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):
May 5, 2006

PDL BIOPHARMA, INC.
(Exact name of registrant as specified in its charter)

Delaware	**000-19756**	**94-3023969**
(State or other jurisdiction of incorporation)	**(Commission File No.)**	**(I.R.S. Employer Identification No.)**

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ 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 8.01. Other Events.

On May 5, 2006, PDL BioPharma, Inc. (“we” or the “Company”) will conduct a live webcast of our First Annual Business Update in New York City. The slides we will present in this webcast are attached as Exhibit 99.1 to this current report on Form 8-K and are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	PDL BioPharma, Inc. Business Update Presentation dated May 5, 2006

SIGNATURES

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

Date: May 5, 2006

PDL BIOPHARMA, INC.

By: /s/ Andrew Guggenhime

Andrew Guggenhime
Senior Vice President and
Chief Financial Officer

PDL BioPharma™

Business Update

May 5, 2006

PDL BioPharma, Inc.

Safe Harbor Statement

This presentation contains certain forward-looking statements, including those regarding product development, corporate and financial goals. While these represent our current judgment on the matters presented, they are subject to certain risks and uncertainties that could cause the actual results to differ materially from those presented. In addition to any factors that are discussed in this presentation, important factors relating to our revenues, product development, business and operations are described in our SEC filings which are available from the Company. The forward-looking statements made in this presentation should be considered accurate only as of the date of this presentation. Although we may elect to update forward-looking statements from time to time in the future, we specifically disclaim any duty or obligation to do so, even as new information becomes available or other events occur in the future.

All information, data and images provided in this presentation were prepared by PDL BioPharma, Inc. and remain the copyright of PDL BioPharma, Inc. No part of this presentation may be reproduced in any manner without the prior written permission of PDL BioPharma, Inc.

For more detailed prescribing information about PDL BioPharma, Inc.'s commercial products, please refer to the Company's website at www.pdl.com.

PDL BioPharma

PDL's first business update

8:05 am	**Introduction and Overview** Mark McDade, Chief Executive Officer
8:15 am	***Cardene® I.V.*** John Gill, Senior Director, North American Marketing Kiwon Lee, MD, Thomas Jefferson University, Philadelphia
8:40 am	***Retavase®*** David Iwanicki, Vice President, Sales and Sales Operations William Boden, MD, Hartford Hospital, Connecticut
9:05 am	***IV Busulfex®*** David Iwanicki, Vice President, Sales and Sales Operations Claudio Anasetti, MD, H. Lee Moffitt Cancer Center & Research Institute, Tampa, Florida
9:30 am	**Q&A**
9:50 am	**Financial Perspectives** Andrew Guggenhime, Senior Vice President, Chief Financial Officer
10:00 am	**Future Commercial Opportunities** Jaisim Shah, Senior Vice President, Marketing and Business Affairs
10:15 am	**Q&A**
10:25 am	**Summary and Wrap-up** Mark McDade, Chief Executive Officer

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PDL BioPharma: poised for growth

Q2'05 - Q1'06: our first commercial 12 months

- Commercial focus on acute-care, hospital market
- 3 novel products marketed in US
- Deep, later-stage pipeline with six programs
- New Phase 1 mAb for myeloma expected by Q4'06
- Validated antibody platform; increasing royalties
- Fully-integrated with over 1,000 employees
- Global partners for 3 mid-stage products
- Financially strong with diversified revenue streams
- Positive non-GAAP earnings expected for full-year 2006

Our aims for today

- Review first year of commercial efforts, by product
- Provide insight into our marketed product strategies
- Provide an overview of key opportunities for our most advanced three pipeline products
- Give you first-hand access to independent thought leaders involved in key product categories
- Provide improved clarity on current product sales

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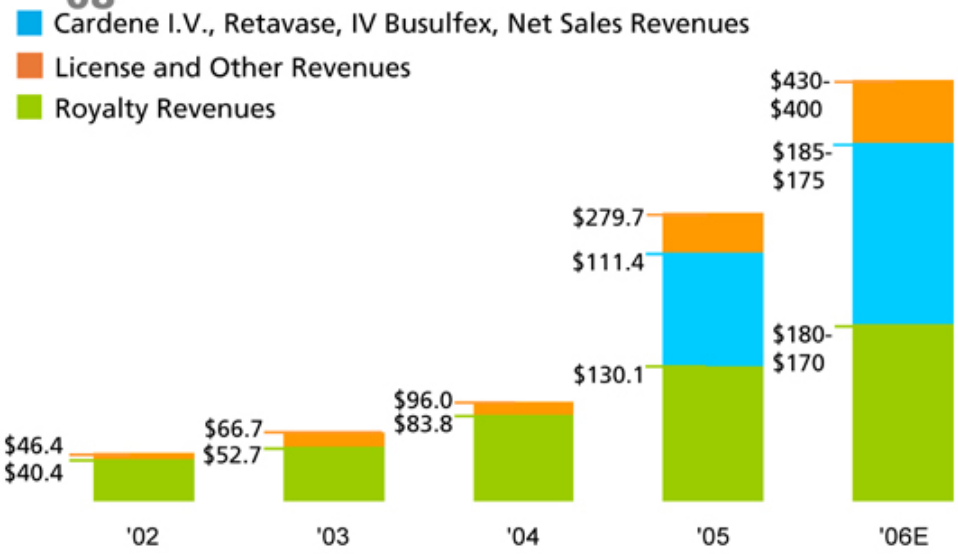
PDL's revenue growth

25% CAGR aim for royalties/products from '05 to '08



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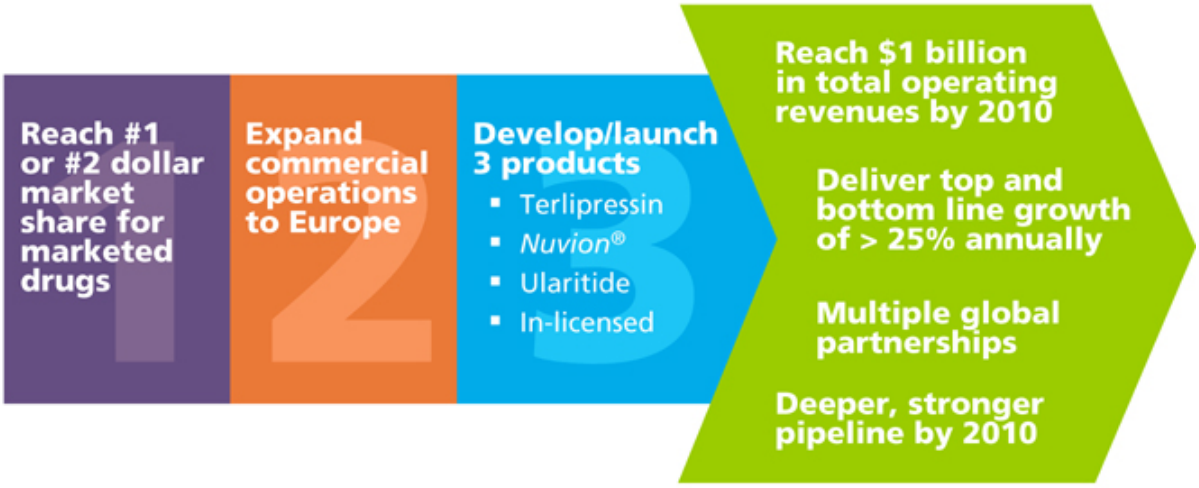
Vision 2010: aiming higher



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How did we get commercial?

