principal amount equal to $50 million, net of fees, was funded at the close of the transaction. In the event that certain specified sales and other milestones occur before December 31, 2014, the Company will fund Paradigm between an additional $6.25 million and $12.5 million, at Paradigm's discretion. In the event that additional specified sales and other milestones occur before June 30, 2015, the Company will fund up to an additional $12.5 million, also at Paradigm's discretion. Paradigm's landmark coflex® interlaminar stabilization device for patients with spinal stenosis was approved by the U.S. Food and Drug Administration (FDA) in late 2012 and is sold in more than 50 countries.

2014 Dividends

On January 29, 2014, PDL's Board of Directors declared regular quarterly dividends of $0.15 per share of common stock, payable on March 12, June 12, September 12 and December 12 of 2014 to all stockholders who own shares of PDL on March 5, June 5, September 5 and December 5 of 2014, the record dates for each of the dividend payments, respectively. On

December 12, 2013, PDL paid the fourth quarterly dividend to stockholders of record totaling $21.0 million using earnings generated in the fourth quarter of 2013.

Revenue Guidance for 2014
As previously announced, PDL will continue to provide revenue guidance for each quarter in the third month of that quarter. First quarter 2014 revenue guidance will be provided later this month.

Conference Call Details
PDL will hold a conference call to discuss financial results at 4:30 p.m. Eastern Time today, March 3, 2014.

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 3074960. 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 March 9, 2014, and may be accessed by dialing (855) 859-2056 from the United States and Canada or (404) 537-3406 internationally. The replay passcode is 3074960.

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.

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 deployed approximately $550 million to date. PDL is focused on the quality of the income generating assets and potential returns on investment.

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. 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.

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

	Three Months Ended December 31,		Year Ended December 31,	
	2013	**2012**	**2013**	**2012**
Revenues				
Royalties	$ 109,643	$ 86,046	$ 441,421	$ 374,525
License and other	500	—	1,500	—
Total revenues	110,143	86,046	442,921	374,525
Operating Expenses				
Cost of royalty revenues (amortization of intangible asset)	5,637	—	5,637	—
General and administrative expenses	7,861	7,732	29,755	25,469
Operating income	96,645	78,314	407,529	349,056
Non-operating expense, net				
Interest and other income, net	7,500	4,728	19,218	7,113
Interest expense	(6,702)	(5,950)	(24,871)	(29,036)
Total non-operating expense, net	798	(1,222)	(5,653)	(21,923)
Income before income taxes	97,443	77,092	401,876	327,133
Income tax expense	36,351	27,684	137,346	115,464
Net income	$ 61,092	$ 49,408	$ 264,530	$ 211,669
Net income per share				
Basic	$ 0.44	$ 0.35	$ 1.89	$ 1.52
Diluted	$ 0.39	$ 0.34	$ 1.66	$ 1.45
Shares used to compute income per basic share	139,876	139,764	139,842	139,711
Shares used to compute income per diluted share	157,993	145,419	159,343	146,403
Cash dividends declared per common share	$ —	$ —	$ 0.60	$ 0.60

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

	December 31,	
	2013	**2012**
Cash, cash equivalents and investments	$ 99,540	$ 148,689
Total notes receivable	$ 193,853	$ 93,208
Total intangible asset	$ 235,677	$ —
Total assets	$ 543,955	$ 279,966
Total term loan payable	$ 74,397	$ —
Total convertible notes payable	$ 320,883	$ 309,952
Total stockholders' equity (deficit)	$ 113,489	$ (68,122)

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

	Year Ended December 31,	
	2013	**2012**
Net income	$ 264,530	$ 211,669
Adjustments to reconcile net income to net cash provided by operating activities	18,393	26,644
Changes in assets and liabilities	(12,033)	(28,097)
Net cash provided by operating activities	$ 270,890	$ 210,216

