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): November 19, 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 7.01 Regulation FD Disclosure.

On November 19, 2014, PDL BioPharma, Inc. (the Company) will make a presentation at the Jefferies 2014 Global Healthcare Conference in London, United Kingdom. A copy of the Company's presentation materials has been posted to the Company's website and is attached hereto as Exhibit 99.1.

Limitation of Incorporation by Reference

In accordance with General Instruction B.2. of Form 8-K, the information in this report, including the exhibit, is furnished pursuant to Item 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. This Current Report will not be deemed an admission as to the materiality of any information in the report that is required to be disclosed solely by Regulation FD.

Cautionary Statements

This filing and the presentation 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 2013 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 3, 2014, 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.

Exhibit No.	Description
99.1	Presentation

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/ John P. McLaughlin
John P. McLaughlin
President and Chief Executive Officer

Dated: November 19, 2014

EXHIBIT INDEX

Exhibit No.	Description
99.1	Presentation

PDL BioPharma

Jefferies 2014 Global Healthcare Conference

November 19, 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 under secured 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.

KEY INFORMATION

Ticker	PDLI (NASDAQ)
Location	Incline Village, Nevada
Employees	10
2013 Revenues	$443 million
2013 Expenses	$35 million
2014 Regular Dividends (Pay Date)	$0.15 /share paid on March 12, June 12 and September 12, and to be paid on December 12
2014 Regular Dividends (Record Date)	March 5, June 5, September 5, and December 5
Total Deployed Capital	~$780 million to date
Q3-2014 Cash Position[1]	$284.5 million
Average Daily Volume	~ 3.2 million shares

1. Does not reflect the investment of $65.6 million for royalties in Cerdelga, announced on November 5, 2014, or repayment of $30.3 million from AxoGen and $42.6 million from Durata

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OVERVIEW OF PDL BIOPHARMA

MISSION

- **Optimize return for shareholders**
  - Dividends
- **Queen et al. patents**
  - Manage patent portfolio
  - Manage license agreements
- **Acquire new income generating assets to support payment of dividends**
  - Assets that improve shareholder return
  - Preferably backed by commercial stage products
  - Drug or medical devices with differentiated profile
  - Indifferent as to therapeutic field
  - Debt, royalty or hybrid deal structures

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MANAGEMENT, BOARD AND SENIOR ADVISORS

Management

John McLaughlin
President & CEO

Christopher Stone
VP, General Counsel & Secretary

Peter Garcia
VP & Chief Financial Officer

Danny Hart
VP Business Development

David Montez
Controller & CAO

Nathan Kryszak
Senior Counsel

Board of Directors

David Gryska

Jody Lindell

John McLaughlin

Paul Sandman

Harold E. Selick, Ph.D.
Lead Director

Advisors

Evan Bedil, M.D.

Glenn Reicin

Stephen Hoffman, M.D., Ph.D.

Ramesh Donthamsetty

Experienced Leadership Team with a Track-Record of Success

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RECENT DEVELOPMENTS

ROYALTY ACQUISITION

University of Michigan

- On November 6, 2014, PDL acquired 75% of the University of Michigan's royalty interest in Cerdelga until the expiration of the licensed patents in return for $65.6 million.
- The license agreement is between the University of Michigan and Genzyme, a Sanofi Company, who developed and commercializes Cerdelga.

Royalty Acquisition

UNIVERSITY OF MICHIGAN

$65,600,000
November 2014

Cerdelga

- Cerdelga is an approved oral drug for adult patients with Gaucher Disease type 1, a rare and genetic condition caused by the deficiency of an enzyme, glucocerebrosidase.
- Cerdelga was approved in the US on August 19, 2014 and an application for approval is pending in the EU.

Current Treatment of Gaucher Disease

- Genzyme's Cerezyme® is the current standard of care for patients with Gaucher Disease type 1.
- It is administered through intravenous infusion.
- Cerdelga will offer an oral treatment alternative to such patients.

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OTHER DEVELOPMENTS

Durata

- In November 2013, PDL agreed to provide up to $70 million in senior secured funding to Durata.
- $25 million was funded at closing and $15 million on FDA approval of Dalvance in May 23, 2014.
- 5-year term with 14% coupon on first tranche that reduced to 12.75% on funding of second tranche.

