

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 8, 2012

**PDL BioPharma, Inc.**

(Exact name of Company as specified in its charter)

000-19756  
(Commission File Number)

Delaware  
(State or Other Jurisdiction of  
Incorporation)

94-3023969  
(I.R.S. Employer Identification No.)

**932 Southwood Boulevard**  
**Incline Village, Nevada 89451**  
(Address of principal executive offices, with zip code)

**(775) 832-8500**  
(Company's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Company under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Item 7.01 Regulation FD Disclosure.**

### *Press Release*

On March 8, 2012, PDL BioPharma, Inc. (the Company) issued a press release with revenue guidance for the first quarter ending March 31, 2012. A copy of the press release is attached hereto as Exhibit 99.1.

### *Detailed Product Sales, Royalties and Manufacturing*

On March 8, 2012, the Company distributed to analysts covering the Company's securities and posted to its website a summary of certain information underlying the Company's receipt of royalty payments (the Information Sheet) to assist those analysts and its stockholders in valuing the Company's securities. The Information Sheet is based on information provided to the Company by its licensees and includes reported net sales revenues by licensed product, royalty revenue by licensed product and where certain licensed products are manufactured and sold. A copy of the Information Sheet is attached hereto as Exhibit 99.2

### *Limitation of Incorporation by Reference*

In accordance with General Instruction B.2. of Current Report on Form 8-K, the information in Item 7.01 of this report, including Exhibits 99.1 and 99.2, is furnished and shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. Such information will not be deemed an admission as to the materiality of any such information that is required to be disclosed solely by Regulation FD.

### *Cautionary Statements*

This filing, the press release, the Information Sheet and the Company's statements herein and in the attached press release include and constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Important factors that could impair the Company's royalty assets or business and limit the Company's ability to pay dividends, purchase royalty assets and take other corporate actions are disclosed in the "Risk Factors" contained in the Company's 2011 Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 23, 2012. 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.

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**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press Release
99.2	Information Sheet

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## 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, Chief Executive Officer and Acting  
Chief Financial Officer

Dated: March 8, 2012

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## EXHIBIT INDEX

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press Release
99.2	Information Sheet

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**PDL BioPharma Provides First Quarter 2012 Royalty Revenue Guidance of \$77 Million**

INCLINE VILLAGE, NV, March 08, 2012 – PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today announced royalty revenue guidance for the first quarter ending March 31, 2012, of approximately \$77 million, as compared with actual royalty revenue of \$73 million for the first quarter of 2011, a five percent increase. Total revenue for the first quarter of 2012 is expected to be \$6 million less than total revenue for the first quarter of 2011. The decline in expected total revenue is largely attributable to the \$10 million settlement received from UCB Pharma S.A. (UCB) in January 2011 resolving all legal disputes between the two companies, including those relating to UCB's pegylated humanized antibody fragment, Cimzia<sup>®</sup>, and PDL's patents known as the Queen et al. patents.

The forecasted growth in royalty revenues is driven by increased fourth quarter 2011 sales of Herceptin<sup>®</sup>, Lucentis<sup>®</sup>, Xolair<sup>®</sup> and Tysabri<sup>®</sup> for which PDL receives royalties in the first quarter of 2012. Sales of Avastin<sup>®</sup>, Herceptin, Lucentis and Xolair (the Genentech Products) are subject to a tiered royalty rate for product that is made or sold in the United States and a flat royalty rate of three percent for product that is manufactured and sold outside of the United States (ex-US manufactured and sold). The net sales thresholds and the applicable royalty rates for the Genentech Products are outlined below:

<u>Genentech Products Made or Sold in US</u>	<u>Royalty Rate</u>
Net sales up to \$1.5 billion	3.0%
Net sales between \$1.5 billion and \$2.5 billion	2.5%
Net sales between \$2.5 billion and \$4.0 billion	2.0%
Net sales exceeding \$4.0 billion	1.0%
<u>Genentech Products Made and Sold ex-US</u>	
Net sales	3.0%

The first quarter royalty payment received from Genentech included royalties generated on all worldwide sales.

Revenue guidance for the first quarter of 2012 is net of an estimated payment due under our February 2011 settlement agreement with Novartis AG (Novartis). PDL pays to Novartis certain amounts based on net sales of Lucentis made by Novartis during calendar year 2011 and beyond. The amount paid is less than we receive in royalties on such sales.