PDL BIOPHARMA, INC.
MIX OF EX-U.S. SALES AND EX-U.S.-BASED MANUFACTURING AND SALES OF GENENTECH PRODUCTS
(Unaudited)

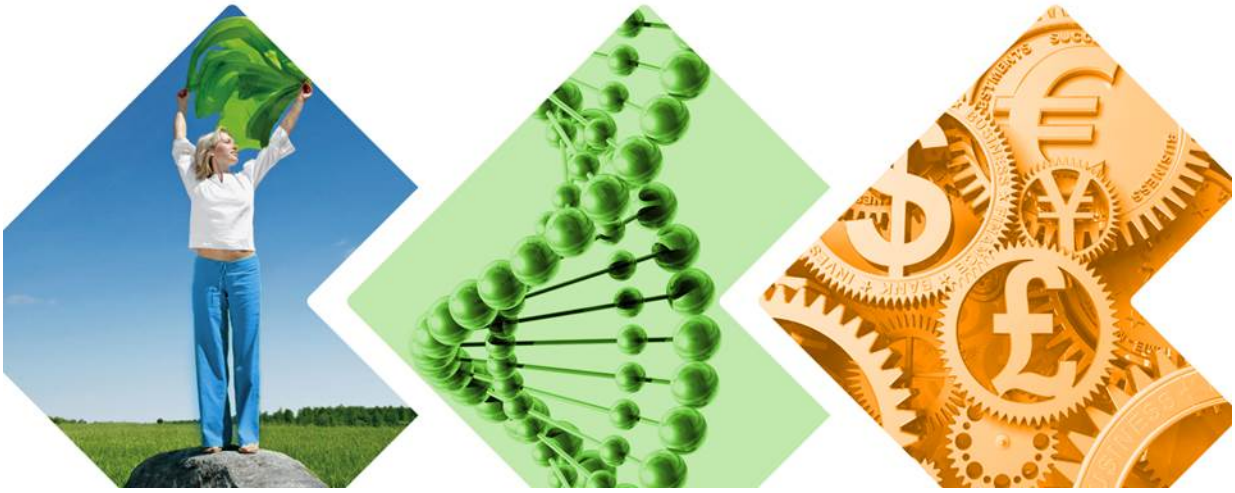
	Three Months Ended December 31,		Year Ended December 31,	
	2013	**2012**	**2013**	**2012**
Avastin				
% Ex-U.S. Sold	58%	57%	58%	56%
% Ex-U.S.-based Manufactured and Sold	39%	40%	43%	29%
Herceptin				
% Ex-U.S. Sold	67%	69%	68%	69%
% Ex-U.S.-based Manufactured and Sold	45%	35%	40%	37%
Kadcyla				
% Ex-U.S. Sold	4%	0%	2%	0%
% Ex-U.S.-based Manufactured and Sold	0%	0%	0%	0%
Lucentis				
% Ex-U.S. Sold	62%	66%	64%	63%
% Ex-U.S.-based Manufactured and Sold	0%	0%	0%	0%
Perjeta				
% Ex-U.S. Sold	38%	2%	24%	1%
% Ex-U.S.-based Manufactured and Sold	0%	0%	0%	0%
Xolair				
% Ex-U.S. Sold	39%	38%	40%	39%
% Ex-U.S.-based Manufactured and Sold	39%	38%	40%	39%

Exhibit 99.2

PDL BioPharma®

Fourth Quarter / Year End 2013
FINANCIAL RESULTS CONFERENCE CALL

March 3, 2014



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 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;
- 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;
- The outcome of litigation or disputes; 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 To Continue Operations

- Announced in January the board's decision for PDL to continue operations post the Queen et. al. patent expiration date
- Objective is to continue creating tangible value (dividends) for our shareholders
- Given successes to date in acquiring income generating assets, PDL will continue operations as well as the strategy to pursue additional assets
- Approximately $550 million has been deployed with this strategy to date