Senior Secured Financing

DURATA THERAPEUTICS

$70,000,000
October 2013

- On October 6, 2014, Actavis announced that it will purchase Durata for $675 million ($23.00 per share in cash, plus CVRs of up to an additional $5.00).
- On November 17, 2014, as required under the change in control provision of the debt agreement, Durata repaid the loan in full, including accrued interest, prepayment penalties and change of control fees.

AxoGen

- In October 2012, PDL provided $20.8 million to AxoGen in exchange for royalties on AxoGen revenues.
- On November 13, 2014, AxoGen paid $30.3 million to PDL, which constitutes full payment, and PDL bought $1.75 million worth of AxoGen stock at $2.72 per share.

Royalty Transaction/
Senior Secured Financing

AxoGen

$20,800,000
October 2012

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OTHER DEVELOPMENTS (2)

Direct Flow Medical

- In November 2013, PDL agreed to provide up to $50 million in senior secured funding to Direct Flow Medical, a transcatheter heart valve innovator.
- $35 million was funded at close.
- PDL agreed to accelerate the additional $15 million second tranche commitment on November 10, 2014. Expected to fund later in November 2014, contingent on completion of an equity raise.
- 15.5% interest rate of first tranche reduced to 13.5% on all amounts after draw of second tranche.

PricewaterhouseCoopers

- On October 8, 2014, PDL appointed PwC as its new independent auditors.

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INCOME GENERATING ASSETS

APPROVED QUEEN LICENSED PRODUCTS

Product	Licensee	2013 WW Sales	Approved Indications
AVASTIN bevacizumab	Genentech (US) and Roche (ex-US)	$6.9 billion	Metastatic colorectal cancer Advanced non-small cell lung cancer Renal cancer Metastatic HER2 – breast cancer Glioblastoma Ovarian cancer
Herceptin trastuzumab	Genentech (US) and Roche (ex-US)	$6.7 billion	Metastatic HER2+ breast cancer Metastatic HER2+ stomach cancer
LUCENTIS RANIBIZUMAB INJECTION	Genentech (US) and Novartis (ex-US)	$4.25 billion	Wet age-related macular degeneration (AMD) Macular edema or swelling following retinal vein occlusion Diabetic macular edema
Xolair Omalizumab	Genentech (US) and Novartis (ex-US)	$1.49 billion	Moderate to severe persistent allergic asthma First approved therapy designed to target the antibody IgE, a key underlying cause of the symptoms of allergy related asthma
TYSABRI (natalizumab)	Biogen Idec	$1.5 billion	Multiple Sclerosis (MS) in adult patients with relapsing forms of the disease Crohn's disease in adult patients with moderate-to-severe forms of the disease who have had an inadequate response to or are unable to tolerate conventional therapies
ACTEMRA tocilizumab	Roche and Chugai	$1.15 billion	Moderate to severe rheumatoid arthritis (RA), including patients who have had an inadequate response to one or more DMARDS
PERJETA pertuzumab	Genentech (US) and Roche (ex-US)	$361 million	Previously untreated HER2+ metastatic breast cancer Neoadjuvant treatment of HER2+ metastatic breast cancer
Kadcyla	Genentech (US) and Roche (ex-US)	$259 million	Second line metastatic HER2+ breast cancer First line in patients with metastatic HER2+ breast cancer with disease recurrence within 6 months of adjuvant treatment
GAZYVA obinutuzumab	Genentech (US) and Roche (ex-US)	$3 million (approved on November 1, 2013)	First line in combination with chlorambucil chemotherapy for the treatment of people with previously untreated chronic lymphocytic leukemia (CLL)

Roche sales assumes 1.1079 CHF/USD

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QUEEN et al. PATENTS – ROYALTY RATES

- **Tysabri, Actemra, Entyvio, and Gazyva**
  - Flat, low single-digit royalty.

- **Genentech Products (Avastin, Herceptin, Lucentis,[1] Xolair, Perjeta and Kadcyla)**
  - 2.125% on all Genentech Products regardless of site of manufacture or sale effective as of August 15, 2013.
  - Royalties on Avastin, Herceptin, Xolair, Perjeta and Kadcyla through 1Q16 (on sales through 4Q15).
  - Royalties owed on US Lucentis sales through 3Q13 (on sales through 2Q13) and ex-US sales through 1Q15 (on sales through 4Q14).
  - Compares to blended global royalty rate on Genentech Products in 2013 of 1.9% under previous tiered and bifurcated (US made or sold vs. ex-US made and sold) royalty schedule.