- Built royalty stream from humanization technology licensed broadly
- Developed robust pipeline of novel products
- Focused PDL strategy on hospital-based approach
- Purchased ESP Pharma, Inc. and Retavase to create a solid foundation for future pipeline success
- Partnered non-hospital products to speed development, save commercial resources

PDL's unique business strategy

A highly diversified revenue stream...

- Product-based:
  - Create a strong foundation for future pipeline launches
  - Build acute-care, hospital audience competence
  - Focus promotional efforts on Cardene I.V., Retavase
  - Partner molecules in pipeline if outside hospital
  - Create strong hospital-based practices of excellence
  - Build Nuvion and ularitide in EU into acute-care, hospital setting
  - In-license to support key hospital franchises
- Humanization platform:
  - Third party licensed royalty generation
  - Continue to seek partners for humanization licenses
  - Utilize platform and internal capabilities to attract product candidates

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A word about partnering

- A core component of PDL growth strategy
- Seek expertise, resources for products to be developed and marketed outside hospital
- In addition:
  - For ularitide, add cardiovascular and new formulation competency
  - For Nuvion, consider new IBD approaches
  - For antibody partnering, seek ability to manufacture and sell into hospital

PDL's new commercial team

- Sales management and operations, based in NJ
- 105 talented hospital-based sales professionals
- In-line marketing function based in NJ, focused on support of 3 marketed drugs:
  - Cardene I.V.
  - Retavase
  - IV Busulfex
- New product planning, market research and marketing communications based in CA, focused on:
  - Terlipressin
  - Nuvion
  - Ularitide

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PDL's product overview

- Cardene I.V.
  - Continuing rapid growth due to new penetration, uses
  - Use well-supported by guidelines, especially in neuro
  - Growth sensitive to promotion; awareness still on rise
  - Single largest sales driver from '06-'08
- Retavase
  - Regaining market share from TNKase
  - Emergency department, smaller hospital call
  - Supports sales force expansion for Cardene
- IV Busulfex
  - Working to expand label and overseas potential

Products pave way for growth*

- ED Physicians
- Cardiologists
- Neuro Critical Care
- Critical Care
- BMT Specialists

+

- Hepatologists/ Gastroenterologists (Liver Specialists)
- Nephrologists
- Liver Transplant Specialists

+

- Gastroenterologists

* Future product launches and sales force estimates are based on company expectations as of May 02, 2006.

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Cardene® I.V.: Commercial Overview

John Gill, Senior Director
North American Marketing

Cardene I.V.: key growth driver

- Novel IV antihypertensive
- Only rapid-onset IV antihypertensive agent that provides tight, targeted blood pressure control that is easily achieved and maintained
- Broad opportunity across patients
- AHA / Emergency Cardiac Care and ASA guidelines recommend as a first-line treatment
  - Opportunity for #1 position in hypertension related to stroke

Market Opportunity

- **3.1 million patients treated with IV HTN agents in US in 2005**
- **Unit growth from additional hospital penetration and awareness**

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Cardene I.V.: outpacing market growth

- The total IV antihypertensive market continues to grow
- The target market continues to grow
- Cardene I.V. is leading the growth

	% Growth 2004 vs. 2005
Total Market	**5%**
Target Market (Cardene, sodium nitroprusside and labetalol)	**12%**
Cardene I.V. Units	**46%**
Cardene I.V. Gross Sales	**62%**

Source: 2004 and 2005 NDC data

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Campaign reinforces key advantages

In the treatment of acute hypertension choose IV therapy that is.....

STEADY UNDER PRESSURE

Key messages

- Consistent and reliable blood pressure control
- Predictable titration for precise control
- Targeted BP reduction
- Well-documented tolerability and safety profile

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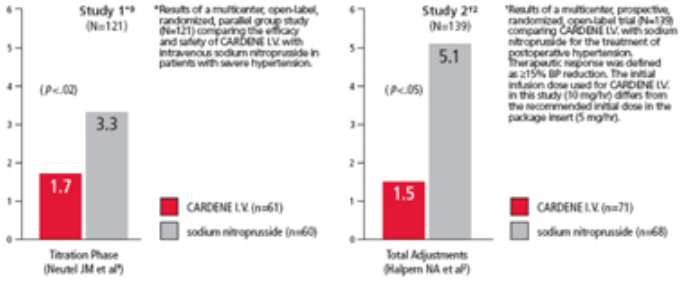
Cardene I.V. versus the competition

Fewer Dose Adjustments

CLINICAL STUDIES DEMONSTRATE FEWER DOSE ADJUSTMENTS COMPARED WITH SODIUM NITROPRUSSIDE

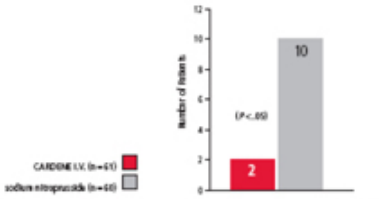
Dose adjustments to therapeutic BP observed in two studies



Safety

LOW RISK OF HYPOTENSION VS SODIUM NITROPRUSSIDE IN PATIENTS WITH SEVERE HYPERTENSION

Patients Exhibiting Hypotension BP <100/50 mm Hg)**



*Results of a multicenter, open-label, randomized, parallel group study (N=121) comparing the efficacy of CARDENE I.V. with intravenous sodium nitroprusside in patients with severe hypertension.

Adapted from Nazzal JM.

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National guidelines support Cardene

- AHA / ASA Updates for Ischemic Stroke (2005) recommend Cardene I.V. (nicardipine) as first line therapy
- Updated guidelines for ICH and SAH in development; last published in 1999 and 1994

Current AHA/ASA Treatment Guidelines for Ischemic Stroke

BP Level (mm Hg)	Recommended Treatment
Systolic blood pressure (SBP) <220 or DBP <120	No treatment unless end organ involvement
SBP >220 or DBP >121-140	Nicardipine or labetalol to 10% - 15% ↓ in BP
DBP >140	Nitroprusside to 10% -15% ↓ in BP

Source: AHA Guidelines for Cardiopulmonary Resuscitation and Emergency Cardiovascular Care and American Stroke Association Guidelines for hypertension management of acute ischemic stroke

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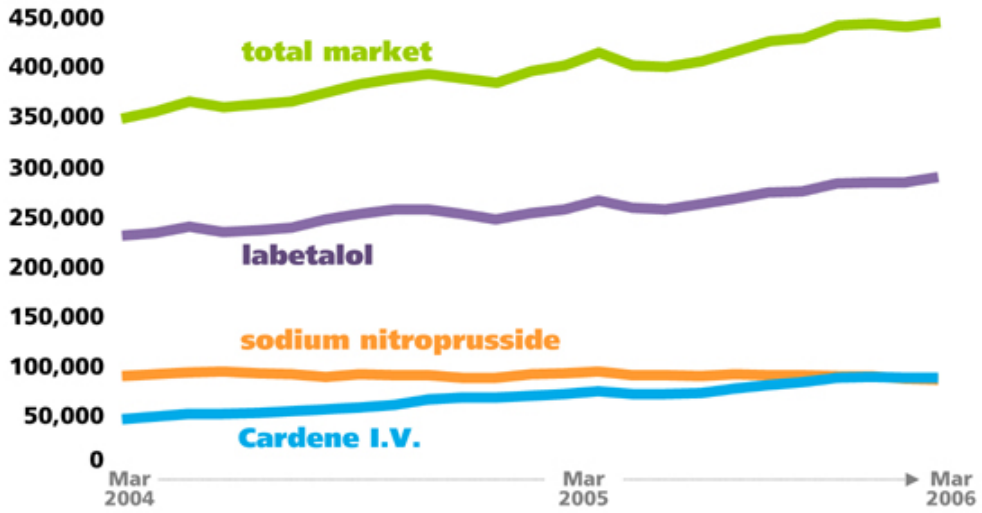
Cardene I.V. unit sales