PDL BioPharma

PDL to Pay Quarterly Dividends in 2014

- Will pay quarterly dividends to our shareholders again this year
- Sixth consecutive year
- Returning tangible value to our shareholders through dividends is a high priority for us
- PDL is the highest dividend-yielding company among biotech / pharma companies
- Will pay quarterly dividends of 15¢ to shareholders of record

Agreement Reached with Roche and Genentech

- Pleased to announce settlement agreement with Roche and Genentech to resolve all outstanding legal disputes between two companies
- Royalty rate reflects an increase over historical rates
- There is now certainty around the period for which we will continue to receive royalties
- Effective retroactively to August 15, 2013, Genentech will pay a fixed royalty rate of 2.125 percent on worldwide sales of Avastin®, Herceptin®, Lucentis®, Xolair®, Kadcyla® and Perjeta®, as compared to the previous tiered royalty rate in the U.S and the fixed rate on all ex-U.S based manufactured and sold licensed products
- Genentech will pay these royalties on all worldwide sales of Avastin, Herceptin, Xolair, Perjeta and Kadcyla occurring on or before December 31, 2015
- With respect to Lucentis, Genentech will owe no royalties on U.S. sales occurring after June 30, 2013, and will pay a royalty of 2.125 percent on all ex-U.S. sales occurring on or before December 28, 2014
- Pursuant to a separate agreement, Roche Glycart agreed that Gazyva® is a licensed product. The royalty term and royalty rate for Gazyva remain unchanged from the existing license agreement pertaining thereto

$75 Million Debt Financing with Paradigm Spine

- Completed senior secured debt financing transaction earlier this month
- Paradigm to receive $75 million--$50 million upon signing and $25 million in two equal tranches upon completion of milestones
- Proceeds to be used to pay off existing credit facility and to expand domestic commercial operations
- Paradigm's landmark coflex® interlaminar stabilization device is sold in more than 50 countries

Transaction Scorecard

Current Investments:

Senior Secured Financing PARADIGM SPINE $75,000,000 February 2014	Senior Secured Financing DIRECT FLOW MEDICAL, INC. $50,000,000 November 2013	Senior Secured Financing DURATA THERAPEUTICS $70,000,000 October 2013
Royalty Acquisition Depomed $240,500,000 October 2013	Senior Secured Financing LENSAR $60,000,000 October 2013	Senior Secured Financing/ Royalty Transaction AVINGER $40,000,000 April 2013
Royalty Transaction/ Senior Secured Financing Wellstat Diagnostics, LLC $44,000,000 November 2012	Royalty Transaction/ Senior Secured Financing AxoGen $20,800,000 October 2012	

Concluded Investments:

Senior Secured Financing MERUS LABS $55,000,000 July 2012

- 10 Transactions to date
- $368MM deployed in 2013
- $546MM deployed to date
- 1 Matured Transaction (Merus Labs)

PDL BioPharma

Reduction of Principal in 2.875% Converts

- Entered into exchange and purchase agreements for ~$131.7 million of principal outstanding of the existing 2.875 Convertible Notes due in February 2015 in return for 20.3 million shares and $34.2 million in cash.
- Conversion rate in these Notes adjusted to reduce the conversion rate on each quarterly dividend payment.
- Reduces principal outstanding from ~$180 million to ~$48 million.

PDL BioPharma

$300 Million Offering of Convertible Notes Completed

- 4.00% Convertible Senior Notes
- Due February 1, 2018
- Net share settle
- Note hedge and warrant hedge transaction increases conversion price to $10.36
- The conversion rate is subject to increase under certain circumstances, but will not be increased if regular quarterly cash dividends paid by us do not exceed $0.15 per share
- Net proceeds were $290.3 million, of which $19.5 million was used for the net cost of the note hedge transaction

