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): July 28, 2010

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 July 28, 2010, PDL BioPharma, Inc. (the "Company") issued a press release announcing the financial results for the second quarter ended June 30, 2010. A copy of this earnings release is attached as Exhibit 99.1 hereto. The Company will host an earnings call and webcast on July 28, 2010 during which the Company will discuss its financial results for the second quarter ended June 30, 2010.

Item 7.01 Regulation FD Disclosure.

On July 28, 2010, the Company distributed to analysts covering or interested in covering the Company's securities a summary of certain information regarding the Company's earnings, licensed products, foreign currency hedging contracts, business expansion exploration and ongoing litigation (the "Information Sheet") to assist those analysts in valuing the Company's securities. 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 Form 8-K, the information in this report, including the exhibit, 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 includes "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 2009 Annual Report on Form 10-K and other periodic reports 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, dated July 28, 2010, regarding the financial results of PDL BioPharma, Inc. for the second quarter ended June 30, 2010
99.2	Information Sheet, dated July 28, 2010

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: July 28, 2010

EXHIBIT INDEX

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99.2	Information Sheet, dated July 28, 2010

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PDL BioPharma Announces Second Quarter 2010 Financial Results

INCLINE VILLAGE, NV, July 28, 2010 – PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today reported financial results for the second quarter ended June 30, 2010.

“Our licensed products continue to generate substantial clinical interest. In early July, Roche and Genentech announced that they have filed a Biologics License Application with the U.S. Food and Drug Administration for trastuzumab-DM1, a promising new therapeutic for breast cancer, and during the American Society of Clinical Oncology Meeting in June, many positive clinical data presentations related to our licensed compounds were made,” said John P. McLaughlin, president and chief executive officer of PDL BioPharma.

“In January 2010, we put in place quarterly Eurodollar hedging contracts for royalties to be received through March 2012 to protect PDL against the fluctuations in Eurodollar exchange rates, which resulted in revenue to PDL of $1.5 million for the second quarter of 2010 and, contracts which matured on June 30, 2010, will result in additional revenue to be recognized in the third quarter of $2.9 million,” continued Mr. McLaughlin. “Also during the second quarter, we continued to simplify our capital structure by repurchasing approximately $84 million of our convertible notes due in August 2023. Together with the $55 million of convertible notes repurchased in the first half of 2009, PDL has reduced its fully diluted shares outstanding by 21.5 million shares.”

Financial Results for the Second Quarter and Six-Months Ended June 30, 2010
Total revenues for the second quarter of 2010 were $120.3 million, compared with $125.9 million for the same period of 2009. Included in second quarter 2009 results were the second of two $12.5 million installment payments from Alexion and royalties of $18.9 million for sales on Synagis® from MedImmune. Due to the ongoing legal disputes with MedImmune, second quarter and six month 2010 revenue does not include royalties on sales of Synagis®. Excluding the Alexion payment and royalties received from MedImmune, second quarter 2010 revenue increased 27 percent when compared with the second quarter of 2009. Revenue growth was primarily driven by increased first quarter 2010 sales by our licensees of Avastin® and Herceptin®, which are marketed by Genentech and Roche, Lucentis®, which is marketed by Genentech and Novartis, and Tysabri®, which is marketed by Elan and Biogen Idec. PDL received royalties for these product sales in the second quarter of 2010.

Total general and administrative expenses for the second quarter of 2010 were $8.8 million, compared with $5.6 million for the second quarter of 2009. The increase was primarily due to increased legal expenses associated with the MedImmune litigation and the two interference proceedings initiated by the U.S. Patent and Trade Office in February and November of 2009. Significant expense items in the second quarter of 2010 were legal fees of $5.8 million, compensation and benefits of $1.0 million, professional service fees of $1.0 million and stock-based compensation expense of $0.2 million.

Net income for the second quarter of 2010 was $50.1 million, or $0.30 per diluted share, compared with net income of $77.2 million, or $0.47 per diluted share, for the same period in 2009.

To reduce the dilution from our convertible notes, during the three months ended June 30, 2010, the Company repurchased at market prices an aggregate $84.2 million face value of the Company's 2023 Notes an average premium of 19% to face value for total consideration of $100.4 million in cash plus accrued interest. This transaction resulted in a charge to non-operating expense of $16.3 million or $14.7 million net of tax. The effect of these transactions was to reduce net income per diluted share from $0.38 to $0.30 for the three months ended June 30, 2010. During the same period in 2009, we repurchased at market prices an aggregated $50.0 million face value of the 2023 Notes at a 2% discount to face value and $5.0 million of the Company's 2012 Notes at a discount to face value of 10.75%. These transactions resulted in a gain of $1.2 million or $0.8 million net of tax. The effect of these transactions was to increase net income per diluted share from $0.46 to $0.47 for the three months ended June 30, 2009. The result of these repurchase transactions was to reduce shares used to compute net income per diluted share on an as-converted basis by 14.9 million shares and 6.6 million shares in 2010 and 2009, respectively.