Continued Cardene I.V. growth based on three-month rolling average



Source: 2004-2006 NDC data

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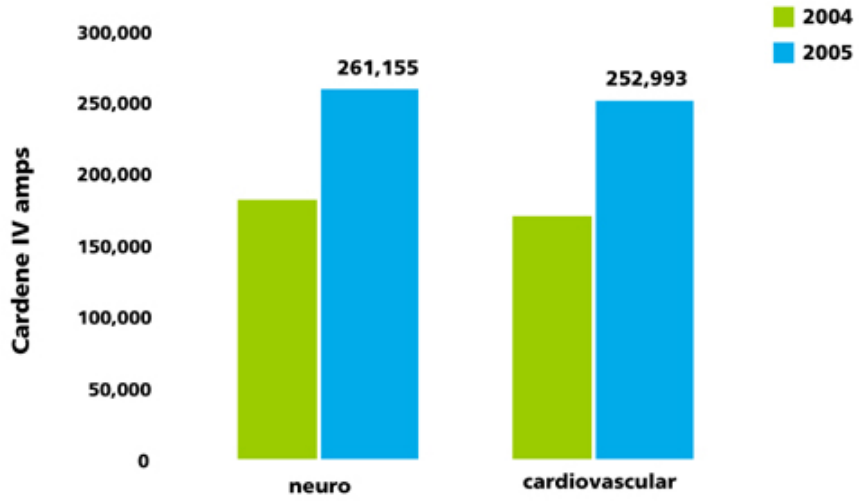
Continued Cardene I.V. growth based on three-month rolling average 70 000 0

Cardene I.V.'s segment growth

Parallel pathways to drive long-term growth...



Source: 2004 & 2005 Premier Rx Advisor DB

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Cardene I.V. quarterly sales trends

- Sustained unit growth for Cardene I.V.
- Strong hospital and patient demand based on NDC gross sales
- Highly profitable brand based on net sales

Source: Gross sales based on 2005-2006 Wolters Kluwer (NDC) data

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Retavase®: Commercial Overview

David Iwanicki, Vice President
Sales and Sales Operations

Retavase: rebuilding an AMI franchise

- Strategic fit for acute-care portfolio
- Only fibrinolytic with unit-dose regimen
- Meets '04 AHA/ACC AMI treatment guidelines
- Addresses delay to PCI when hospital transfers don't meet recommended "door-to-balloon" times
- Emergency department target audience; entry for Cardene I.V. and in future, ularitide
- FINESSE study currently underway in fPCI

Market Opportunity
- **1.5 million AMIs in US annually**

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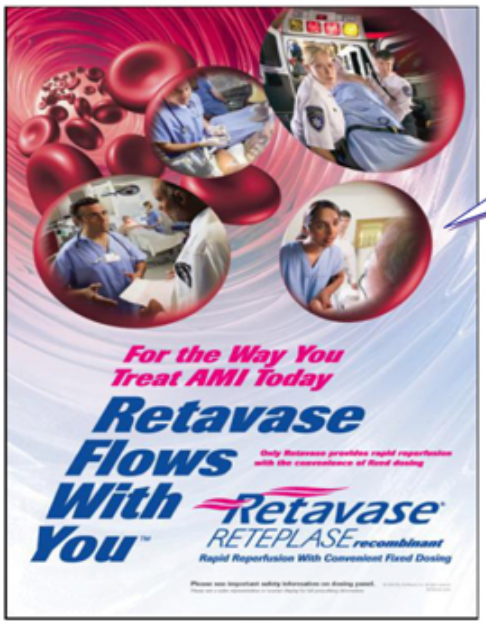
Campaign focuses on key attributes



For the Way You Treat AMI Today…

Retavase Flows With You

Key Messages

- Rapid reperfusion with convenient fixed dosing
- No need to weigh patients
- No estimating or rounding to a dosing tier
- No dosing calculations, which may eliminate potential for errors

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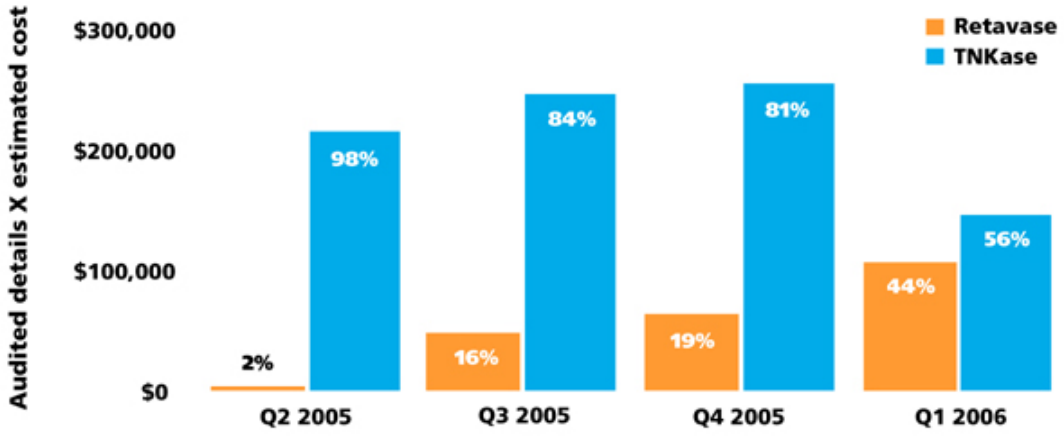
Retavase / TNKase promotion activity

PDL now has a competitive share of detailing effort



Note: Promotion is hospital + office reported detailing

Source: IMS Health-integrated promotion services report

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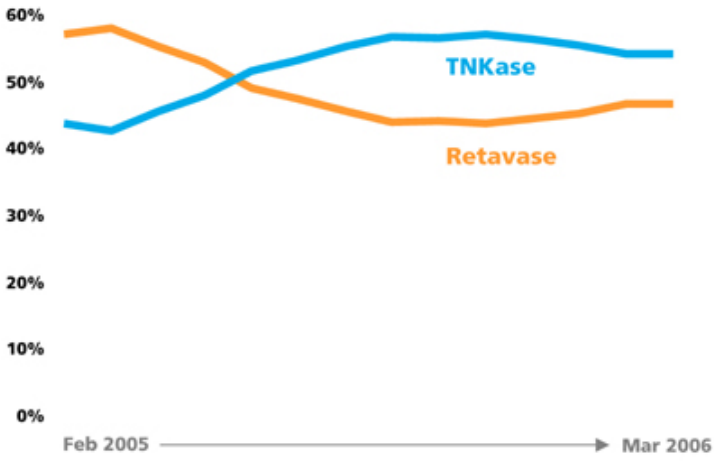
Retavase taking share from TNKase

Three-month rolling average shows continued Retavase growth



- Retavase now positioned to impact key drivers
- Retavase taking share away from TNKase
- Positive trends in highly competitive marketplace

