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): October 28, 2009

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 October 28, 2009, PDL BioPharma, Inc. (the "Company") issued a press release announcing its financial results for the fiscal quarter ended September 30, 2009. A copy of this earnings release is attached as Exhibit 99.1 hereto. Following the issuance of this earnings release, the Company hosted an earnings call in which its financial results for the fiscal quarter ended September 30, 2009 were discussed.

Exhibit 99.1 contains forward-looking statements within the meaning of the federal securities laws. These statements are present expectations and are subject to the limitations listed therein and in the Company's other SEC reports, and actual events or results may differ materially from those in the forward-looking statements.

The foregoing information, including Exhibit 99.1, is being furnished under "Item 2.02. Results of Operations and Financial Condition" and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act"), except as shall be expressly set forth by specific reference in such filing.

Item 7.01. Regulation FD Disclosure.

On October 28, 2009, the Company issued a press release announcing the pricing of a securitization transaction. A copy of this press release is attached as Exhibit 99.2 hereto. Following the issuance of this press release, the Company discussed the securitization transaction in its earnings call mentioned above. The materials for the securitization discussion are attached as Exhibit 99.3 hereto.

Exhibits 99.2 and 99.3 contain forward-looking statements within the meaning of the federal securities laws. These statements are present expectations and are subject to the limitations listed therein and in the Company's other SEC reports, and actual events or results may differ materially from those in the forward-looking statements.

The foregoing information, including Exhibits 99.2 and 99.3, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, nor shall it be deemed incorporated by reference in any filing under the Securities Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Earnings Release for Quarter Ended September 30, 2009.
99.2	Press Release for Pricing of Securitization Transaction.
99.3	Securitization Transaction Discussion Materials.

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 R. LARSON
Christine R. Larson
Vice President and Chief Financial Officer

Dated: October 28, 2009

EXHIBIT INDEX

Exhibit No.	Description
99.1	Earnings Release for Quarter Ended September 30, 2009.
99.2	Press Release for Pricing of Securitization Transaction.
99.3	Securitization Transaction Discussion Materials.

Exhibit 99.1

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PDL BioPharma Announces Third Quarter 2009 Financial Results

– Conference Call Today at 8:30 a.m. Eastern Time –

INCLINE VILLAGE, NV, October 28, 2009 – PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today reported financial results for the third quarter ended September 30, 2009.

Total revenues from continuing operations for the third quarter of 2009 were $71.4 million, a 4 percent increase from $68.8 million for the same period in 2008. Royalty revenues are based on second quarter product sales by PDL's licensees and include $1.6 million for Synagis®, which is marketed by MedImmune. When compared with 2008, royalty revenue for foreign sourced sales was negatively impacted by changes in foreign exchange rates; approximately 50 percent of underlying product sales is in currencies other than U.S. dollars.

Total general and administrative expenses from continuing operations in the third quarter of 2009 were $5.3 million compared with $12.0 million in the third quarter of 2008. The decrease was primarily driven by the Company's reduced cost structure. Significant expense items for the third quarter of 2009 were legal fees of $3.0 million, compensation and benefits of $0.8 million, professional service fees and insurance of $0.7 million and non-cash stock compensation costs of $0.2 million.

Net income for the third quarter of 2009 was $46.4 million, or $0.29 per diluted share, compared with a net income of $55.7 million in the same period of 2008, or $0.38 per diluted share. The decrease in net income per share despite an increase in income from operations is due to increased income tax expense. In the current year, the Company is accruing tax at the federal statutory rate of 35% whereas in the prior year taxes were accrued at the federal and state alternative minimum tax rates.

Net cash provided by operating activities was $132.8 million for the first nine months of 2009 as compared with net cash provided by operating activities of $91.8 million for the same period of 2008. At September 30, 2009, PDL had cash, cash equivalents, short-term investments and restricted cash of $222.4 million, compared with $147.5 million at December 31, 2008. The dividend paid on October 1, 2009 of $59.7 million reduces the September 30, 2009 cash balance.

2009 Dividends

In 2009, PDL has paid two dividends of $0.50 per share to its stockholders. The first dividend, totaling $59.7 million, was paid on April 1, 2009 to all stockholders who owned shares of PDL on March 16, 2009. The second dividend, totaling $59.7 million, was paid on October 1, 2009 to all stockholders who owned shares of PDL on September 17, 2009.