Fourth Quarter and Year Ended December 31, 2013 Overview

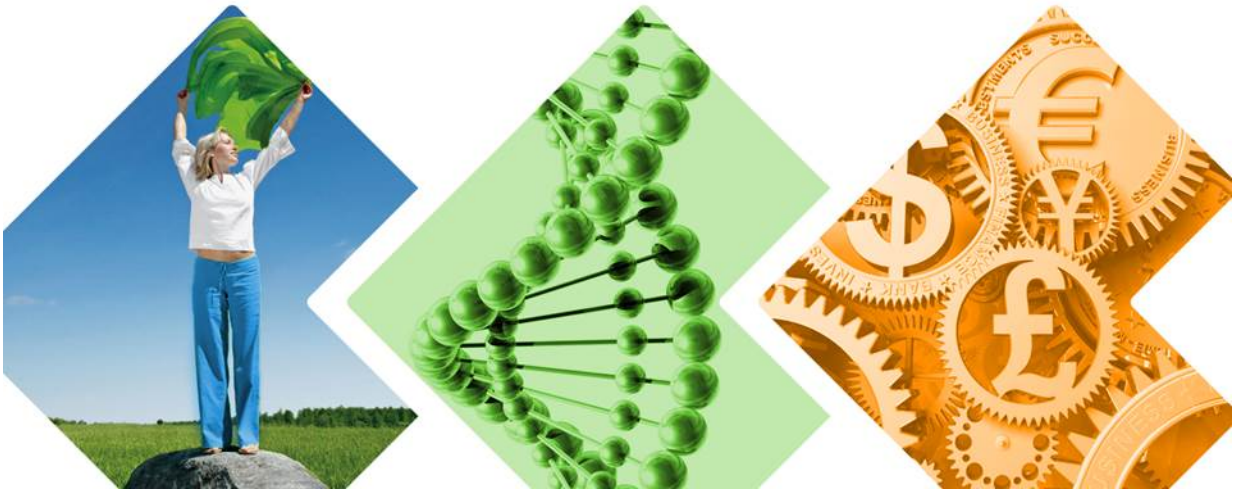
(In thousands, except per share amounts)	Three Months Ended December 31, 2013	Three Months Ended December 31, 2012	Year Ended December 31, 2013	Year Ended December 31, 2012
Revenues	$ 110,143	$ 86,046	$ 442,921	$ 374,525
Cost of royalty revenues	5,637	-	5,637	-
G&A expenses	7,861	7,732	29,755	25,469
Operating expenses	13,498	7,732	35,392	25,469
Operating income	96,645	78,314	407,529	349,056
Interest and other income, net	7,500	4,728	19,218	7,113
Interest expense	(6,702)	(5,950)	(24,871)	(29,036)
Income before income taxes	97,443	77,092	401,876	327,133
Income tax expense	36,351	27,684	137,346	115,464
Net income	$ 61,092	$ 49,408	$ 264,530	$ 211,669
Net income per share - Basic	$ 0.44	$ 0.35	$ 1.89	$ 1.52
Net income per share - Diluted	$ 0.39	$ 0.34	$ 1.66	$ 1.45

	December 31, 2013	December 31, 2012
Cash, cash equivalents and investments	$ 99,540	$ 148,689
Total notes receivable	$ 193,853	$ 93,208
Total intangible asset	$ 235,677	$ -
Total assets	$ 543,955	$ 279,966
Total term loan payable	$ 74,397	$ -
Convertible notes payable	$ 320,883	$ 309,952
Total stockholders's equity (deficit)	$ 113,489	$ (68,122)

PDL BioPharma

PDL BioPharma

QUESTION AND ANSWER SESSION



PDL BioPharma, Inc.
Q4-Year End 2013
March 3, 2014

Following are some of the key points regarding PDL's fourth quarter and full year 2013 financial and business results.