Source: Feb 2006 NDC Sales Data, unit market share, 3 months rolling

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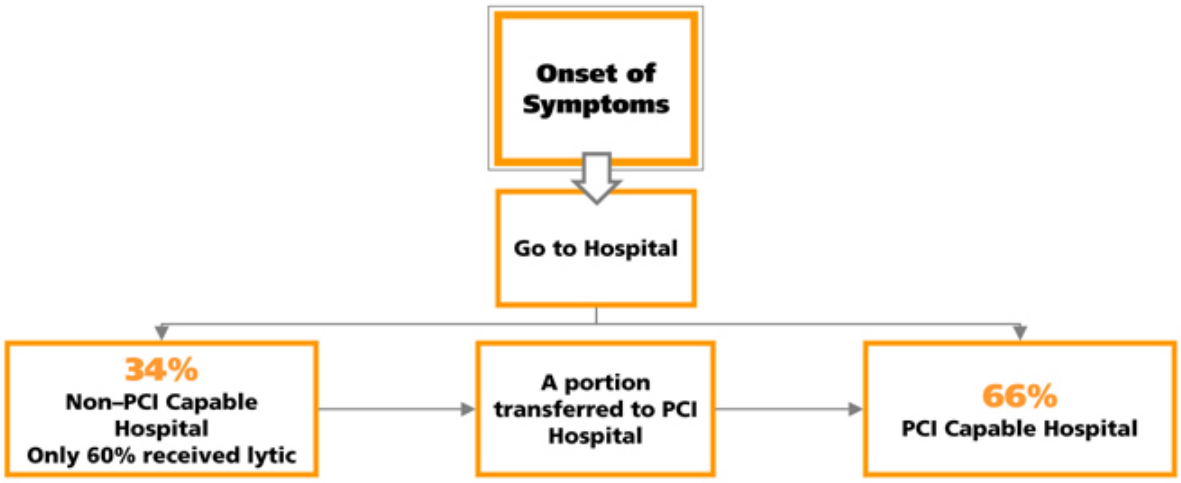
STEMI patient flow shows lytic need

30-33% of AMI patients didn't get treated with a lytic or PCI



Source: SBR Quantitative Market Research, Jan 2006, N=300; GRACE & NRMI Registries

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Retavase quarterly sales trends

- Market was flat Q1'06 versus 10% decline in '05
- Share of voice positions Retavase to compete aggressively
- Full financial impact of product contracting being seen in Q4'05 and Q1'06

Source: Gross sales based on 2005-2006 Wolters Kluwer (NDC) data

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IV Busulfex®: Commercial Overview

David Iwanicki, Vice President
Sales and Sales Operations

IV Busulfex: a growing opportunity

- Novel IV conditioning agent for stem cell transplantation for CML
- Convenience over oral therapy due to reliability, control, dosing
- Goal to be preferred agent in CML, with or without other therapies
- Close collaborations with Pierre Fabre in EU and Kirin in Japan
- Lifecycle management opportunities being considered

Market Opportunity
- **80% market share compared to 20% oral busulfan**
- **Significant opportunity in US and non-US markets**

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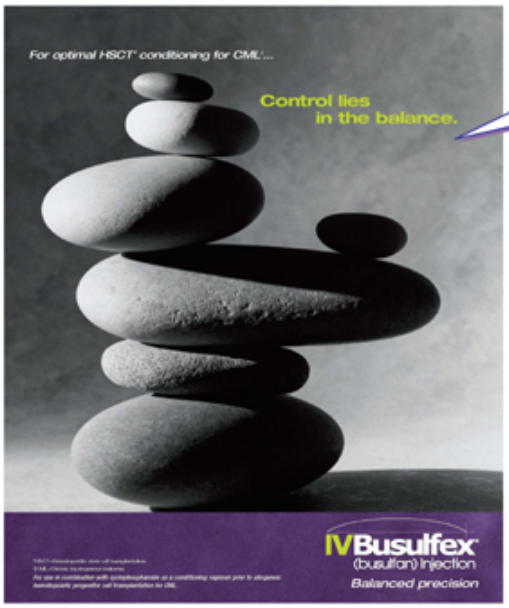
IV Busulfex campaign in CML



For optimal HSCT conditioning for CML...

Control lies in the balance

Key messages

- Provides dose assurance due to the 100% bioavailability and predictable PK profile
- Dosimetry – allows for targeting of precise dose and exposure
- Delivers controlled myeloablation
- Low incidence of toxicity

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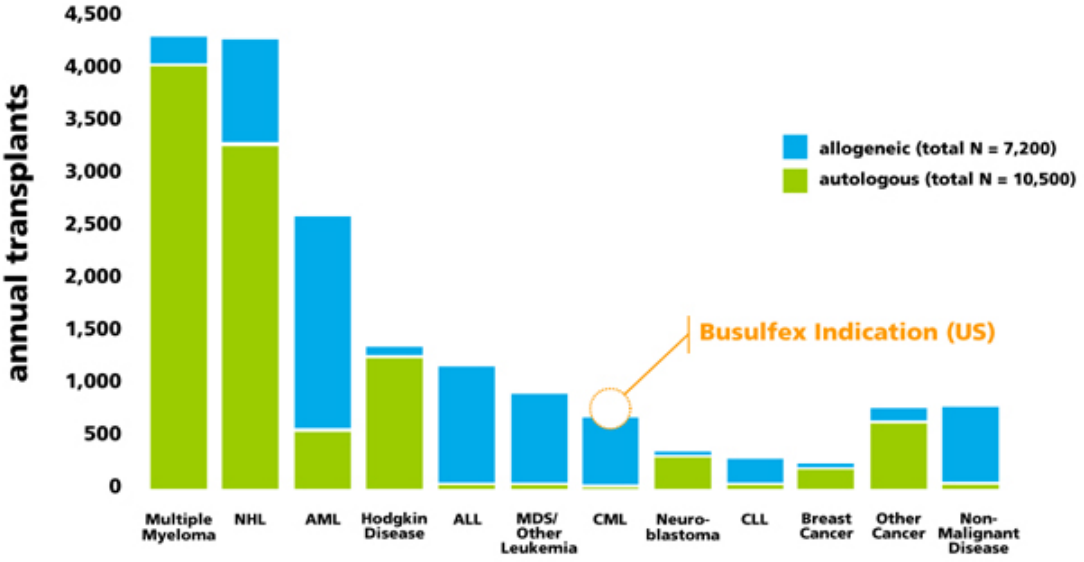
Exploring broader transplant market opportunities



Source: IBMTR, 2004

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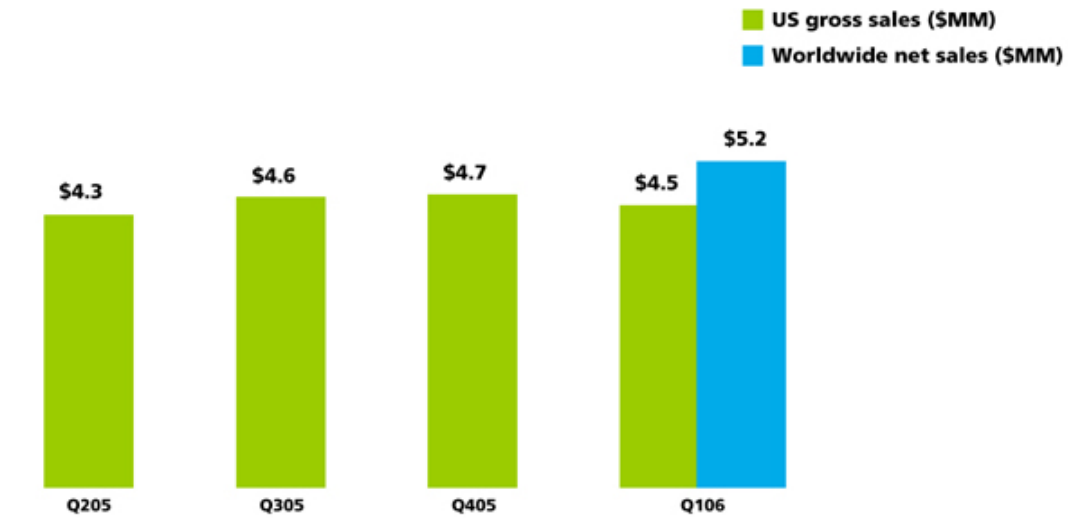
IV Busulfex quarterly sales trends