2009 Financial Guidance

PDL is revising its 2009 revenue guidance to $310 to $320 million. The revised guidance includes MedImmune royalties. The Company's previous guidance of $310 to $325 million did not include MedImmune royalties due to ongoing legal disputes. The Company is changing its guidance due to less than anticipated product sales growth in Avastin, Herceptin and Tysabri. Also, anticipated royalties from sales of Avastin previously included ex-US manufacturing and sale of this product at a 3% royalty rate which did not occur. Market withdrawal of Raptiva earlier in 2009 also impacted results.

PDL reaffirms its previous general and administrative expense guidance for 2009 to a range from $20 to $22 million, of which approximately 50 percent is related to legal expense, patent defense and other professional service fees. Net income after taxes for 2009 is projected in the range of $187 to $195 million and cash generated in 2009 is expected to be in the range of $258 to $268 million.

Conference Call Details

To access the live conference call via phone, please dial (866) 804-6928 from the United States and Canada or (857) 350-1674 internationally. The conference ID is 28992227. Please dial in approximately ten minutes prior to the start of the call. A telephone replay will be available beginning approximately one hour after the call through November 3, 2009 and may be accessed by dialing (888) 286-8010 from the United States and Canada or (617) 801-6888 internationally. The replay passcode is 78436903.

A brief explanatory presentation, which will be discussed during the call, can be downloaded beginning at 8:15 a.m. Eastern Time on Wednesday, October 28 at: http://66.215.142.25/Investor Presentation.pdf.

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

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.

Forward-looking Statements

This press release contains forward-looking statements, including regarding PDL's expectations with respect to its 2009 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 relative mix of royalty-bearing products manufactured and sold outside the U.S. versus manufactured or sold in the U.S.;
- 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;
- Changes in any of the other assumptions on which PDL's projected royalty revenues are based;
- The outcome of pending 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 press release 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 press release are qualified in their entirety by this cautionary statement.

-Financial statements below-

PDL BIOPHARMA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Revenues	$ 71,446	$ 68,817	$259,932	$ 225,537
General and administrative expenses	5,255	11,999	15,538	35,633
Operating income	66,191	56,818	244,394	189,904
Gain from repurchase of convertible notes	323	—	1,518	—
Interest and other income, net	214	3,209	860	12,540
Interest expense	(3,105)	(3,555)	(10,036)	(10,665)
Income from continuing operations before income taxes	63,623	56,472	236,736	191,779
Income tax expense	17,217	6,161	75,636	8,869
Income from continuing operations	46,406	50,311	161,100	182,910
Income (loss) from discontinued operations, net of income taxes (1)	—	5,380	—	(155,162)
Net income	$ 46,406	$ 55,691	$161,100	$ 27,748
Income (loss) per basic share				
Continuing operations	$ 0.39	$ 0.42	$ 1.35	$ 1.54
Discontinued operations	—	0.05	—	(1.31)
Net income per basic share	$ 0.39	$ 0.47	$ 1.35	$ 0.23
Income (loss) per diluted share				
Continuing operations	$ 0.29	$ 0.34	$ 0.97	$ 1.25
Discontinued operations	—	0.04	—	(1.02)
Net income per diluted share	$ 0.29	$ 0.38	$ 0.97	$ 0.23
Cash dividends declared per common share	$ —	$ —	$ 1.00	$ —
Shares used to compute income (loss) per basic share	119,411	119,267	119,366	118,540
Shares used to compute income (loss) per diluted share	168,576	152,812	172,248	152,302

(1) The financial results associated with both PDL's former commercial operations which were sold in March 2008 and PDL's former biotechnology operations which were spun off in December 2008 have been presented as discontinued operations for the three and nine months ended September 30, 2008. There were no discontinued operations for the three and nine months ended September 30, 2009.

PDL BIOPHARMA, INC.
CONDENSED CONSOLIDATED BALANCE SHEET DATA
(in thousands)
(unaudited)

	September 30, 2009	December 31, 2008
Cash, cash equivalents, short-term investments and restricted cash	$ 222,418	$ 147,527
Total assets	$ 264,451	$ 191,142
Total stockholders' deficit	$ (242,392)	$ (352,569)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW DATA
(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2009	2008
Net income	$161,100	$27,748
Adjustments to reconcile net income to net cash provided by operating activities	(4,474)	49,014
Changes in assets and liabilities	(23,822)	15,084
Net cash provided by operating activities	$132,804	$91,846

Exhibit 99.2

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PDL BioPharma Announces Pricing of $300,000,000 Securitization Transaction

INCLINE VILLAGE, NV, October 28, 2009 — PDL BioPharma, Inc. (“PDL”) (NASDAQ: PDLI) today announced that it has priced a $300 million securitization transaction intended to monetize certain of its antibody humanization patents and royalties.