Net Income

- Net income in 2013 was $264.5 million, or $1.66 per diluted share, as compared with net income in 2012 of $211.7 million, or $1.45 per diluted share. Net income for the fourth quarter of 2013 was $61.1 million, or $0.39 per diluted share, as compared with net income of $49.4 million for the same period of 2012, or $0.34 per diluted share. The increase in net income in the fourth quarter is primarily due to a 27 percent increase in royalty revenues, which included royalty revenues related to the first two months of Glumetza royalties from Depomed.

2014 Dividends

- On January 29, 2014, PDL's Board of Directors declared regular quarterly dividends of $0.15 per share of common stock, payable on March 12, June 12, September 12 and December 12 of 2014 to all stockholders who own shares of PDL on March 5, June 5, September 5 and December 5 of 2014, the record dates for each of the dividend payments, respectively. On December 12, 2013, PDL paid the fourth quarterly dividend to stockholders of record totaling $21.0 million using earnings generated in the fourth quarter of 2013.

Board Decision to Continue Operations

- PDL's board of directors, having evaluated the operational and financial results and forecasts of the Company, as well as the successes to date in acquiring income generating assets, has made the strategic decision to continue its operations post expiration of the Queen et al. patents and to continue the strategy of pursuing new income generating assets so as to extend its ability to pay dividends to its shareholders.

Settlement Agreement with Genentech/Roche

- In January, we reached an agreement with Roche and Genentech to resolve all outstanding legal disputes between us. We are pleased with the outcome and believe that our shareholders benefit from this settlement given that the royalty rate reflects an increase over historical rates, and there is now certainty around the period for which we will continue to receive royalties. Further details can be found in the earnings release or 10-K.

Reduction of Principal in Existing 2.875% Convertible Notes (Feb 2015)

- In February, we entered into exchange and purchase agreements for approximately $131.7 million of principal outstanding of the 2.875% Convertible Notes due in February 2015 in return for 20.3 million shares and $34.2 million in cash. The effect of this transaction is to reduce the principal outstanding from approximately $180 million to about $48 million. One of the reasons that we retired most of these Notes is that the conversion rate adjusts with each quarterly dividend payment potentially resulting in more dilution to our shareholders. With the retirement of most of these Notes, we were able to mitigate some of that potential dilution.

New 4% Convertible Notes

- Also in February, we sold $300 million in principal of new 4.00% Convertible Notes due February 1, 2018. The conversion rate on these new Notes is of 109.1048 shares of common stock per $1,000 principal or $9.17 per share. In addition, we have implemented a bond hedge that effectively increases the conversion rate to $10.36 per share. Unlike the 2.875% Convertible Notes, these new Notes do not adjust for dividends of up to $0.15 per quarter - our dividend rate for the last four years.

Updates on Approved Royalty Bearing Products

Avastin® *(bevacizumab):*

- On January 30, 2014, Genentech/Roche reported that 2013 worldwide sales increased by 13% year over year.
  - There was significant increase in sales in US in colorectal cancer due to label expansion through multiple lines of therapy.
  - Strong sales in EU were driven by ovarian and colorectal cancers with the latter due to the label expansion through multiple lines of therapy.
  - Steady growth in Japan in colorectal cancer, breast cancer and non-small cell lung cancer.

- On July 25, 2013, Genentech/Roche stated that it intends to file for approval for treatment of cervical cancer in US and EU in 2014.
- On December 12, 2012 and January 24, 2013, Genentech/Roche announced EU and US approval, respectively for second line metastatic colorectal cancer.

Herceptin® (trastuzumab):

- On January 30, 2014, Genentech/Roche reported that 2013 worldwide sales increased by 6% year over year with volume growth driven by Asia and Latin America.
- On September 2, 2013, Genentech/Roche said European Commission approved a subcutaneous formulation of Herceptin to treat HER2-positive breast cancer.
    - Subcutaneous administration takes 2-5 minutes instead of 30-90 minutes with the approved IV administration.