1. As part of a settlement with Novartis, which commercializes Lucentis outside US, PDL agreed to pay to Novartis certain amounts based on net sales of Lucentis made by Novartis during calendar year 2011 and beyond. The amounts to be paid are less than we receive in royalties on such sales and we do not currently expect such amount to materially impact our total annual revenues in 2014.

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12 INCOME GENERATING TRANSACTIONS

- ✓ $780MM+ deployed
- ✓ $300MM committed year-to-date 2014

9 Current Investments

Royalty Acquisition	Royalty Acquisition	Senior Secured Note Purchase	Senior Secured Financing
$65,600,000 November 2014	$15,500,000 June 2014	$150,000,000 April 2014	$75,000,000 February 2014

Senior Secured Financing	Royalty Acquisition	Senior Secured Financing	Senior Secured Financing/ Royalty Transaction	Royalty Transaction/ Senior Secured Financing
$50,000,000 November 2013	$240,500,000 October 2013	$60,000,000 October 2013	$40,000,000 April 2013	$44,000,000 November 2012

3 Matured Investments

Senior Secured Financing	Royalty Transaction/ Senior Secured Financing	Senior Secured Financing
$70,000,000 October 2013	$20,800,000 October 2012	$55,000,000 July 2012

OTHER INCOME GENERATING ASSETS

Company	Structure	Technology	Deal Summary
University of Michigan	Royalty	Cerdelga is an approved oral drug for adult patients with Gaucher Disease type 1, a rare and genetic condition caused by the deficiency of an enzyme, glucocerebrosidase.	On November 6, 2014, PDL acquired 75% of the University of Michigan's royalty interest in Cerdelga until the expiration of the licensed patents in return for $65.6 million.
Viscogliosi Bros., LLC	Royalty	PMA-approved spinal implant commercialized by Paradigm Spine.	Right to receive royalties on sales of spinal implant in exchange for cash payment of $15.5 million until PDL receives an amount equal to 2.3 times the cash advanced after which all royalties revert to Viscogliosi Brothers.
kaléo	Debt	Commercialization of Auvi-Q for delivery of epinephrine to treat severe allergic reactions that can be life-threatening i.e., anaphylaxis, and EVZIO for delivery of naloxone for the treatment of patients who overdose on opioids.	$150 million worth of Notes backed by 100% of royalties of sales of Auvi-Q by Sanofi and 10% of net sales of EVZIO by kaleo. The Notes pay interest at 13% and, while final maturity is March 2029, PDL anticipates that the notes will be repaid in 2020.
Paradigm Spine	Debt	Commercialization of coflex for treatment of spinal conditions.	An initial $50 million and additional $25 million to be funded in two tranches upon the achievement of specified revenue and other milestones on or prior to December 31, 2014. Interest rate is 13%. Loans mature on August 14, 2019.
Direct Flow Medical, Inc.	Debt	Commercialization of its transcatheter aortic valve system to treat aortic stenosis with minimal risk of aortic regurgitation, a significant clinical complication with current transcatheter aortic heart valve replacement systems.	An initial $35 million was provided at the close of the transaction and the remaining $15 million second tranche expected to be funded in November 2014. The interest rate on tranche 1 is 15.5% which declines to 13.5% on all amounts after the second tranche is funded. The loans mature on November 5, 2018.

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OTHER INCOME GENERATING ASSETS

