

---

---

**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): December 2, 2009**

---

**PDL BioPharma, Inc.**

(Exact name of Company as specified in its charter)

---

**000-19756**

(Commission File Number)

**Delaware**

(State or Other Jurisdiction  
of Incorporation)

**94-3023969**

(I.R.S. Employer  
Identification No.)

**932 Southwood Boulevard**

**Incline Village, Nevada 89451**

(Address of principal executive offices, with zip code)

**(775) 832-8500**

(Company's telephone number, including area code)

---

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

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

**Item 7.01. Regulation FD Disclosure.**

On December 2, 2009, the Company announced that it has established the per share amount of the previously announced \$200 million special dividend as \$1.67 per share, which is consistent with the previously announced estimated per share amount. In addition, the Company announced the conversion rate adjustments for its outstanding convertible notes associated with the special dividend. The Company's press release regarding the special dividend is attached as Exhibit 99.1 hereto.

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

**Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release Dated December 2, 2009 Regarding Special Dividend Payment and Conversion Rate Adjustments to Subordinate Notes as a Result of Special Dividend Announced.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PDL BIOPHARMA, INC.  
(Company)

By:                   /s/ CHRISTINE LARSON                    
**Christine Larson**  
**Vice President and Chief Financial Officer**

Dated: December 2, 2009

---

**EXHIBIT INDEX**

**Exhibit  
No.**

**Description**

99.1

Press Release Dated December 2, 2009 Regarding Special Dividend Payment and Conversion Rate Adjustments to Subordinate Notes as a Result of Special Dividend Announced.

**Contacts:**

Cris Larson  
PDL BioPharma, Inc.  
775-832-8505  
Cris.Larson@pdl.com

Danielle Bertrand  
WeissComm Partners  
415-946-1056  
[dbertrand@wcpglobal.com](mailto:dbertrand@wcpglobal.com)

**PDL BioPharma Announces December 15 Special Dividend Payment of \$1.67 per Share*****Conversion Rate Adjustments to Subordinate Notes as a Result of Special Dividend Announced***

INCLINE VILLAGE, NV, December 2, 2009 — PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today announced that it has established the per share amount of the previously announced \$200 million special dividend as \$1.67 per share. The dividend will be paid on December 15, 2009 to all holders of the Company's stock as of the December 1, 2009 record date. NASDAQ had previously estimated the approximate per share amount of the dividend at \$1.67 per share of common stock for purposes of the ex-dividend date on November 27, 2009.

**Conversion Rate Adjustments for Convertible Notes**

In connection with this special dividend payment PDL has adjusted the conversion rates of its 2.00% Convertible Senior Notes Due February 15, 2012 (the 2012 Notes) and its 2.75% Convertible Subordinated Notes Due August 16, 2023 (the 2023 Notes), effective December 2, 2009.

The conversion rate for the 2012 Notes, as adjusted, is 119.294 shares of common stock per \$1,000 principal amount or \$8.38 per share. The conversion rate for the 2012 Notes was previously 94.447 shares of common stock per \$1,000 principal amount of the 2012 Notes. In connection with a cash dividend, the conversion rate is increased by multiplying the previous conversion rate by a fraction, the numerator of which is the average closing price of PDL's common stock for the five consecutive trading days immediately preceding the ex-dividend date for the cash dividend, and the denominator of which is the difference of such average closing price less the dividend amount.

The conversion rate for the 2023 Notes, as adjusted, is 164.7254 shares of common stock per \$1,000 principal amount or \$6.07 per share. The conversion rate for the 2023 Notes was previously 131.0339 shares of common stock per \$1,000 principal amount of the 2023 Notes. In connection with a cash dividend, the conversion rate is increased by multiplying the previous conversion rate by a fraction, the numerator of which is the average closing price of PDL's common stock for the ten consecutive trading days immediately preceding the record date for the cash dividend and the denominator of which is the difference of such average closing price less the dividend amount. In determining the ten-day average closing price, the closing price is adjusted upward by the amount of the dividend for the days on which the stock traded ex-dividend.

---

**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](http://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 cash special 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 pay the special dividend described above is subject to various risks, many of which are outside its control, including prevailing conditions in the capital markets, the continued strength of its royalty assets and other risks and uncertainties as detailed from time to time in the reports filed by PDL with the Securities and Exchange Commission.