- IV Busulfex continues to demonstrate strong sales



Source: Gross sales based on 2005-2006 Wolters Kluwer (NDC) data

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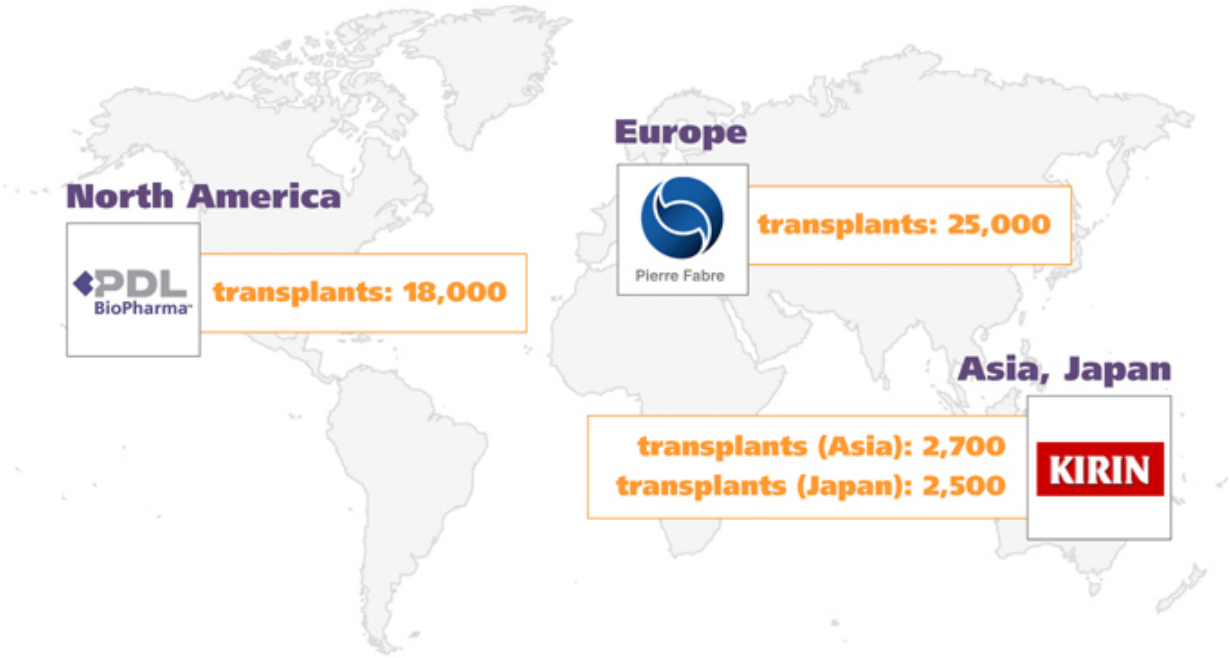
IV Busulfex: our first global product



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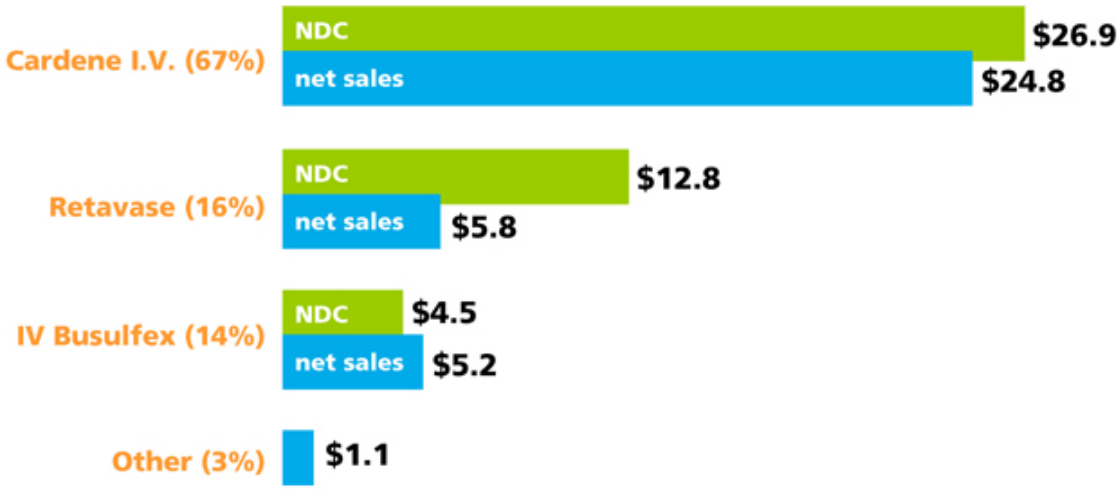
Financial Perpectives

Andrew Guggenhime, Senior Vice President and Chief Financial Officer

Q1'06 net product sales ($MM)

Total product sales of $36.8 million



Note: Gross sales data obtained from Wolters Kluwer are included in this presentation for illustration and comparison purposes. The gross sales data reported by Wolters Kluwer for a given product over a given period may differ signficantly from the net product sales. PDL may recognize for the same product during the same period.

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Gross margin analysis

Product sales, gross

- Cash discounts
- Charge-backs
- Government rebate programs
- Returns
- Wholesaler service fees

= Product sales, net

- Cost of goods sold
- Other
- Royalty expenses

} cost of product sales

= Gross margin

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Future Commercial Opportunities

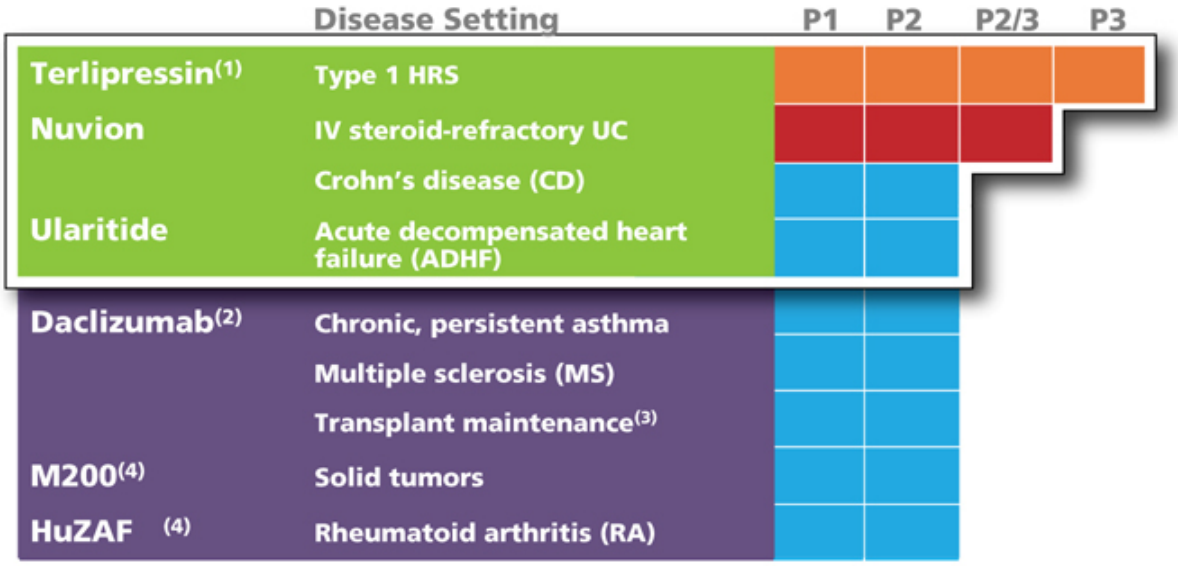
Jaisim Shah, Senior Vice President
Marketing and Business Affairs