Company	Structure	Technology	Deal Summary
Depomed	Royalty	Five drugs for type 2 diabetes: Glumetza®, Janumet® XR, Invokana®, Boehringer Ingelheim's fixed-dose combinations of drugs and extended-release metformin, LG Life Sciences' and Valeant Pharmaceuticals' extended-release metformin in Korea and Canada.	Rights to receive royalties and milestones payable on sales of Type 2 diabetes products licensed by Depomed in exchange for a $240.5 million cash payment until PDL receives payments equal to $481 million after which all payments received will be shared evenly between PDL and Depomed. The agreement terminates on the later of October 2024 or when royalty payments are no longer due.
LENSAR	Debt	Commercialization of its femtosecond laser for cataract treatment which uses 3-D imaging and liquid interface to allow more accurate corneal incisions with more precise and uniform depth of incision and to prevent accidental incision.	An initial $40 million was provided at close of the transaction. The interest rate on the loans is 15.5% and they mature on October 1, 2018.
AVINGER	Hybrid royalty/debt	Commercialization of Ocelot and Lightbox next-generation image guided catheter devices used to open totally occluded arteries in the legs, and development of Pantheris, next-generation image guided atherectomy device.	$20 million in cash funded to Avinger on closing. In exchange, PDL will receive interest on the principal amount outstanding and a low, single-digit royalty on Avinger's revenues from the sale of Avinger's suite of products through April 2018.
Wellstat Diagnostics, LLC	Hybrid royalty/debt	Development of point-of-care diagnostic system using electrochemical luminescence and assays.	$44 million hybrid debt-royalty structure royalty whereby Wellstat is required to repay outstanding principal and a specific target internal rate of return at maturity or upon the occurrence of certain key events. Target internal rates of return depend on whether date of repayment is on or after December 31, 2014, and is higher after this date. Upon commercialization of Wellstat's diagnostic systems or assay, PDL will receive a low double digit royalty on Wellstat Diagnostics' net revenues. Term can be as long as 2021.

OTHER INCOME GENERATING ASSETS

Company	Structure	Technology	Deal Summary
Concluded Deals			
DURATA THERAPEUTICS	Debt	Development and commercialization of a novel intravenous antibiotic, dalbavancin which is dosed twice for 30 minutes, initially and on day 8.	An initial $25 million was provided at the close of the transaction. The agreement provided up to $45 million in additional funds to Durata, $15 million which was funded in May 2014 upon regulatory approval of dalbavancin, and the remaining $30 million was to be funded within nine months after regulatory approval of dalbavancin at Durata's election. The interest rate on tranche 1 was 14% which declined to 12.75% on all amounts after the second tranche was funded. On November 17, 2014, as required under the change in control provision of the credit agreement, Durata repaid the $40 million outstanding loan balance in full, plus accrued interest, and prepayment penalties and change of control fees.
AxoGen	Hybrid royalty/debt	Commercialization of Avance, nerve allograft to bridge severed nerves, and AxoGuard devices, to connect or protect the reconnection of severed nerves.	$20.8 million hybrid debt-royalty structure with midterm through later periods payments of greater of minimum payment or royalty. Royalty rate was 9.95%. Eight year term with PDL put at end of year 4 and AxoGen call in years 5 through 8. On November 12, 2014, AxoGen paid $30.3 million to PDL which constituted the carrying value and full payment under the terms of the financing agreement, and PDL bought $1.75 million worth of AxoGen stock.
MERUS LABS	Debt	Commercialization of Enablex, a treatment for overactive bladder, and Vancocin, an intravenous antibiotic.	$55 million credit agreement with Merus in connection with Merus' acquisition of Enablex from Novartis. In September 2013 Merus refinanced its debt obligation subject to a pre-payment penalty.

QUEEN LICENSED - AVASTIN

Avastin

Herceptin

Lucentis

Xolair

Tysabri

Actemra

Perjeta

Kadcyla

Gazyva

Solanezumab

- ✓ On October 16, 2014, Genentech/Roche reported that YTD worldwide sales were CHF 4.749 billion and increased by 6%.
  - EU: Strong growth driver by further uptake in ovarian and breast cancer.
  - US: Continued increase in metastatic colorectal cancer.
  - Japan: Increased demand in colorectal, breast and ovarian cancers as well as glioblastoma.
  - International: Launches for ovarian cancer and uptake in colorectal cancer.
- ✓ On August 14, 2014, Genentech announced US approval for the treatment of persistent, recurrent or metastatic **cervical cancer** in combination with chemotherapy.
- ✓ On November 14, 2014, Genentech announced US approval for the treatment of recurrent platinum-resistant **ovarian cancer.**
- ✓ On August 6, 2014, Roche reported EU approval for the treatment of **ovarian cancer** that is resistant to platinum-based chemotherapy.

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QUEEN LICENSED - HERCEPTIN

- Avastin
- **Herceptin**
- Lucentis
- Xolair
- Tysabri
- Actemra
- Perjeta
- Kadcyla
- Gazyva
- Solanezumab

✓ On October 16, 2014, Genentech/Roche reported that YTD worldwide sales were CHF4.679 billion and increased by 7%.

- Positive growth in all regions driven by higher volumes/prolonged treatment times.
- US: Continued growth in first line metastatic HER2+ breast cancer.
- EU: Strong demand in Germany, Spain and UK.
- Japan: Increased usage in combination with Perjeta in HER2+ breast cancer, as well in gastric cancer.
- International: Growth driven by China and Brazil.

