
**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 18, 2009

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.

On September 18, 2009, the Company issued two press releases relating to the adjustment of the conversion ratio of its outstanding convertible notes. Copies of the Company's press releases are attached hereto as Exhibit 99.1 and Exhibit 99.2.

The information in this Item 7.01, including Exhibits 99.1 and 99.2, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that Section, and shall not be deemed incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated September 18, 2009 entitled "PDL BioPharma Announces Conversion Rate Adjustment for Its 2.00% Convertible Senior Notes Due February 15, 2012."
99.2	Press Release dated September 18, 2009 entitled "PDL BioPharma Announces Conversion Rate Adjustment for Its 2.75% Convertible Subordinated Notes Due August 16, 2023."

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/ Christine Larson
Christine Larson
Vice President and Chief Financial Officer

Dated: September 18, 2009

EXHIBIT INDEX

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**Contacts:**

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**PDL BioPharma Announces Conversion Rate Adjustment for Its 2.00% Convertible
Senior Notes Due February 15, 2012**

INCLINE VILLAGE, NV, September 18, 2009 — PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today announced an adjustment to the conversion rate for its 2.00% Convertible Senior Notes due February 15, 2012 (the "Notes"). The conversion rate, as adjusted, is 94.447 shares of common stock per \$1,000 principal amount of the Notes, effective September 18, 2009. The conversion rate for the Notes was previously 89.165 shares of common stock per \$1,000 principal amount of the Notes.

On March 2, 2009, PDL announced a cash dividend of \$0.50 per share of its common stock, payable to stockholders of record on September 17, 2009. In connection with the cash dividend, the conversion rate is increased by multiplying the previous conversion rate by a fraction, the numerator of which is the average closing price of PDL's common stock for the five consecutive trading days immediately preceding September 15, 2009, the ex-dividend date for the cash dividend, and the denominator of which is the difference of such average closing price less \$0.50.

About PDL BioPharma, Inc.

PDL BioPharma 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. PDL is focused on maximizing the value of its antibody humanization patents and related assets. The company receives royalties on sales of a number of humanized antibody products marketed today and also may receive royalty payments on additional humanized antibody products launched before patent expiry in late 2014. For more information, please visit www.pdl.com.

NOTE: PDL BioPharma and the PDL BioPharma logo are considered trademarks of PDL BioPharma, Inc.

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**PDL BioPharma Announces Conversion Rate Adjustment for Its 2.75% Convertible
Subordinated Notes Due August 16, 2023**

INCLINE VILLAGE, NV, September 18, 2009 — PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today announced an adjustment to the conversion rate for its 2.75% Convertible Subordinated Notes due August 16, 2023 (the “Notes”). The conversion rate, as adjusted, is 131.034 shares of common stock per \$1,000 principal amount, effective September 18, 2009. The conversion rate for the Notes was previously 123.715 shares of common stock per \$1,000 principal amount of the Notes.

On March 2, 2009, PDL announced a cash dividend of \$0.50 per share of its common stock, payable to stockholders of record on September 17, 2009. In connection with the cash dividend, the conversion rate is increased by multiplying the previous conversion rate by a fraction, the numerator of which is the average closing price, as determined in accordance with the indenture governing the Notes, of PDL’s common stock for the ten consecutive trading days immediately preceding September 17, 2009, the record date for the cash dividend, and the denominator of which is the difference of such average closing price less \$0.50.

About PDL BioPharma, Inc.

PDL BioPharma 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. PDL is focused on maximizing the value of its antibody humanization patents and related assets. The company receives royalties on sales of a number of humanized antibody products marketed today and also may receive royalty payments on additional humanized antibody products launched before patent expiry in late 2014. For more information, please visit www.pdl.com.

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