Reported worldwide sales of Herceptin increased nine percent in the fourth quarter of 2011 when compared to the same period in 2010. Roche recently reported that in 2011, Herceptin global sales growth was driven by expanded access in developing countries, increased and improved HER2 testing and continued uptake in HER2-positive stomach cancer. Additionally, Roche reported that sustained double-digit increases were recorded internationally, with strong demand in Latin America and the Asia-Pacific region. Ex-U.S. manufactured and sold Herceptin sales represented 35 percent of total Herceptin sales in the fourth quarter of 2011 as compared with 40 percent in the fourth quarter of 2010.

Reported worldwide sales for Lucentis increased 22 percent in the fourth quarter of 2011 when compared to the same period in 2010. Lucentis is approved for the treatment of age-related macular degeneration (AMD) in the U.S. and Europe. Lucentis received approval for the treatment of macular edema following retinal vein occlusion (RVO) in June 2010 in the U.S. and in June 2011 in Europe. In January 2011, Lucentis was also approved in Europe for the treatment of visual impairment due to diabetic macular edema. Roche recently reported that strong U.S. sales growth was driven by growth of the AMD market and the new RVO indication. All sales of Lucentis were from inventory produced in the U.S.

Reported worldwide sales for Avastin decreased six percent in the fourth quarter of 2011 compared to the same period in 2010. Roche has recently reported that a significant portion of the decline in sales in the U.S. was due to reimbursement uncertainty regarding the metastatic breast cancer indication, which was revoked by the U.S. Food and Drug Administration in November 2011, and that U.S. market share for all other indications remained stable. In Europe, austerity measures along with lower use of Avastin for breast cancer led to lower sales, but market penetration in colorectal cancer remained stable. The decrease in sales was offset by an increase in royalties due to a shift in ex-US manufactured and sold product with 27 percent of total sales in the fourth quarter of 2011 generated from ex-US manufactured and sold product compared to 19 percent in the same period in 2010.

Reported worldwide sales for Tysabri increased 14 percent in the fourth quarter of 2011 compared to the same period in 2010. Tysabri royalties are determined at a flat rate as a percentage of sales regardless of location of manufacture or sale.

The sales information presented above is based on information provided by PDL's licensees in their quarterly reports to the Company as well as from public disclosures made by PDL's licensees.

#### **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. Today, PDL is focused on intellectual property asset management, investing in new royalty bearing assets and maximizing the value of its patent portfolio and related assets. For more information, please visit [www.pdl.com](http://www.pdl.com).

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

#### **Forward-looking Statements**

This press release contains forward-looking statements. Each of these forward-looking statements involves risks and uncertainties. Actual results may differ materially from those, express or implied, in these forward-looking statements. Factors that may cause differences between current expectations and actual results include, but are not limited to, the following:

- The expected rate of growth in royalty-bearing product sales by PDL's existing licensees;
  - The relative mix of royalty-bearing Genentech products manufactured and sold outside the U.S. versus made 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;
  - The change in foreign currency exchange rate; and
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- The failure of licensees to comply with existing license agreements, including any failure to pay royalties due.

Other factors that may cause PDL's actual results to differ materially from those expressed or implied in the forward-looking statements in this press release are discussed in PDL's filings with the SEC, including the "Risk Factors" sections of its annual report filed with the SEC. Copies of PDL's filings with the SEC may be obtained at the "Investors" section of PDL's website at [www.pdl.com](http://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.



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

Avastin	Q1	Q2	Q3	Q4	Total
2012	23,215	-	-	-	23,215
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
2012	25,702	-	-	-	25,702
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
2012	10,791	-	-	-	10,791
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
2012	5,447	-	-	-	5,447
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

Tysabri	Q1	Q2	Q3	Q4	Total
2012	11,233	-	-	-	11,233
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
2012	1,700	-	-	-	1,700
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

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

<b>Avastin</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
2012	1,502,757	-	-	-	1,502,757
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

<b>Herceptin</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
2012	1,515,255	-	-	-	1,515,255
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

<b>Lucentis</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
2012	1,079,092	-	-	-	1,079,092
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

<b>Xolair</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
2012	310,234	-	-	-	310,234
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

<b>Tysabri</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
2012	374,430	-	-	-	374,430
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

