6th ANNUAL CREDIT SUISSE US SMALL & MID CAP CONFERENCE

September 17, 2015

FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements, including PDL's expectations with respect to its future royalty revenues, expenses, net income, and cash provided by operating activities. 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 ability of PDL's licensees to receive regulatory approvals to market and launch new royalty-bearing products and whether such products, if launched, will be commercially successful;
- The productivity of acquired income generating assets may not fulfill our revenue forecasts and, if secured by collateral, we may be under secured and unable to recuperate our capital expenditures in the transaction;
- Changes in any of the assumptions on which PDL's projected revenues are based;
- Changes in foreign currency rates;
- Positive or negative results in PDL's attempt to acquire income generating assets;
- The outcome of 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 presentation 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 presentation are qualified in their entirety by this cautionary statement.

PDL BioPharma

KEY INFORMATION

Ticker	PDLI (NASDAQ)
Location	Incline Village, Nevada
Employees	10
2014 Revenues	$581 million
2014 Expenses	$35 million
2015 Regular Dividends (Pay Date)	$0.15 /share paid on March 12, June 12, and September 11 and to be paid on December 11
2015 Regular Dividends (Record Date)	March 5, June 5, September 4, and December 4
Total Deployed Capital To Date	~$830 million
Q2-2015 Cash Position	$294 million
Average Daily Volume	~2.5 million shares

PDL BioPharma

OVERVIEW OF PDL BIOPHARMA

MISSION

- **Acquire new income generating assets to support payment of dividends**
  - Assets that improve shareholder return
  - Preferably backed by commercial stage products
  - Drug or medical devices with differentiated profile
  - Agnostic to therapeutic field
  - Debt, royalty or hybrid deal structures
- **Manage Queen et al. patents**
  - Manage patent portfolio
  - Manage license agreements
- **Provide long-term income and capital appreciation for shareholders**
  - High quality, income generating assets
  - Stable dividend policy

MANAGEMENT, BOARD AND ADVISORS

Management

John McLaughlin
President & CEO

Christopher Stone
VP, General Counsel & Secretary

Peter Garcia
VP & Chief Financial Officer

Danny Hart
VP, Business Development

Steffen Pietzke
Controller & Chief Accounting Officer

Nathan Kryszak
Senior Counsel

Board of Directors

Paul R. Edick

David Gryska

Jody Lindell

John McLaughlin

Paul Sandman

Samuel R. Saks, M.D.

Harold E. Selick, Ph.D.
Lead Director

Advisors

Stephen Hoffman, M.D., Ph.D.

Ramesh Donthamsetty

Roz Sweeney, Ph.D.

Experienced Leadership Team with a Track-Record of Success

PDL BioPharma

PDL BioPharma®

RECENT DEVELOPMENTS

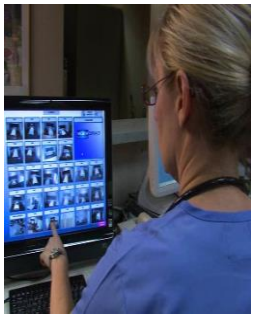
REVENUE INTEREST AGREEMENT

- **ARIAD, publicly traded company engaged in the discovery, development, and commercialization of medicines for cancer patients**
  - Current product: Iclusig (ponatinib), a tyrosine kinase inhibitor (TKI) for the treatment of adult patients with chronic myeloid leukemia (CML), and Philadelphia chromosome-positive acute lymphoblastic leukemia.
  - 2015E Sales: $132M
- **Deal Summary: $200M ($50M paid on execution and $50M in one year with the option to receive an additional $100M in 6 to 12 months)**
  - PDL will receive 2.5% of global net revenues from Iclusig for the first year of the agreement (5.0% after the first year through the end of 2018, and 6.5% from 2019 until PDL receives a specified targeted IRR)
    - The 6.5% royalty rate would increase to 7.5% if ARIAD draws down more than $150M
  - Term is through December 31, 2033 (subject to the put and call options)
  - Financial terms of put and call: Greater of IRR of 10% **or** 1.15x cash-on-cash (CoC) year 1 (1.2x CoC year 2, 1.3x CoC year 3 and thereafter)

SENIOR SECURED DEBT

- **CareView is a public company focused on patient care monitoring in hospitals.**
  - Information technology solutions (camera in patient room, virtual bed rails, patient monitoring) which have been installed in >8,000 hospital beds in the United States.
    - Prevents patient falls, while reducing hospital costs for nursing/proctoring time.

- **Total Committed Capital: $40M Senior secured financing**
  - $20M payable upon attainment of a milestone on or before October 31, 2015.
    - Five year term with 13.5% coupon.
  - $20M payable upon attainment of a milestone on or before June 30, 2017
    - Five year term with 13.0% coupon.
  - Secured by substantially all of its assets.
  - Warrant coverage equal to 5% of $40M with an exercise price of $0.45/share.