Lucentis® (ranibizumab):

- On January 30, 2014, Genentech/Roche reported that 2013 US sales increased by 15% year over year.
    - Less frequent than monthly dosing regimen is stabilizing market share in AMD.
    - Increasing share in RVO and DME markets.
- On January 29, 2013, Novartis reported that 2013 ex-US sales were $2.38 billion, up 1% year over year.

Tysabri® (natalizumab):

- On January 29, 2014, Biogen Idec reported that global sales in 2013 were $1.5 billion.

Xolair® (omalizumab):

- On January 30, 2014, Genentech/Roche reported that 2013 US sales increased by 13% year over year.
- On January 29, 2014, Novartis reported that 2013 ex-US sales were $613 million, up 24% year over year.
- On January 24, 2014, Novartis reported that the EMA Committee for Medicinal Products had adopted a positive opinion for the use of Xolair as an add on therapy for chronic spontaneous idiopathic urticaria.
- On October 10, 2013, Genentech/Roche announced that the FDA had accepted for filing the US approval application for chronic idiopathic urticaria (CIU) with a PDUFA date in second quarter of 2014.
- On June 26, 2013, Novartis announced that the second Phase 3 trial in 335 patients ages 12-75 with moderate to severe refractory chronic idiopathic urticaria (CIU) treated with 300 mg subcutaneous Xolair given every 4 weeks for 24 weeks as an add-on to antihistamine therapy met the primary efficacy endpoint with a similar incidence and severity of adverse events between treated and placebo patients.
    - In February 2013, Novartis reported data from the first Phase 3 in 323 patients ages 12-75 with moderate to severe refractory CIU showing that 150 and 300 mg doses of Xolair as an add-on to antihistamine therapy each met the primary efficacy endpoint.

Actemra® (tocilizumab):

- On January 30, 2014, Genentech/Roche reported that 2013 worldwide sales increased by 30% year over year.
    - Sales growth was driven by monotherapy use with the US being the biggest contributor to growth.
- On December 20, 2013, Genentech/Roche announced positive CHMP opinion in EU with respect to approval of the subcutaneous formulation.
- On October 21, 2013, Genentech/Roche announced approval of the subcutaneous formulation in the US.

Perjeta® (pertuzumab):

- On January 30, 2014, Genentech/Roche reported 2013 worldwide sales increased by 498% year over year.
    - Genentech/Roche announced EMA approval in March 2013.
    - Sales growth driven by metastatic breast cancer with continued increase in first line HER2-positive metastatic breast cancer.
- On September 30, 2013, Genentech/Roche announced that FDA had granted accelerated approval for the neo-adjuvant indication.

Kadcyla® (TDM-1 or ado-trastuzumab emtansine):

- On January 30, 2014, Genentech/Roche reported 2013 worldwide sales of CHF 234 million.
  - Strong uptake in second line treatment of HER2-positive metastatic breast cancer in US.
  - Product launched in some EU countries**.**
- On July 25, 2013, Genentech/Roche announced that a Phase 3 trial comparing Kadcyla to the physician's choice of treatment in patients with HER2-positive breast cancer who have already been treated with a HER2-targeted therapy, met its co-primary endpoint of progression free survival. The other endpoint is overall survival, but these data are not yet mature.

Gazyva™ (Obinutuzumab or GA101):

- On November 1, 2013, Genentech/Roche announced that Gazyva™ (obinutuzumab), formerly known as GA101, became the first therapy approved through the FDA's breakthrough therapy designation, indicated in combination with chlorambucil to treat previously untreated chronic lymphocytic leukemia (CLL).
  - Much earlier than PDUFA date of December 20, 2013.
  - Genentech/Roche expect Gazyva to be on the market shortly.
  - On May 15, 2013, Genentech/Roche announced approval applications for the treatment of CLL had been submitted to European Medicines Association.
  - PDL expects to receive royalties beginning in 1Q14.
- On November 7, 2013, Genentech/Roche announced that the results from Stage 2 of Phase 3 trial showed CLL patients treated with Gazyva + chlorambucil had a median progression free survival (PFS) of 26.7 months compared to 15.2 months for patients receiving Rituxan + chlorambucil.
  - Previously, Genentech/Roche announced that results from Stage 1 of same Phase 3 trial showed CLL patients treated with Gazyva + chlorambucil had a PFS of 23 months compared to 10.9 months for patients treated with chlorambucil only.