Net cash provided by operating activities for the second quarter of 2010 was $123.6 million, compared with $103.4 million for the second quarter of 2009. At June 30, 2010, PDL had cash, cash equivalents and short-term investments of $223.7 million compared with $303.2 million at December 31, 2009, a decrease which can be primarily attributed to the repurchase of convertible notes, payment of the April dividend, pay down of the non-recourse notes partially offset by cash provided by operations.

Total revenues for the six months ended June 30, 2010 were $182.4 million, compared with $188.5 million for the same period of 2009. Total general and administrative expenses for the six months ended June 30, 2010 were $18.2 million compared to $10.3 million for the same period of 2009. Net income for the first six months of 2010 was approximately $76.1 million, or $0.44 per diluted share, compared to $114.7 million, or $0.69 per diluted share. Adjusted for the convertible note transactions described above, non-GAAP net income for the six months ended June 30, 2010 totaled $90.9 million, or $0.52 per diluted share, compared with non-GAAP net income of $113.9 million, or $0.69 per diluted share for the same period of 2009.

2010 Dividends

PDL previously announced that it would pay two special dividends of $0.50 per share each, to its stockholders in 2010. The first special dividend, totaling $59.9 million, was paid on April 1, 2010 to all stockholders of record on March 15, 2010. The second special dividend will be paid on October 1, 2010 to all stockholders of record on September 15, 2010. PDL does not pay regular dividends.

Third Quarter 2010 Revenue Guidance
As previously announced, PDL will continue to provide revenue guidance for each quarter in the third month of that quarter. Third quarter 2010 revenue guidance will be provided in early September.

Conference Call Details
PDL will hold a conference call to discuss financial results at 4:30 p.m. ET today, July 28, 2010.

To access the live conference call via phone, please dial (866) 804-6924 from the United States and Canada or (857) 350-1670 internationally. The conference ID is 90954288. 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 August 4, 2010, and may be accessed by dialing (888) 286-8010 from the United States and Canada or (617) 801-6888 internationally. The replay passcode is 20973845.

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 "Company Presentations & Events." 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
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 based on patents which expire in late 2014. For more information, please visit www.pdl.com.

Non-GAAP Financial Information

The Company has presented certain financial information in conformance with GAAP and also on a non-GAAP basis for the three and six months ended June 30, 2010 and 2009. Management believes that this non-GAAP information is useful for investors taken in conjunction with the Company's U.S. GAAP financial statements. Non-GAAP financial information is not prepared under a comprehensive set of accounting rules and should only be used to supplement an understanding of the Company's net income as reported under U.S. GAAP. A reconciliation between U.S. GAAP and non-GAAP financial information is provided in the table below.

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 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" section 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.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	**2009**	**2010**	**2009**
Revenues				
Royalties	$ 120,343	$ 113,403	$ 182,404	$ 175,701
License and other	-	12,461	-	12,785
Total revenues	120,343	125,864	182,404	188,486
General and administrative expenses	8,820	5,590	18,230	10,283
Operating income	111,523	120,274	164,174	178,203
Gain (loss) on repurchase of convertible notes	(16,327)	1,195	(16,327)	1,195
Interest and other income, net	90	310	170	646
Interest expense	(11,560)	(3,357)	(24,087)	(6,931)
Income before income taxes	83,726	118,422	123,930	173,113
Income tax expense	33,588	41,185	47,785	58,419
Net income	$ 50,138	$ 77,237	$ 76,145	$ 114,694
Net income per basic share	$ 0.42	$ 0.65	$ 0.64	$ 0.96
Net income per diluted share	$ 0.30	$ 0.47	$ 0.44	$ 0.69
Cash dividends declared and paid per common share	$ -	$ -	$ 1.00	$ 1.00
Shares used to compute income per basic share	119,536	119,357	119,530	119,342
Shares used to compute income per diluted share	173,398	169,566	178,821	171,053