- **CareView's subscription business model with hospitals is a cost-effective approach for reducing accidental falls**

INCOME GENERATING ASSETS

APPROVED QUEEN LICENSED PRODUCT

Product	Licensee	2014 WW Sales	Approved Indications
AVASTIN bevacizumab	Genentech (US) and Roche (ex-US)	$7.1 billion	Metastatic colorectal cancer Advanced non-small cell lung cancer Renal cancer Metastatic HER2 – breast cancer Glioblastoma Ovarian cancer
Herceptin trastuzumab	Genentech (US) and Roche (ex-US)	$6.9 billion	Metastatic HER2+ breast cancer Metastatic HER2+ stomach cancer
LUCENTIS RANIBIZUMAB INJECTION	Novartis (ex-US)	$2.4 billion	Wet age-related macular degeneration (AMD) Macular edema or swelling following retinal vein occlusion Diabetic macular edema
Xolair Omalizumab FOR SUBCUTANEOUS USE	Genentech (US) and Novartis (ex-US)	$1.8 billion	Moderate to severe persistent allergic asthma First approved therapy designed to target the antibody IgE, a key underlying cause of the symptoms of allergy related asthma
TYSABRI (natalizumab)	Biogen Idec	$1.9 billion	Multiple Sclerosis (MS) in adult patients with relapsing forms of the disease Crohn's disease in adult patients with moderate-to-severe forms of the disease who have had an inadequate response to or are unable to tolerate conventional therapies
ACTEMRA tocilizumab	Roche and Chugai	$1.3 billion	Moderate to severe rheumatoid arthritis (RA), including patients who have had an inadequate response to one or more DMARDS
PERJETA pertuzumab	Genentech (US) and Roche (ex-US)	$1 billion	Previously untreated HER2+ metastatic breast cancer Neoadjuvant treatment of HER2+ metastatic breast cancer
Kadcyla	Genentech (US) and Roche (ex-US)	$590 million	Second line metastatic HER2+ breast cancer First line in patients with metastatic HER2+ breast cancer with disease recurrence within 6 months of adjuvant treatment
GAZYVA obinutuzumab	Genentech (US) and Roche (ex-US)	$54 million (approved on November 1, 2013)	First line in combination with chlorambucil chemotherapy for the treatment of people with previously untreated chronic lymphocytic leukemia (CLL)

Roche sales assumes .091 USD/CHF

PDL BioPharma

APPROVED QUEEN LICENSED PRODUCTS – TERM AND ROYALTY RATES

- **Genentech Products (Avastin, Herceptin, Xolair, Perjeta and Kadcyla)**
  - 2.125% regardless of site of manufacture or sale effective as of August 15, 2013.
  - Royalties on Avastin, Herceptin, Xolair, Perjeta and Kadcyla through 1Q16 (on sales through 4Q15).
  - Compares to blended global royalty rate on Genentech Products in 2013 of 1.9% under previous tiered and bifurcated (US made or sold vs. ex-US made and sold) royalty schedule.

- **Tysabri**
  - Flat, low single-digit royalty.

UNAPPROVED QUEEN LICENSED PRODUCTS – TERM AND ROYALTY RATES

- **Solanezumab**
  - Humanized antibody targeting beta amyloid, which is believed to cause Alzheimer's Disease, designed by PDL and being developed by Eli Lilly.
- **Phase 3 studies: Mild & Moderate Alzheimer's Disease**
  - Initial Phase 3 Study: Lilly reported in 2012 that its initial Phase 3 trials in patients with mild and moderate Alzheimer's Disease did not slow disease progression, but a secondary analysis of patients with mild Alzheimer's Disease showed a slowing of disease progression.
  - New Phase 3 Study: Based on the results in its initial Phase 3 trials, Lilly commenced a new Phase 3 trial in patients with only mild Alzheimer's Disease in 2013.
    - Lilly completed full enrollment in April 2015 with the last patient visit expected in Q4 2016 and topline results thereafter.
- **PDL has a royalty right on solanezumab that extends beyond the expiration of the Queen et al. portfolio**
  - Solanezumab would be the first biologic drug for Alzheimer's disease with forecasted US sales of ~$7B[1] per year.
  - If approved, PDL would receive a 2% royalty for 12.5 years from the date of its first sale or over ~$140M yearly at peak based on preliminary estimates.

1. Assumes solanezumab gains 9% market share from 40% of the patients with mild and moderate Alzheimer's (~200,000 patients) with an est. price of $40,000 p.a.