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 factors that could impair the value of the Company's royalty assets, restrict or impede the ability of the Company to invest in new income generating 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. 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.

PDL BioPharma, Inc.
Q4-Year End 2013
March 3, 2014

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

Avastin	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
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**
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**
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**
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**
2013	340	1,414	748	879	3,381
2012	—	—	58	250	308
2011	—	—	—	—	—
2010	—	—	—	—	—
2009	—	—	—	—	—
2008	—	—	—	—	—
2007	—	—	—	—	—
2006	—	—	—	—	—
Kadcyla	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2013	—	551	830	859	2,240
2012	—	—	—	—	—
2011	—	—	—	—	—
2010	—	—	—	—	—
2009	—	—	—	—	—
2008	—	—	—	—	—
2007	—	—	—	—	—
2006	—	—	—	—	—
Tysabri	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
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**
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
2006	—	—	—	—	—

*** As reported to PDL by its licensees**

Totals may not sum due to rounding

PDL BioPharma, Inc.
Q4-Year End 2013
March 3, 2014

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

Avastin	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
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**
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**
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**
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**
2013	34,008	55,076	66,353	87,949	243,386
2012	—	—	5,080	25,000	30,079
2011	—	—	—	—	—
2010	—	—	—	—	—
2009	—	—	—	—	—
2008	—	—	—	—	—
2007	—	—	—	—	—
2006	—	—	—	—	—
Kadcyla	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2013	—	21,459	73,626	85,906	180,991
2012	—	—	—	—	—
2011	—	—	—	—	—
2010	—	—	—	—	—
2009	—	—	—	—	—
2008	—	—	—	—	—
2007	—	—	—	—	—
2006	—	—	—	—	—
Tysabri	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
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**
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
2006	—	—	—	—	—

*** 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

PDL BioPharma, Inc.
Q4-Year End 2013
March 3, 2014

Manufacturing Location & Sales - Genentech / Roche & Novartis ($ in 000's) *

Avastin Sales	2012 - Q2	2012 - Q3	2012 - Q4	2013 - Q1	2013 - Q2	2013 - Q3	2013 - Q4
US Made & Sold	724,483	679,914	710,501	664,109	750,491	716,337	765,636
US Made & ex-US Sold	532,979	428,976	281,905	161,369	165,651	360,177	349,836
ex-US Made & Sold	316,265	442,437	670,572	827,629	778,536	669,621	704,405
Total	1,573,727	1,551,327	1,662,977	1,653,108	1,694,678	1,746,135	1,819,877
US Made & Sold	46%	44%	43%	40%	44%	41%	42%
US Made & ex-US Sold	34%	28%	17%	10%	10%	21%	19%
ex-US Made & Sold	20%	29%	40%	50%	46%	38%	39%

Herceptin Sales	2012 - Q2	2012 - Q3	2012 - Q4	2013 - Q1	2013 - Q2	2013 - Q3	2013 - Q4
US Made & Sold	497,109	503,612	515,790	514,113	583,677	518,790	561,990
US Made & ex-US Sold	466,477	545,625	552,127	486,400	563,243	522,159	383,439
ex-US Made & Sold	661,727	614,459	582,578	681,060	597,225	640,911	781,123
Total	1,625,313	1,663,695	1,650,495	1,681,574	1,744,145	1,681,860	1,726,551
US Made & Sold	31%	30%	31%	31%	33%	31%	33%
US Made & ex-US Sold	29%	33%	33%	29%	32%	31%	22%
ex-US Made & Sold	41%	37%	35%	41%	34%	38%	45%