<b>Actemra</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
2012	56,662	-	-	-	56,662
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 licensees  
 Totals may not sum due to rounding

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

<b>Avastin Sales</b>	<b>2010 - Q4</b>	<b>2011 - Q1</b>	<b>2011 - Q2</b>	<b>2011 - Q3</b>	<b>2011 - Q4</b>	<b>2012 - Q1</b>
US Made & Sold	800,139	708,539	719,967	688,966	684,878	652,824
US Made & ex-US Sold	415,576	580,981	548,710	587,975	375,830	448,037
ex-US Made & Sold	430,503	307,941	314,028	304,155	409,286	401,896
Total	1,646,218	1,597,461	1,582,705	1,581,095	1,469,994	1,502,757
US Made & Sold	49%	44%	45%	44%	47%	43%
US Made & ex-US Sold	25%	36%	35%	37%	26%	30%
ex-US Made & Sold	26%	19%	20%	19%	28%	27%

<b>Herceptin Sales</b>	<b>2010 - Q4</b>	<b>2011 - Q1</b>	<b>2011 - Q2</b>	<b>2011 - Q3</b>	<b>2011 - Q4</b>	<b>2012 - Q1</b>
US Made & Sold	416,611	409,854	442,903	445,395	453,168	456,920
US Made & ex-US Sold	425,303	423,053	642,670	495,086	612,908	523,353
ex-US Made & Sold	567,396	558,661	474,402	702,416	366,695	534,982
Total	1,409,310	1,391,568	1,559,975	1,642,898	1,432,771	1,515,255
US Made & Sold	30%	29%	28%	27%	32%	30%
US Made & ex-US Sold	30%	30%	41%	30%	43%	35%
ex-US Made & Sold	40%	40%	30%	43%	26%	35%

<b>Lucentis Sales</b>	<b>2010 - Q4</b>	<b>2011 - Q1</b>	<b>2011 - Q2</b>	<b>2011 - Q3</b>	<b>2011 - Q4</b>	<b>2012 - Q1</b>
US Made & Sold	360,911	378,451	409,674	422,335	428,884	433,428
US Made & ex-US Sold	443,773	509,307	533,745	630,474	646,131	645,665
ex-US Made & Sold	-	-	-	-	-	-
Total	804,684	887,757	943,418	1,052,809	1,075,015	1,079,092
US Made & Sold	45%	43%	43%	40%	40%	40%
US Made & ex-US Sold	55%	57%	57%	60%	60%	60%
ex-US Made & Sold	0%	0%	0%	0%	0%	0%

<b>Xolair Sales</b>	<b>2010 - Q4</b>	<b>2011 - Q1</b>	<b>2011 - Q2</b>	<b>2011 - Q3</b>	<b>2011 - Q4</b>	<b>2012 - Q1</b>
US Made & Sold	170,001	164,621	167,608	184,837	188,728	185,505
US Made & ex-US Sold	-	-	-	-	-	-
ex-US Made & Sold	93,388	103,133	110,034	126,037	126,184	124,729
Total	263,389	267,754	277,642	310,874	314,911	310,234
US Made & Sold	65%	61%	60%	59%	60%	60%
US Made & ex-US Sold	0%	0%	0%	0%	0%	0%
ex-US Made & Sold	35%	39%	40%	41%	40%	40%

<b>Total Sales</b>	<b>2010 - Q4</b>	<b>2011 - Q1</b>	<b>2011 - Q2</b>	<b>2011 - Q3</b>	<b>2011 - Q4</b>	<b>2012 - Q1</b>
US Made & Sold	1,747,662	1,661,465	1,740,152	1,741,534	1,755,657	1,728,678
US Made & ex-US Sold	1,284,652	1,513,340	1,725,125	1,713,535	1,634,869	1,617,054
ex-US Made & Sold	1,091,287	969,735	898,464	1,132,608	902,165	1,061,607
Total	4,123,601	4,144,540	4,363,741	4,587,677	4,292,691	4,407,339
US Made & Sold	42%	40%	40%	38%	41%	39%
US Made & ex-US Sold	31%	37%	40%	37%	38%	37%
ex-US Made & Sold	26%	23%	21%	25%	21%	24%

\* As reported to PDL by its licensees  
 Totals may not sum due to rounding