Upon closing of the transaction, which is expected to occur on Monday, November 2, 2009, PDL will sell to QHP Royalty Sub LLC (“QHP”), a newly-formed wholly-owned subsidiary of PDL, certain rights under its non-exclusive license agreements with Genentech, Inc., a wholly-owned subsidiary of Roche Holding, Ltd., including the right to receive 60% of the royalties from sales of Avastin® (Bevacizumab), Herceptin® (Trastuzumab), Lucentis® (Ranibizumab) and Xolair® (Omalizumab) and from sales of future products, if any, for which Genentech may take a license under the related agreements with Genentech.

QHP will issue $300 million in aggregate principal amount of its QHP PhaRMA℠ Senior Secured Notes due 2015 (the “Notes”) in a non-registered offering pursuant to Rule 144A. The Notes will bear an interest rate of 10.25%. The royalties and other payments, if any, that QHP will be entitled to receive under the agreements with Genentech, together with any funds made available from certain accounts of QHP, will be the sole source of payment of principal of, and interest and premium on, the Notes, which will be secured by a continuing security interest granted by QHP in its rights to receive payments under such agreements and all of its other assets and a pledge by PDL of its equity ownership interest in QHP. The Notes may be redeemed at any time prior to maturity, in whole or in part, at the option of QHP at a make-whole redemption price.

PDL intends to use a sizable portion of the net offering proceeds from the securitization transaction to pay a special cash dividend to shareholders. The total amount of the special dividend, together with the record and payment dates, will be decided by the Company’s Board of Directors at its upcoming meeting on November 11, 2009 and will be announced the following day. The amount of the special dividend on a per share basis will be announced on the record date. PDL expects to pay the special dividend in 2009.

The Notes have not been and will not be registered under the Securities Act of 1933, as amended (the “Securities Act”), or under any applicable state securities laws and may not be offered or sold in the United States or to U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. Accordingly, the Notes have been initially offered and sold only to “qualified institutional buyers” under Rule 144A under the Securities Act and to “institutional accredited investors” under Rule 501(a)(1), (2), (3) or (7) under the Securities Act who are non-U.S. persons in offshore transactions under Regulation S under the Securities Act.

This press release is neither an offer to sell nor the solicitation of an offer to buy the Notes or any other securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which, or to any persons to whom, such an offer, solicitation or sale is unlawful. This press release is being issued pursuant to and in accordance with Rule 135c under the Securities Act.

About PDL BioPharma

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. 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.

Forward-looking Statements

The foregoing statements regarding PDL's intentions with respect to the contemplated transactions and cash dividend payment described above are forward-looking statements under the Private Securities Litigation Reform Act of 1995, and actual results could vary materially from the statements made. PDL's ability to complete the transactions and cash dividend payment described above successfully is subject to various risks, many of which are outside its control, including prevailing conditions in the capital markets and other risks and uncertainties as detailed from time to time in the reports filed by PDL with the Securities and Exchange Commission.

Exhibit 99.3

$300 Million Securitization and Special Dividend: Investor Presentation

PDL Mission

- Manage patent portfolio
- Manage license agreements
- Optimize return for stockholders

Optimizing Return

- Reduce expenses
  - Reduced staff to less than 10 persons
  - Relocated to Nevada to eliminate state taxes
- Increase revenue
  - Audit existing licensees
  - Seek additional licenses
- Monetization alternatives
  - Sale of some or all of royalties to royalty buyer
  - Royalty buy out/buy down by one or more of licensees
  - Securitization or high yield debt
- Tax structure
  - No structure could be identified to improve tax efficiencies for federal tax purposes

PDL BioPharma™

Royalty Securitization Transaction

- Initial Purchaser Purchase Agreement signed on Tuesday, October 27 with closing scheduled for Monday, November 2, 2009

- The Notes have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or under any applicable state securities laws and may not be offered or sold in the United States or to U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. Accordingly, the Notes have been initially offered and sold only to "qualified institutional buyers" under Rule 144A under the Securities Act and to "institutional accredited investors" under Rule 501(a)(1), (2), (3) or (7) under the Securities Act who are non-U.S. persons in offshore transactions under Regulation S under the Securities Act.

- This presentation is neither an offer to sell nor the solicitation of an offer to buy the Notes or any other securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which, or to any persons to whom, such an offer, solicitation or sale in unlawful.