Large US markets, focused customer base

	Pharmaceutical Market (US)	Specialty Physicians	Targeted Indications and Patient Population[5]
Liver Disease Market	$1.8B[1]	GEs/Heps (2-5K)[4]	HRS (14K)
Acute CV Market	$3.3B[2]	Heart failure experts Intensivists[3] (6K)	ADHF (1M) AMI (1M) Hypertensive Crisis (3M)
IBD Market	$1.75B[2]	GEs/IBD Experts (5K)[4]	IBD (1M)

Source: [1] IMS, Datamonitor 2004, AGA (HBV/HCV/Liver Cirrhosis), [2] NDC 2005, [3] COMPACCS study; JAMA 2000, [4] AMA and Company Market Research, [5] Hospital Discharge Data

PDL's proprietary pipeline



1) Developed with Orphan Therapeutics; designated as an Orphan Drug program and granted Fast Track status
2) Partnered with Roche for asthma and other respiratory diseases; partnered with Biogen Idec for MS and other indications
3) Study anticipated to begin H2 '06
4) Partnered with Biogen Idec for all indications

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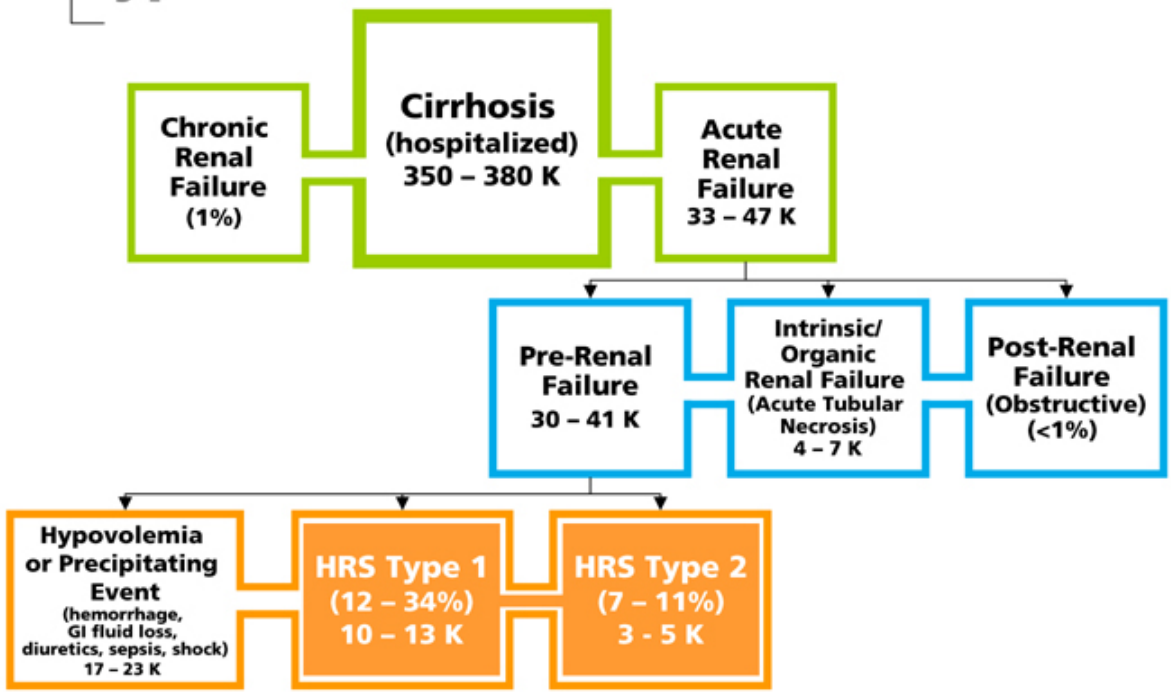
Terlipressin: opportunity in HRS

- First potential treatment for type 1 hepatorenal syndrome (HRS)
- FDA Fast Track and Orphan status
- Enrollment completed in Phase 3 pivotal study; double-blind, placebo-controlled single trial
- Primary endpoint: reversal of HRS
- Secondary endpoint: creatinine levels, others
- Top-line data anticipated Q3 '06
- Possible presentation at AASLD in late October
- PDL's partner, Orphan Therapeutics, targets NDA filing Q1 '07

PDL BioPharma

Type 1 HRS: US market estimates



Source: Literature Review, Premier Hospital Discharge Data 2003-2005, PDL market research

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HRS potential for terlipressin

Annual US hospital discharges for HRS*

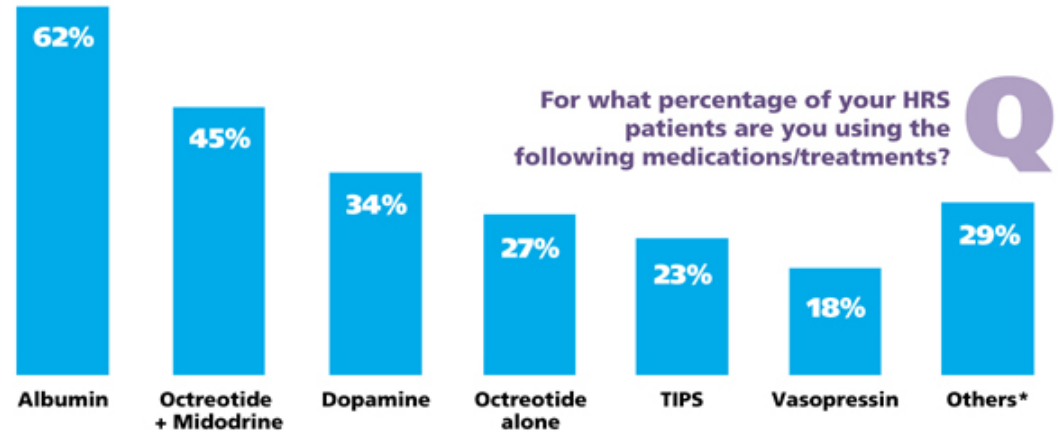
	2002	2003	2004
Inpatient discharges	11,379	13,361	14,237

- A majority of in-patients with HRS are type 1
- High mortality with current treatment**
- No approved therapeutic options available for HRS in US

Source: *Solucient, **Gines, NEJM, 2004, *** Medicare Claims Analysis 1999 to 2000

No treatments approved for HRS in US

Physician usage of available treatments in combination in HRS patients



Q For what percentage of your HRS patients are you using the following medications/treatments?

* Others include transplant (7), hemodialysis (6), misoprostol (3), etc.