QUEEN LICENSED - LUCENTIS

- Avastin
- Herceptin
- **Lucentis**
- Xolair
- Tysabri
- Actemra
- Perjeta
- Kadcyla
- Gazyva
- Solanezumab

- ✓ On October 16, 2014, Genentech/Roche reported that YTD US sales were CHF1.260 billion and increased by 5%.
- ✓ On October 28, 2014, Novartis reported that 3Q14 ex-US sales were $614 million and increased by 7%.
- ✓ On August 7, 2014, Genentech filed in US for approval for treatment of **diabetic retinopathy**.
  - Diabetic retinopathy is the leading cause of new cases of blindness of working-age people.
- ✓ October 17, 2014, Regeneron announced top line results from a three-arm trial comparing its drug Eylea with Avastin and Lucentis in patients with diabetic macular edema which showed a greater change in best corrected visual acuity in patients treated with Eylea compared those treated with either Avastin or Lucentis.

QUEEN LICENSED - XOLAIR

- Avastin
- Herceptin
- Lucentis
- **Xolair**
- Tysabri
- Actemra
- Perjeta
- Kadcyla
- Gazyva
- Solanezumab

- ✓ On October 16, 2014, Genentech/Roche reported that YTD US sales were CHF 701 million and increased by 24%.
- ✓ On October 28, 2014, Novartis reported that 3Q14 ex-US sales were $207 million and increased by 39%.
- ✓ In March 2014, both Genentech/Roche and Novartis reported US and EU had approvals, respectively, for treatment of **chronic idiopathic urticaria**.
- ✓ On September 26, 2014, FDA updated the label to warn about a slightly increased risk of cardiovascular and cerebrovascular events as well as a potential risk of cancer.

QUEEN LICENSED - TYSABRI

- Avastin
- Herceptin
- Lucentis
- Xolair
- **Tysabri**
- Actemra
- Perjeta
- Kadcyla
- Gazyva
- Solanezumab

✓ On October 22, 2014, Biogen Idec reported that 3Q14 worldwide sales were $501 million.

QUEEN LICENSED - ACTEMRA

- Avastin
- Herceptin
- Lucentis
- Xolair
- Tysabri
- **Actemra**
- Perjeta
- Kadcyla
- Gazyva
- Solanezumab

- ✓ On October 16, 2014, Genentech/Roche reported that YTD worldwide sales were CHF 897 million and increased by 24% year over year.
  - EU: Continued growth driven by strong monotherapy patient shares in all lines with encouraging subcutaneous adoption.
  - US: Growth is driven by strong IV demand and subcutaneous patient share uptake (~80% of new patients).
  - Subcutaneous formulation approved in US and EU in October 2013 and April 2014, respectively.
- ✓ On September 8, 2014, Roche announced EU approval for treatment of patients with **early rheumatoid arthritis**.

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QUEEN LICENSED - PERJETA

- Avastin
- Herceptin
- Lucentis
- Xolair
- Tysabri
- Actemra
- **Perjeta**
- Kadcyla
- Gazyva
- Solanezumab

- ✓ On October 16, 2014, Genentech/Roche reported YTD worldwide sales were CHF 633 million and increased by 255% year over year.
  - Growth driven by continued strong uptake in first and second line metastatic HER2+ breast cancer and in the neoadjuvant setting in the US.
- ✓ On September 28, 2014, Genentech/Roche announced that final data from Phase 3 study in patients with previously untreated HER2+ metastatic breast cancer who were treated with Perjeta, Herceptin and docetaxel lived a median of 56.5 months compared to 40.8 months for patients treated with Herceptin and docetaxel. Median overall survival of almost five year is the longest observed to date in patients with metastatic HER2+ breast cancer.

QUEEN LICENSED - KADCYLA

- Avastin
- Herceptin
- Lucentis
- Xolair
- Tysabri
- Actemra
- Perjeta
- **Kadcyla**
- Gazyva
- Solanezumab

- ✓ On October 16, 2014, Genentech/Roche reported YTD worldwide sales were CHF 371 million and increased by 148%.
  - Strong uptake in second line metastatic HER2+ breast cancer.
- ✓ MARIANNE results expected in 4Q14.