PDL BIOPHARMA, INC.
RECONCILIATION OF GAAP FINANCIAL INFORMATION TO NON-GAAP
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	**2009**	**2010**	**2009**
Net Income	$ 50,138	$ 77,237	$ 76,145	$ 114,694
Add back loss (gain) on repurchase of convertible notes	16,327	(1,195)	16,327	(1,195)
Deduct income tax expense (benefit) on repurchase of convertible notes	(1,590)	418	(1,590)	418
Non-GAAP net income	64,875	76,460	90,882	113,917
Add back interest expense for convertible notes, net of estimated taxes	1,360	1,819	2,995	3,761
Non-GAAP income used to compute non-GAAP net income per diluted share	$ 66,235	$ 78,279	$ 93,877	$ 117,678
Non-GAAP net income per basic share	$ 0.54	$ 0.64	$ 0.76	$ 0.95
Non-GAAP net income per diluted share	$ 0.38	$ 0.46	$ 0.52	$ 0.69

PDL BIOPHARMA, INC.
GENERAL AND ADMINISTRATIVE EXPENSE DATA
(Unaudited)
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Compensation and benefits	$ 996	$ 829	$ 1,997	$ 1,568
Legal expense	5,811	2,813	12,161	4,373
Other professional service	1,005	837	2,083	1,566
Insurance	195	269	423	516
Depreciation	28	35	62	922
Stock-based compensation	171	206	359	402
Other	614	601	1,145	936
Total general and administrative expenses	$ 8,820	$ 5,590	$ 18,230	$ 10,283

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

	June 30, 2010	December 31, 2009
Cash, cash equivalents and short-term investments	$ 223,694	$ 303,227
Total assets	$ 271,531	$ 338,411
Convertible notes payable	$ 343,828	$ 427,998
Non-recourse notes payable	$ 249,635	$ 300,000
Total stockholders' deficit	$ (434,858)	$ (415,953)

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

	Six Months Ended June 30,	
	2010	2009
Net income	$ 76,145	$ 114,694
Adjustments to reconcile net income to net cash provided by operating activities	17,889	(241)
Changes in assets and liabilities	29,593	(11,080)
Net cash provided by operating activities	$ 123,627	$ 103,373

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	**2009**	**2010**	**2009**
Avastin				
% Ex-U.S. Sold	49%	46%	49%	46%
% Ex-U.S. Manufuactured and Sold	27%	-	16%	-
Herceptin				
% Ex-U.S. Sold	70%	69%	70%	70%
% Ex-U.S. Manufuactured and Sold	47%	30%	45%	23%
Lucentis				
% Ex-U.S. Sold	57%	51%	57%	50%
% Ex-U.S. Manufuactured and Sold	-	-	-	-
Xolair				
% Ex-U.S. Sold	36%	26%	35%	26%
% Ex-U.S. Manufuactured and Sold	36%	26%	35%	26%

PDL BioPharma, Inc.
2Q2010
July 28, 2010

The following document was compiled from public press releases for your convenience. This document, together with the press release issued today, provides information regarding PDL related to its second quarter 2010 financial and business results.

Non-GAAP Earnings per Share

An important component of our current strategy is the improvement of our capital structure and reducing the dilution associated with our convertible notes. To this end, in the second quarter of 2010, we repurchased $84.2 million face value of our 2.75% subordinated notes due in August 2023 at market prices at an average premium of 19% to face value for total consideration of $100.4 million in cash, plus accrued interest. This transaction resulted in a charge to non-operating expense of $16.3 million or $14.7 million net of tax. The effect of these transactions was to reduce net income per diluted share from $0.38 to $0.30.

During the second quarter of 2009, we repurchased at market prices $50.0 million face value of the 2023 Notes at approximately a 2% discount to face value for total consideration of $49.3 million in cash, plus accrued but unpaid interest, and $5.0 million face value of the 2012 Notes at a 10.75% discount to face value for total consideration of $4.5 million in cash, plus accrued but unpaid interest. These transactions resulted in a gain of $1.2 million or $0.8 million net of tax. The effect of these transactions was to increase net income per diluted share from $0.46 to $0.47.

The result of these repurchase transactions was to reduce shares used to compute net income per diluted share on an as converted basis by 14.9 million shares and 6.6 million shares in 2010 and 2009, respectively. Excluding these transactions, non-GAAP earnings per share was:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Net Income	$ 50,138	$ 77,237	$ 76,145	$ 114,694
Add back loss (gain) on repurchase of convertible notes	16,327	(1,195)	16,327	(1,195)
Deduct income tax expense (benefit) on repurchase of convertible notes	(1,590)	418	(1,590)	418
Non-GAAP net income	64,875	76,460	90,882	113,917
Add back interest expense for convertible notes, net of estimated taxes	1,360	1,819	2,995	3,761
Non-GAAP income used to compute non-GAAP net income per diluted share	$ 66,235	$ 78,279	$ 93,877	$ 117,678
Non-GAAP net income per basic share	$ 0.54	$ 0.64	$ 0.76	$ 0.95
Non-GAAP net income per diluted share	$ 0.38	$ 0.46	$ 0.52	$ 0.69

We will continue to look for opportunities to further limit and reduce dilution associated with these securities in future quarters as well as to improve our capital structure.