Source: PDL Market research (n=150), Nov. 2005

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Cost of HRS pharmacologic therapy

Therapeutic Regimen	Cost per Course of Therapy
Sandostatin (octreotide) + Midodrine	~$1,200 – $1,800
Albumin 25%*	$2,100 – $4,700

- **Physicians use albumin in a majority of HRS patients, but albumin alone could cost up to $4,700 per course of therapy**

* Assumptions: Dose: 1 g/kg on day 1, followed by 20-40g daily; Duration: 10-14 days; Weight: 70 kg (average); ~ $200 per 100 mL bottle of 25% albumin, which delivers 25g albumin

Source : Redbook 2004 and Gines 2004 (NEJM) Albumin Recommendations (Table 4)

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Terlipressin: getting to US launch

- Terlipressin for type 1 HRS reinforces acute-care, hospital focus
- Commercial infrastructure ready for implementation by Q1'07
- If approved, terlipressin will be the first and only drug for HRS in the US
- Potential launch planned in mid-2007
- Consider post-marketing development in other potential indications, including esophageal variceal hemorrhage (EVH)

Nuvion: promising activity in IVSR-UC

- Potential first indication is treatment of IV steroid-refractory ulcerative colitis (IVSR-UC)
- Majority of patients are between ages 25-45
- High need for safe and effective agents to prevent relapse and disease progression in severe UC
- Positive efficacy and safety results from Phase 1/2 programs of Nuvion in IVSR-UC
- Pivotal program underway in UC; potential in Crohn's disease
  - Ongoing Phase 2/3 trial called RESTORE 1 in patients with IVSR-UC
  - Oral presentation at DDW 2006 in May for preliminary data of Nuvion in CD

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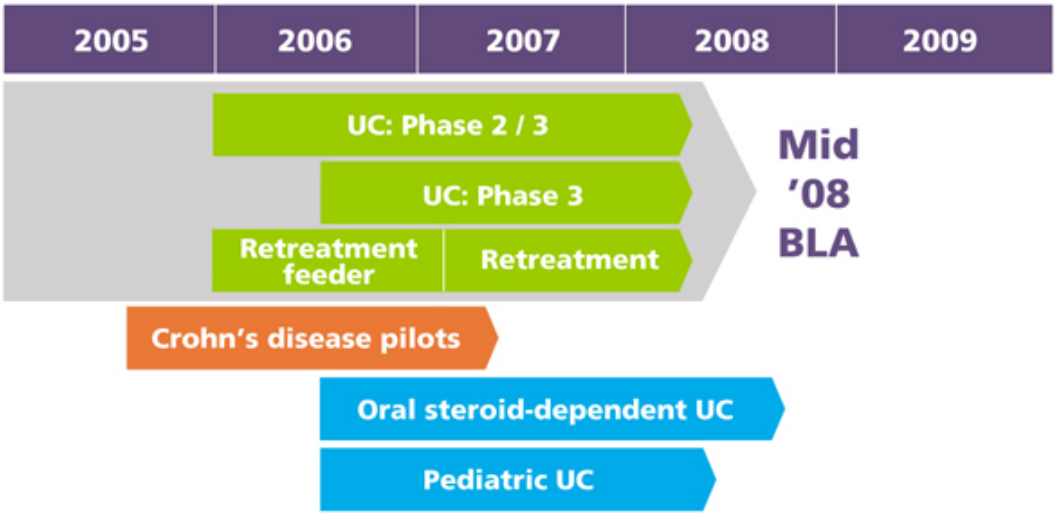
Nuvion: registration plan for IVSR-UC

>50,000 IVSR-UC patients in the US and Europe



* Timelines reflect company estimates only

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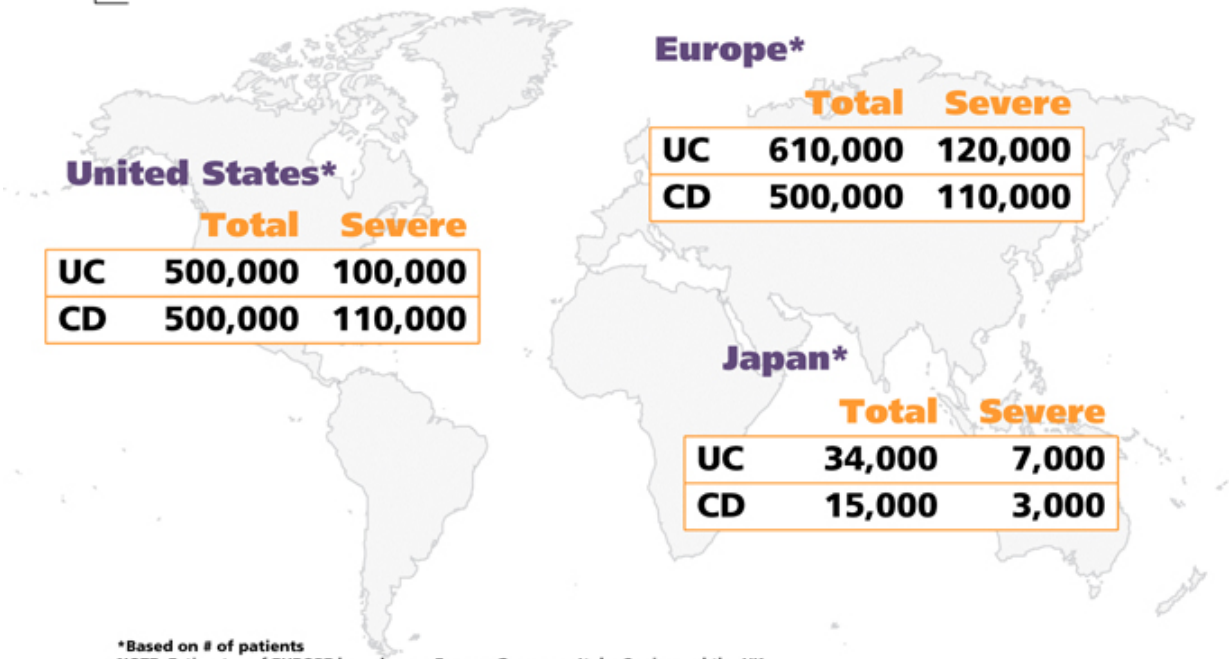
Nuvion in IBD: global opportunity



United States*

	Total	Severe
UC	500,000	100,000
CD	500,000	110,000

Europe*

	Total	Severe
UC	610,000	120,000
CD	500,000	110,000

Japan*

	Total	Severe
UC	34,000	7,000
CD	15,000	3,000

*Based on # of patients
NOTE: Estimates of EUROPE based upon France, Germany, Italy, Spain, and the UK
Source: CCFA 2005; EFCCA 2005; Decision Resources, Inc. 2003-2005; Data Monitor 2004

Cost of acute treatment for severe UC

Therapeutic Regimen	Cost per Course of Therapy
IV Cyclosporine[1]	~$750
Remicade[2]	$15,900 – $37,100