PDL BioPharma

Securitization Terms

Issuer……....	QHP Royalty Sub LLC, Delaware limited liability company, initially 100% owned by PDL
Security……..	60% of the Genentech royalties in Avastin, Herceptin, Xolair, Lucentis and future licensed products
Principal Amount……	$300 million
Coupon ……..	10.25% per annum
Loan Type……..	Amortizing in relation to 60% of Genentech royalties
Loan-to-Value……	41.2%
Expected Closing Date……	Monday, November 2
Payment Dates……..	March 15, June 15, September 15, and December 15 beginning on March 15, 2010
Expected Average Life……	1.9 years based on sales, manufacturing and FX waterfall assumptions
Expected Final Maturity…..	December 15, 2012 (3.1 years) based on sales, manufacturing and FX waterfall assumptions
Legal Maturity……	March 15, 2015 (coincides with expected duration of royalty payments)
Non-Recourse……....	The obligation to pay debt service is an obligation solely of QHP and is without recourse to any other entity, except to the extent of the pledge of the equity in QHP by PDL
Redemption……	The Notes have an optional redemption feature which allows QHP to redeem the Notes at any time with payment of a premium. The premium is calculated by the following formula: the greater of (x) the outstanding principal balance of the Notes being redeemed and (y) the present value, discounted at the applicable Treasury Rate plus 2.0%, of such principal payment amounts and interest (assuming the principal balances are amortized at the times and in the amounts set forth in Schedule B to the Indenture) plus, in each case, the accrued and unpaid interest to the redemption date on the Notes that are being redeemed.

PDL BioPharma™

60% of Genentech Royalties

Avastin

- Treatment of metastatic colorectal cancer, advanced non-small cell lung cancer, HER2- breast cancer, gliobastoma and renal cell carcinoma
- 2008 worldwide revenues of $4.9Bn and royalties of $75.9MM

Herceptin

- Approved for the treatment of HER2+ patients in breast cancer, adjuvant node positive and node negative breast cancer
- 2008 worldwide revenues of $4.8Bn and royalties of $98.6MM

Lucentis

- Treatment of (wet) advanced macular degeneration of the eye
- 2008 worldwide revenues of $1.8Bn and royalties of $27.9MM

Xolair

- Treatment of moderate-to-severe persistent asthma
- 2008 worldwide revenues of $700MM and royalties of $13.9MM

Future Products

- Other humanized antibodies commercialized by Genentech and under license from PDL while the securitization bond is outstanding

PDL BioPharma

Schedule of Next Steps

Monday, November 2

- Close of $300 million securitization, and issue closing press release

Wednesday, November 11

- Board of Directors meeting to determine total amount of special dividend, record date and dividend payment date

Thursday, November 12

- Announcement of total amount of special dividend, record date and dividend payment date

Record Date (likely early December)

- Announcement of actual dividend to be paid on per share basis

Payment Date (in 2009)

PDL BioPharma™

Why Securitization?

- **Multiple operating strategies were evaluated based on relative IRR & NPV of dividends to stockholders**
- **Securitization increases shareholder return**
  - Allows PDL to leverage time value of money for the benefit of shareholders by returning sizable sum to shareholders now and using 60% of Genentech royalties to pay off the principal and interest on the securitization bond in the future
  - Recourse is limited to 60% of Genentech royalties so maintains upside optionality on total portfolio to PDL & limits some of downside risk
  - Transaction size allows PDL to continue to pay dividends in the future
- **Other monetization options proved to be less favorable at this time**
  - PDL had discussions with potential buyers about buying some or all of our royalties
  - Securitization offers more advantageous terms and structure than those offered by potential buyers
  - We expect that conversations with potential royalty buyers will continue
- **Securitization does not limit future options**
  - Option to pay off the securitization bond early if necessary for royalty sale or sale of company

PDL BioPharma™

Why $300 Million Securitization

- **Four Considerations**
  1. IRR to shareholders over life of the company
  2. NPV of dividends returned to shareholders over the life of the company
  3. Effect on 2023 and 2012 Convertible Notes
     - Preferred not to trigger early repayment of either set of Notes
     - Didn't want to swap 2.00% - 2.75% money for 10.25% money
  4. Control of Patent and License Assets
- **Optimal Figure**
  - $300 million offered good balance among above considerations
  - Offered comparable or better IRR and NPV than other securitization / monetization alternatives

PDL BioPharma