PDL BioPharma, Inc.
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July 28, 2010

Licensed Product Regulatory Updates

Trastuzumab-DM1 (T-DM1)

On July 6, 2010, Genentech and Roche submitted a Biologics License Application (BLA) to the U.S. Food and Drug Administration (FDA) for T-DM1 in people with advanced HER2-positive breast cancer who have previously received multiple HER2-targeted medicines and chemotherapies. This submission is based on the results of a Phase 2 study, which showed T-DM1 shrank tumors in one-third of women who had received on average seven prior medicines for advanced HER2-positive breast cancer.[1] According to analyst estimates, T-DM1 could reach peak sales of 2 to 5 billion Swiss francs and T-DM1 could win regulatory approval as early as 2011.[2]

Lucentis®(ranibizumab)

On June 22, 2010, Genentech and Roche announced the approval of Lucentis for an additional indication, the treatment of patients with macular edema (swelling in the retina) following retinal vein occlusion. The FDA approved the new indication after a six-month priority review.[3]

Avastin® (bevacizumab)

On July 20, 2010, ODAC voted that use of Avastin in combination with paclitaxel for previously untreated advanced HER2-negative breast cancer be removed from the US label. The FDA expects to make a final decision by September 17, 2010. If the FDA accepts the recommendation to remove approval for first line treatment in HER2-negative breast cancer, we would no longer receive royalties for this indication. Based on our internal model, we estimate that in 2009, this indication represented less than 5% of total global Avastin sales. The ODAC recommendation does not impact Avastin's use in advanced colorectal, lung and kidney cancer, and glioblastoma.[1]

Mylotarg® (gemtuzumab ozogamicin)

On June 21, 2010, at the request of the FDA after results from a recent clinical trial raised new concerns about the product's safety and the drug failed to demonstrate clinical benefit to patients enrolled in the trials, Pfizer, the parent company of Wyeth, voluntarily withdrew from the U.S. market the drug Mylotarg for patients with acute myeloid leukemia, a bone marrow cancer. Pfizer will continue to make Mylotarg available for current patients.[5]

Motavizumab

On June 2, 2010, the FDA's Antiviral Drugs Advisory Committee voted 14 to 3 against the license to market MedImmune's motavizumab for the prevention of serious respiratory syncytial virus (RSV) disease in high-risk infants.[6]

Foreign Currency Exchange Contracts

We hedge certain foreign currency exchange risk exposures related to our licensees' product sales with foreign currency exchange contracts. In general, these contracts are intended to offset the underlying foreign currency market risk in our royalty revenues. Approximately 50% of our revenue is based on sales in currencies other than the US dollar. As such, when the US dollar strengthens by 10%, our revenues will decline by 5%.

In January and May 2010, we entered into a series of foreign currency exchange contracts covering the 12 quarters in which our licensees' sales occur through December 2012. We did not have foreign currency exchange contracts prior to January 2010. We have designated the foreign currency exchange contracts as cash flow hedges. At the inception of the hedging relationship and on a quarterly basis, we assess hedge effectiveness. The aggregate unrealized gain or loss on the effective component of our foreign currency exchange contracts net of estimated taxes is recorded in stockholders' deficit as accumulated other comprehensive income. Gains or losses on cash flow hedges are recognized as royalty revenue in the same period that the hedged transaction (royalty revenue) impacts earnings.

PDL BioPharma, Inc.
2Q2010
July 28, 2010

Business Expansion through Acquisition of New Royalty Assets
PDL is exploring options to acquire additional royalty assets to diversify its business beyond the Queen et al patent estate. The Company has evaluated numerous opportunities, but will only proceed with transactions that fit the Company's criteria. PDL's primary targets are commercial-stage products with the opportunity for new indications consistent with our current portfolio. PDL is evaluating products that are first- in-class, or the gold standard of their treatment group.

Litigation Updates

European Opposition to '216 Patent
In November 2003, in an appeal proceeding of a prior action of the Opposition Division of the EPO, the Technical Board of Appeal of the EPO ordered that certain claims in our '216 Patent be remitted to the Opposition Division for further prosecution and consideration of issues of patentability, that is, entitlement to priority, novelty, enablement and inventive step. The Technical Board of Appeal has scheduled a hearing for the appeal with respect to the '216 Patent to begin on February 28, 2011. PDL intends to vigorously defend the '216 Patent in this proceeding.