Therapeutic Regimen	Total Cost of Treatment
IV Steroids[3]	~$9,000

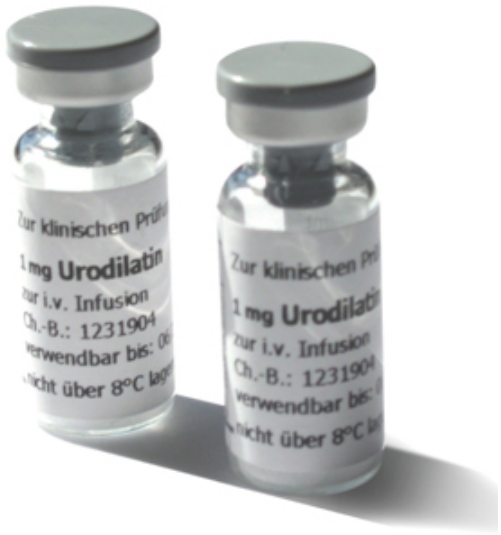
- Average US single-stay colectomy costs $30,000 with 23-day length of stay

[1] Assumptions: Dose: 4 mg/kg/day for 14 day course of therapy; Weight: 70 kg (average)
[2] Assumptions: Dose: 5 mg/kg or 10 mg/kg induction at 0, 2, and 6 weeks followed by maintenance every 8 weeks; range of 3 – 5 maintenance doses per course of therapy; Weight: 70 kg (average)
[3] Daily dose of 300mg hydrocortisone IV per day; average length of stay 7 days

Sources: Redbook 2005; Lichtiger, S., et.al., NEJM, 1994; Swenson, B. et.al., Dis Colon Rectum, 2003

Ularitide: a potential new treatment for acute decompensated heart failure

- Significant unmet need
- European clinical data support safety and tolerability; show activity at multiple doses
- Positive outcome from EMEA Scientific Advice received in late April '06 paves way for pivotal program H2 '06
- US study to initiate H2 '06
- PDL holds exclusive development and commercialization rights worldwide



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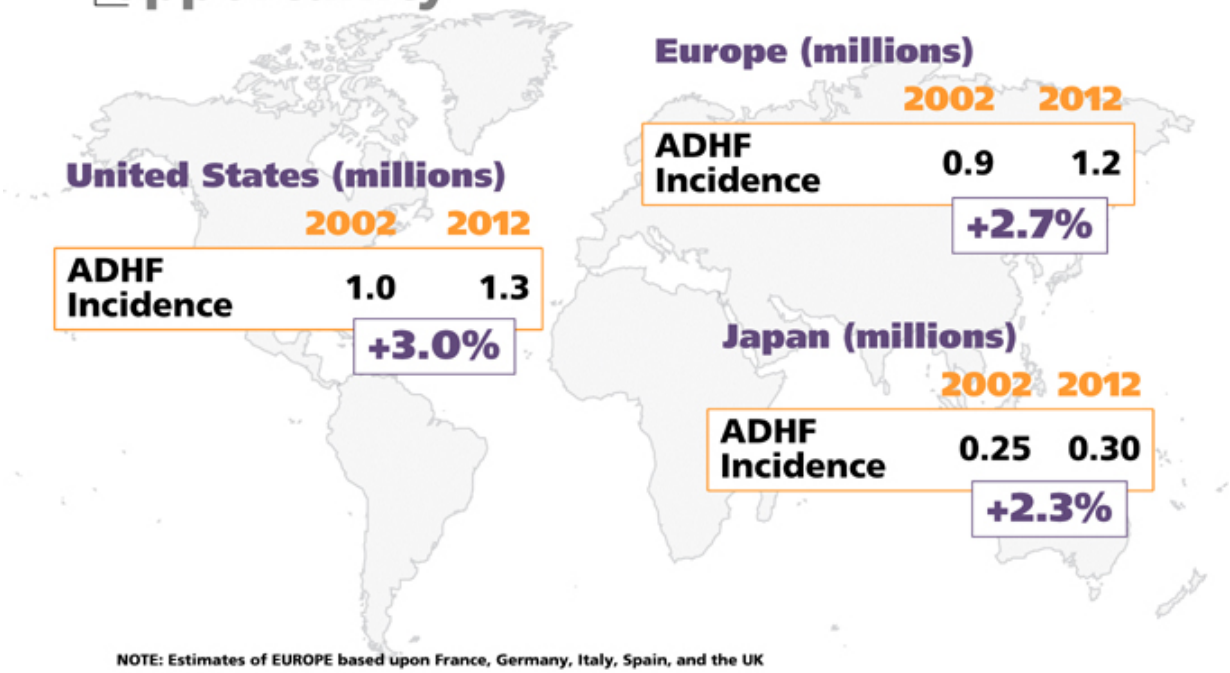
Ularitide in ADHF: large global opportunity



United States (millions)

	2002	2012
ADHF Incidence	1.0	1.3

+3.0%

Europe (millions)

	2002	2012
ADHF Incidence	0.9	1.2

+2.7%

Japan (millions)

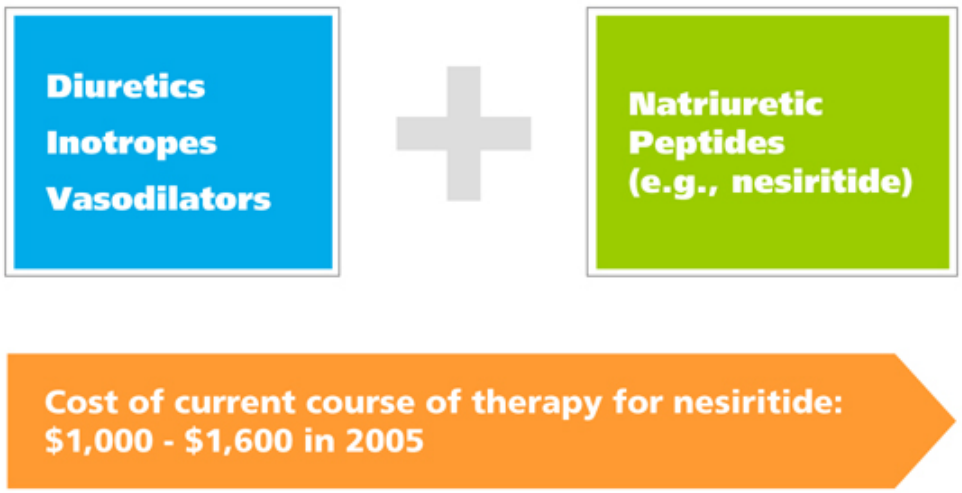
	2002	2012
ADHF Incidence	0.25	0.30

+2.3%

NOTE: Estimates of EUROPE based upon France, Germany, Italy, Spain, and the UK

Source: Decision Resources, Inc.

Current treatment of ADHF in the US



Source: AWP, WAC and Medicare; Average of 2.6 vials per patient, administered intravenously over an average of 2-3 days.

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Ularitide: Pivotal opportunity in EU

- ADHF is the most common cause of hospitalizations for people over the age of 65
- Around 75% of heart failure expenditure relates to in-patient care
- Combined rate of mortality or readmission within 60 days post-hospitalization is around 35%
- Natriuretic peptide (BNP) not available in major EU markets
- Pivotal trials to commence in H2 '06
  - Two Phase 3 trials to enroll a total of 3,300 patients
  - Received written input from the EMEA Scientific Advice late April '06

Source: DR report 2005; ESC guideline for Acute Heart Failure 2005; EU Product Concept Testing in 2005

New commercial opportunities

Strong pipeline opportunity to accelerate sales

	Indication	Potential Patients	Potential Launch
Terlipressin	Type 1 HRS	> 10,000 – 13,000	Mid-2007
Nuvion	IVSR-UC	> 50,000 (US/Europe)	H2 2009 (US)
Ularitide	ADHF	2.5 million (US/Europe)	H2 2010 (Europe)

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Wrap-up and Q&A

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Q&A