QUEEN LICENSED - GAZYVA

- Avastin
- Herceptin
- Lucentis
- Xolair
- Tysabri
- Actemra
- Perjeta
- Kadcyla
- **Gazyva**
- Solanezumab

- ✓ On October 16, 2014, Genentech/Roche announced YTD worldwide sales of CHF 32 million.
- ✓ Gazyva was approved in the US on November 1, 2013 for previously untreated **chronic lymphocytic leukemia** (CLL) in combination with chlorambucil.
- ✓ On July 29, 2014, Roche announced EU approval for first line treatment of CLL with chlorambucil.

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QUEEN LICENSED - SOLANEZUMAB

- Avastin
- Herceptin
- Lucentis
- Xolair
- Tysabri
- Actemra
- Perjeta
- Kadcyla
- Gazyva
- **Solanezumab**

- ✓ On October 23, 2013, Lilly stated during its third quarter call with the financial community that it would decide in the next 12 months whether to conduct an interim analysis in its Phase 3 trial in patients with mild Alzheimer's Disease. Final data from that trial is expected in 2016.
- ✓ If solanezumab were to receive marketing authorization, PDL would receive a 12.5 year know-how royalty of 2% from date of first sale.

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FINANCIALS

Q314 vs Q313 and FY13 Financials Comparison

(In thousands, except per share amounts)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Royalties from Queen et al. patents	$ 123,916	$ 96,314	$ 355,008	$ 331,778
Royalty rights - change in fair value	27,602	-	73,807	-
Interest revenue	13,076	2,864	34,760	11,516
License and other	-	1,000	575	1,000
Total revenues	164,594	100,178	464,150	344,294
G&A expenses	5,686	7,925	17,188	21,894
Operating income	158,908	92,253	446,962	322,400
Interest and other income, net	75	53	207	202
Interest expense	(9,387)	(6,118)	(29,770)	(18,169)
Loss on extinguishment of debt	-	-	(6,143)	-
Income before income taxes	149,596	86,188	411,256	304,433
Income tax expense	47,361	29,963	144,083	100,995
Net income	$ 102,235	$ 56,225	$ 267,173	$ 203,438
Net income per share - Basic	$ 0.64	$ 0.40	$ 1.70	$ 1.45
Net income per share - Diluted	$ 0.61	$ 0.36	$ 1.62	$ 1.31

	September 30, 2014	December 31, 2013
Cash, cash equivalents and investments	$ 284,454	$ 99,540
Total notes receivable	$ 418,578	$ 195,048
Total assets	$ 979,869	$ 543,955
Total term loan payable	$ 18,720	$ 74,397
Convertible notes payable	$ 474,181	$ 320,883
Total stockholders's equity	$ 402,006	$ 113,489

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DEBT

CURRENT AND LONG-TERM DEBT

Convertible Notes	Conversion Rate per $1,000 Principal Amount	Approximate Conversion Price Per Common Share	Conversion Price as Increased by Bond Hedge	Effective Date	Principal Balance Outstanding
May 2015 Notes 3.75%	167.9812	$5.95	$7.00	Sept. 3, 2014	$155,250,000
Series 2012 Notes (Feb 2015) 2.875%	191.671	$5.22	-	Sept. 3, 2014	$22,347,000 (1)
February 2018 Notes 4.00%	109.1047	$9.17	$10.36	February 12, 2014	$300,000,000

- **$75 million term loan**
  - 12 months with quarterly amortization entered into in October 2013
  - LIBOR + 200 bps
  - Balance paid in full on October 28, 2014

(1) Balance outstanding assumes conversion of $25.9 million currently in process.

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CONCLUSION

INVESTMENT HIGHLIGHTS

- **Strong historic revenue growth from Queen licensed products**
  - Potential for additional indications from existing products and new product approvals, such as Kadcyla and Gazyva.
  - Increased certainty as to applicable royalty rate and duration of royalties from Genentech/Roche settlement.
- **Twelve income generating deals to date deploying about $780 million in capital with potential for additional deals**
- **Greater certainty as to duration of royalty income and significantly reduced burn with Genentech/Roche settlement**
- **Liquidity – volume averages ~3.2 million shares/day**
- **Return to shareholders**
  - Since 2009, paid special or regular dividends totaling $5.77/share.
  - In 2014, paid regular, quarterly dividend of $0.15/share on March 12, June 12 and September 12, and will pay additional dividends on December 12.

PDL BioPharma