
**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): **August 14, 2003**

PROTEIN DESIGN LABS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

000-19756
(Commission File Number)

94-3023969
(IRS Employer Identification No.)

34801 Campus Drive
Fremont, California 94555
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(510) 574-1400**

Not Applicable
(Former name or former address, if changed since last report)

Item 7. Financial Statements and Exhibits

(c) Exhibits

99.1 Press Release dated August 14, 2003.

Item 12. Results of Operations and Financial Condition.

On August 14, 2003, Protein Design Labs, Inc. ("PDL") announced an adjustment in its financial results for the quarter ended June 30, 2003. A copy of PDL's press release is attached hereto as Exhibit 99.1.

The information furnished in this Item 12 and Exhibit 99.1 attached hereto shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 or 12(a)(2) of the Securities Act of 1933, as amended. The information contained herein and in the accompanying exhibit shall not be deemed to be incorporated by reference into any filing with the SEC made by PDL whether before or after the date hereof, regardless of any general incorporation language contained in such filing.

For Immediate ReleaseContact:

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**PROTEIN DESIGN LABS ANNOUNCES ADJUSTMENT IN
SECOND QUARTER 2003 FINANCIAL RESULTS**

Adjustment results in \$500,000 higher revenue in the second quarter

Fremont, Calif., August 14, 2003 — Protein Design Labs, Inc. (PDL) (Nasdaq: PDLI) today reported an increase in total revenues during the 2003 second quarter to \$21.0 million compared to the previously reported \$20.5 million. The increase was due to the recognition of a \$500,000 milestone payment that was not previously reported. The higher income for the period resulted in a decrease in the previously reported net loss from \$42.6 million to \$42.1 million. Net loss per share was reduced from \$0.46 to \$0.45 per basic and diluted share, for the three months ended June 30, 2003.

Total revenues during the first six months of 2003 were correspondingly adjusted to \$43.7 million compared to the previously reported \$43.2 million. For the six-month period ended June 30, 2003, PDL reported a net loss of \$38.1 million, and the net loss per share for the period of \$0.42 per basic and diluted share did not change from the previously reported net loss per share.

Protein Design Labs is a leader in the development of humanized antibodies to prevent or treat various disease conditions. PDL currently has antibodies under development for autoimmune and inflammatory conditions, asthma and cancer. PDL holds fundamental patents for its antibody humanization technology. Further information on PDL is available at www.pdl.com.

Protein Design Labs is a registered U.S. trademark and the PDL logo is a trademark of Protein Design Labs, Inc.

Financial table attached.

**PROTEIN DESIGN LABS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)**

(In thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2003	2002	2003	2002
Revenues:				
Royalties	\$ 17,905	\$ 13,491	\$ 35,050	\$ 27,167
License and other	3,096	1,300	8,698	1,951
Total revenues	21,001	14,791	43,748	29,118
Costs and expenses:				
Research and development	21,058	14,760	37,450	27,938
General and administrative	6,853	4,787	11,923	8,942
Acquired in-process research and development	37,834	—	37,834	—
Total costs and expenses	65,745	19,547	87,207	36,880
Operating loss	(44,744)	(4,756)	(43,459)	(7,762)
Interest income	4,188	6,455	8,861	13,593
Interest expense	(1,575)	(2,242)	(3,281)	(4,482)
Impairment loss on investment	—	—	(150)	—
Income (loss) before income taxes	(42,131)	(543)	(38,029)	1,349
Provision for income taxes	18	16	49	27
Net income (loss)	\$ (42,149)	\$ (559)	\$ (38,078)	\$ 1,322
Net income (loss) per share:				
Basic	\$ (0.45)	\$ (0.01)	\$ (0.42)	\$ 0.01
Diluted	\$ (0.45)	\$ (0.01)	\$ (0.42)	\$ 0.01

Shares used in computation of net income (loss) per share:

Basic	<u>93,301</u>	<u>88,751</u>	<u>91,242</u>	<u>88,698</u>
Diluted	<u>93,301</u>	<u>88,751</u>	<u>91,242</u>	<u>91,382</u>

**CONSOLIDATED BALANCE SHEET DATA
(Unaudited)**

(In thousands)	June 30,	December 31,
	<u>2003</u>	<u>2002*</u>
	(unaudited)	
Cash, cash equivalents and marketable securities	\$ 579,484	\$ 606,410
Total assets	725,545	717,818
Total stockholders' equity	540,241	544,766

*Derived from the December 31, 2002 audited consolidated financial statements