Lucentis Sales	2012 - Q2	2012 - Q3	2012 - Q4	2013 - Q1	2013 - Q2	2013 - Q3	2013 - Q4
US Made & Sold	412,131	385,746	381,592	392,207	419,030	449,834	461,380
US Made & ex-US Sold	674,411	711,795	728,103	810,972	752,393	750,958	751,271
ex-US Made & Sold	—	—	—	—	—	—	—
Total	1,086,543	1,097,541	1,109,695	1,203,179	1,171,423	1,200,791	1,212,651
US Made & Sold	38%	35%	34%	33%	36%	37%	38%
US Made & ex-US Sold	62%	65%	66%	67%	64%	63%	62%
ex-US Made & Sold	—%	—%	—%	—%	—%	—%	—%

Xolair Sales	2012 - Q2	2012 - Q3	2012 - Q4	2013 - Q1	2013 - Q2	2013 - Q3	2013 - Q4
US Made & Sold	193,600	211,702	210,892	207,976	218,860	236,180	242,991
US Made & ex-US Sold	—	—	—	—	—	—	—
ex-US Made & Sold	121,039	136,094	129,540	133,333	146,918	155,720	158,342
Total	314,638	347,796	340,431	341,309	365,778	391,900	401,333
US Made & Sold	62%	61%	62%	61%	60%	60%	61%
US Made & ex-US Sold	—%	—%	—%	—%	—%	—%	—%
ex-US Made & Sold	38%	39%	38%	39%	40%	40%	39%

Perjeta Sales	2012 - Q2	2012 - Q3	2012 - Q4	2013 - Q1	2013 - Q2	2013 - Q3	2013 - Q4
US Made & Sold	—	5,080	24,571	32,377	48,979	49,111	54,168
US Made & ex-US Sold	—	—	428	1,632	6,096	17,242	33,781
ex-US Made & Sold	—	—	—	—	—	—	—
Total	—	5,080	25,000	34,008	55,076	66,353	87,949
US Made & Sold	—%	100%	98%	95%	89%	74%	62%
US Made & ex-US Sold	—%	—%	2%	5%	11%	26%	38%
ex-US Made & Sold	—%	—%	—%	—%	—%	—%	—%

Kadcyla Sales	2012 - Q2	2012 - Q3	2012 - Q4	2013 - Q1	2013 - Q2	2013 - Q3	2013 - Q4
US Made & Sold	—	—	—	—	21,459	72,887	82,395
US Made & ex-US Sold	—	—	—	—	—	739	3,510
ex-US Made & Sold	—	—	—	—	—	—	—
Total	—	—	—	—	21,459	73,626	85,906
US Made & Sold	—%	—%	—%	—%	100%	99%	96%
US Made & ex-US Sold	—%	—%	—%	—%	—%	1%	4%
ex-US Made & Sold	—%	—%	—%	—%	—%	—%	—%

Total Sales	2012 - Q2	2012 - Q3	2012 - Q4	2013 - Q1	2013 - Q2	2013 - Q3	2013 - Q4
US Made & Sold	1,827,323	1,786,053	1,843,345	1,810,783	2,042,496	2,043,139	2,168,559
US Made & ex-US Sold	1,673,867	1,686,395	1,562,564	1,460,373	1,487,383	1,651,276	1,521,837
ex-US Made & Sold	1,099,031	1,192,990	1,382,690	1,642,023	1,522,679	1,466,252	1,643,870
Total	4,600,221	4,665,438	4,788,598	4,913,178	5,052,559	5,160,667	5,334,267
US Made & Sold	40%	38%	38%	37%	40%	40%	41%
US Made & ex-US Sold	36%	36%	33%	30%	29%	32%	29%
ex-US Made & Sold	24%	26%	29%	33%	30%	28%	31%

*** 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