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PDL BioPharma Announces Conversion Rate Adjustments for 2.00% Convertible Senior Notes Due February 15, 2012 and 2.875% Convertible Senior Notes Due February 15, 2015

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PDL BioPharma, Inc. (PDL) (Nasdaq: PDLI) today announced an adjustment to the conversion rate for its 2.00% Convertible Senior Notes due February 15, 2012 (the 2012 Notes) and its 2.875% Convertible Senior Notes due February 15, 2015 (the 2015 Notes) effective March 7, 2011, in connection with the regular dividend to be paid on March 15, 2011, to all stockholders who own shares of PDL on March 8, 2011, the record date.

The conversion rate for the 2012 Notes and the 2015 Notes, as adjusted, is 144.474 shares of common stock per \$1,000 principal amount or \$6.92 per share. The conversion rate for the 2012 Notes and the 2015 Notes was previously 140.571 shares of common stock per \$1,000 principal amount of the 2012 Notes and the 2015 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 of March 4, 2011, for the cash dividend, and the denominator of which is the difference of such average closing price less the dividend amount.

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.

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 quarterly 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 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.

SOURCE PDL BioPharma, Inc.