14 INCOME GENERATING TRANSACTIONS

11 Current Investments

Royalty Acquisition
ARIAD
Up to $200,000,000
July 2015

Senior Secured Financing
CAREVIEW COMMUNICATIONS
$40,000,000
June 2015

Royalty Acquisition
University of Michigan
$65,600,000
November 2014

Royalty Acquisition
VB Viscogliosi Bros., LLC
$15,500,000
June 2014

Senior Secured Note Purchase
kaléo
$150,000,000
April 2014

Senior Secured Financing
PARADIGM SPINE
the movement in spine care
$75,000,000
February 2014

Senior Secured Financing
DIRECT FLOW MEDICAL, INC.
$50,000,000
November 2013

Royalty Acquisition
Depomed
$240,500,000
October 2013

Senior Secured Financing
LENSAR
$60,000,000
October 2013

Royalty Transaction/ Senior Secured Financing
AVINGER
$40,000,000
April 2013

Royalty Transaction/ Senior Secured Financing
Wellstat Diagnostics, LLC
$44,000,000
November 2012

3 Matured Investments

Senior Secured Financing
DURATA THERAPEUTICS
$70,000,000
October 2013

Royalty Transaction/ Senior Secured Financing
AxoGen
$20,800,000
October 2012

Senior Secured Financing
MERUS LABS
$55,000,000
July 2012

✓ $830M deployed ✓ 3 Concluded Investments

Source: Company information

OTHER INCOME GENERATING ASSETS (1/2)

Entity	Structure	Technology	Deal Summary
ARIAD	Royalty	Iclusig kinase inhibitor whose primary target is BCR-ABL, an abnormal tyrosine kinase expressed in CML and Ph+ ALL.	▪ Up to $200M with $50M at signing, $50M at 12 month anniversary and up to an additional $100M at ARIAD's option between 6 and 12 months. 2.5% on Icusig WW net sales from signing through 12 months; 5% from 12 months through 12/31/2018; 6.5% thereafter unless ARIAD draws in excess of $150M in which case 7.5%.
CAREVIEW COMMUNICATIONS	Debt	Video system and virtual bed rails to passively monitor hospital patients at risk of falling.	▪ Up to $40M in Notes with the first tranche of $20M payable upon attainment of a milestone by October 31, 2015 and the second tranche payable upon attainment of a milestone by June 30, 2017. Each of the Notes are for five years and pay interest at 13.5% and 13.0% on the tranches, respectively.
UNIVERSITY OF MICHIGAN	Royalty	Cerdelga is an approved oral drug in US and EU for adult patients with Gaucher Disease type 1.	▪ PDL acquired 75% of the University of Michigan's royalty interest in Cerdelga until the expiration of the licensed patents in return for $65.6M.
VB Viscogliosi Bros., LLC	Royalty	PMA-approved spinal implant commercialized by Paradigm Spine.	▪ PDL acquired right to receive royalties on sales of spinal implant for $15.5M until PDL receives 2.3x its cash.
kaléo	Debt	Auvi-Q for delivery of epinephrine to treat severe allergic reactions, and EVZIO for delivery of naloxone for opioids overdose.	▪ $150M of Notes backed by 100% of royalties on sales of Auvi-Q by Sanofi and 10% of net sales of EVZIO by kaleo. The Notes pay interest at 13% with final maturity in 2029.
PARADIGM SPINE	Debt	Coflex for treatment of spinal conditions.	▪ $50M of Notes backed by most assets of Paradigm Spine. Interest rate is 13%. Loans mature on August 14, 2019.
DIRECT FLOW MEDICAL, INC.	Debt	Transcatheter aortic valve system to treat aortic stenosis with minimal risk of aortic regurgitation, a significant clinical complication.	▪ $35M of Notes at signing plus $15M of Notes in November 2014, both backed by most assets of Direct Flow. Initial interest rate was 15.5% on $35M which declined to 13.5% on $50M. Loans mature on November 5, 2018.

OTHER INCOME GENERATING ASSETS (2/2)