Action for Declaratory Judgment by MedImmune
In December 2008, MedImmune filed a lawsuit against us in the United States District Court for the Northern District of California. MedImmune's complaint seeks a declaratory judgment that the U.S. Queen et al. patents are invalid and/or not infringed by its Synagis and motavizumab products and, that therefore, MedImmune owes no royalties under its license agreement with us. A jury trial is scheduled to begin on January 25, 2011.

Forward-looking Statements
This document 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 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;

-- The change in foreign currency exchange rate; 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 document 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.

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

Avastin	Q1	Q2	Q3	Q4	Total
2010	16,870	44,765			61,635
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**
2010	23,402	38,555			61,957
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	28,188	21,557	20,354	85,241
Lucentis	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2010	7,220	19,091			26,310
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	-	-	6,579	3,335	9,914
Xolair	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2010	3,723	6,386			10,110
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
Raptiva	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2010	(150)	142			(8)
2009	477	589	22	150	1,238
2008	405	1,618	1,111	802	3,937
2007	588	1,246	1,160	738	3,733
2006	776	1,060	1,069	874	3,780
Synagis	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2010	-	-			-
2009	17,145	18,869	1,568	3,159	40,741
2008	16,268	17,376	2,278	4,251	40,173
2007	14,352	16,747	1,608	4,042	36,748
2006	14,171	14,689	1,608	3,664	34,131
Tysabri	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2010	8,791	8,788			17,579
2009	6,656	7,200	7,642	8,564	30,062
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**
2010	1,587	1,950			3,538
2009	585	537	909	1,197	3,228
2008	44	116	179	369	708
2007	32	326	32	34	425
2006	-	-	-	-	-
Mylotarg	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2010	366	153			519
2009	293	370	805	453	1,921
2008	314	132	288	209	943
2007	276	137	292	426	1,131
2006	309	168	311	568	1,355

* As reported to PDL by its licensees

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

Avastin	Q1	Q2	Q3	Q4	Total
2010	1,586,093	1,596,892			3,182,984
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**
2010	1,337,732	1,349,512			2,687,244
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**
2010	759,965	698,890			1,458,855
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**
2010	240,904	225,878			466,781
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
Raptiva	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2010	-	14,224			14,224
2009	62,653	21,526	1,502	-	85,681
2008	55,541	57,601	66,992	65,216	245,349
2007	45,134	47,401	52,914	53,885	199,333
2006	32,672	35,458	39,610	41,353	149,093
Synagis	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2010	-	-			-
2009	571,486	623,951	57,271	105,314	1,358,021
2008	542,283	574,207	80,930	141,696	1,339,116
2007	478,388	548,227	53,586	139,736	1,219,936
2006	472,362	489,634	30,185	124,629	1,116,811
Tysabri	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2010	293,047	287,925			580,972
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**
2010	52,908	62,511			115,420
2009	19,504	17,920	30,313	39,888	107,627
2008	1,452	1,377	5,981	12,305	21,116
2007	2,388	873	1,071	1,137	5,470
2006	-	-	-	-	-
Mylotarg	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
2010	8,500	8,658			17,159
2009	8,367	8,406	8,813	8,654	34,240
2008	8,978	8,050	8,225	8,140	33,393
2007	7,879	8,202	8,345	7,878	32,304
2006	8,832	9,084	8,874	16,081	42,871

* As reported to PDL by its licensees

[1] Genentech (July 6, 2010). “Genentech Submits Application to FDA for Trastuzumab-DM1 in Previously Treated Advanced HER2-Positive Breast Cancer.” Press release.

[2] Dow Jones News Service. “Roche Flags Cancer Pipeline, Sees 5 Drugs Ready by 2013.” June 4, 2010.

[3] Genentech (June 22, 2010). “FDA Approves Lucentis® (Ranibizumab Injection) for the Treatment of Macular Edema Following Retinal Vein Occlusion.” Press release.

[4] Roche (July 22, 2010). “Roche Posts Good Half Year Results.” Investor Update.

[5] Pfizer (June 21, 2010). “Pfizer Prepares for Voluntary Withdrawal of U.S. New Drug Application and for Discontinuation of Commercial Availability of Mylotarg®.” Press release.

[6] MedImmune (June 2, 2010). “FDA Advisory Committee Reviews MedImmune’s Motavizumab.” Press release.