Entity	Structure	Technology	Deal Summary
Depomed	Royalty	Glumetza, Janumet XR, Invokana, Boehringer Ingelheim's fixed-dose combinations of drugs and extended-release metformin, LG Life Sciences' and Valeant Pharmaceuticals' extended-release metformin in Korea and Canada.	▪ PDL acquired royalties and milestones on sales of Type 2 diabetes products licensed by Depomed for $240.5M until PDL receives $481M after which payments will be shared evenly between PDL and Depomed. The agreement terminates on the later of October 2024 or when royalty payments are no longer due.
LENSAR	Debt	Femtosecond laser for cataract treatment which uses 3-D imaging and liquid interface for more accurate corneal incisions.	▪ $40M of Notes backed by most assets of Lensar plus additional sums as debt while Lensar either raises equity or completes an M&A transaction. The interest rate has increased from 15.5% to 18.5% as of March 31, 2015 and mature on October 1, 2018. Additional $5.7M funded during forbearance period (April 2015 to date). Lensar assets expected to be sold and loan expected to be assumed with revised maturity date.
AVINGER	Hybrid royalty/debt	Ocelot, image guided catheter devices used to open totally occluded arteries in the legs, and development of Pantheris, image guided atherectomy device.	▪ In exchange for $20M, PDL receives 12% interest on the Notes backed by the most assets of Avinger and a royalty ranging from 0.9%-1.8% on Avinger's revenues through April 2018, which is also the maturity date of the Notes.
Wellstat Diagnostics, LLC	Hybrid royalty/debt	Development of point-of-care diagnostic system using electrochemical luminescence and assays.	▪ $44M hybrid debt-royalty structure royalty whereby return on Notes depends on whether date of repayment is on or after December 31, 2014, and is higher after this date. Upon commercialization of Wellstat's diagnostic systems or assay, PDL will receive a low double digit royalty on Wellstat Diagnostics' net revenues. While Wellstat Diagnostics is running a sale process, PDL has advanced additional sums. Term can be as long as 2021.

CONCLUDED TRANSACTIONS

Company	Structure	Technology	Deal Summary
DURATA THERAPEUTICS	Debt	Novel intravenous antibiotic, dalbavancin which is dosed twice for 30 minutes, initially and on day 8.	$25 million first tranche of loans and $15 million second tranche of loans, both secured by most assets of Durata. The interest rate on first $25 million was 14% which declined to 12.75% on $40 million. On November 17, 2014, Durata repaid the $40 million loan plus accrued interest, and prepayment fees and change of control fees.
AxoGen	Hybrid royalty/debt	Commercialization of Avance, nerve allograft to bridge severed nerves, and AxoGuard devices, to connect or protect the reconnection of severed nerves.	In exchange for $20.8 million, PDL received a hybrid of debt-royalties. Royalty rate was 9.95%. Eight year term with PDL put at end of year 4 and AxoGen call in years 5 through 8. On November 12, 2014, AxoGen paid $30.3 million to PDL which constituted full payment and PDL bought $1.75 million worth of AxoGen stock.
MERUS LABS	Debt	Commercialization of Enablex, a treatment for overactive bladder, and Vancocin, an intravenous antibiotic.	$55 million of Notes backed by assets of Merus. In September 2013 Merus repaid PDL in full plus pre-payment fees.

PDL BioPharma®

FINANCIALS

SECOND QUARTER ENDED JUNE 30, 2015

(In thousands, except per share amounts)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Royalties from Queen et al. patents	$ 116,884	$ 115,066	$ 244,694	$ 231,092
Royalty rights - change in fair value	12,216	34,498	23,578	46,205
Interest revenue	8,966	12,613	19,500	21,684
License and other	-	575	-	575
Total revenues	138,066	162,752	287,772	299,556
G&A expenses	7,429	6,920	15,095	11,502
Operating income	130,637	155,832	272,677	288,054
Interest and other income, net	121	82	207	132
Interest expense	(7,199)	(9,858)	(15,809)	(20,383)
Loss on extinguishment of debt	-	-	-	(6,143)
Income before income taxes	123,559	146,056	257,075	261,660
Income tax expense	45,295	54,001	94,313	96,722
Net income	$ 78,264	$ 92,055	$ 162,762	$ 164,938
Net income per share - Basic	$ 0.48	$ 0.57	$ 1.00	$ 1.06
Net income per share - Diluted	$ 0.47	$ 0.52	$ 0.97	$ 0.94

	June 30, 2015	December 31, 2014
Cash, cash equivalents and short-term investments	$ 294,085	$ 293,687
Total notes receivable	$ 369,707	$ 363,212
Total royalty rights - at fair value	$ 280,731	$ 259,244
Total assets	$ 995,541	$ 962,350
Total term loan payable	$ 74,648	$ -
Convertible notes payable	$ 279,751	$ 451,724
Total stockholders's equity	$ 527,214	$ 460,437

PDL BioPharma

PDL BioPharma®

CONCLUSION

INVESTMENT HIGHLIGHTS

- **Demonstrated commitment to provide meaningful returns to shareholders through dividends.**
  - Since 2009, paid special or regular dividends totaling $6.52/share.
  - In 2014, paid regular, quarterly dividends of $0.15/share totaling $0.60/share.
  - In 2015, paid regular, quarterly dividend of $0.15/share on March 12, June 12, and September 11 and will pay equivalent dividends on December 11.
- **Strong historic revenue growth from Queen licensed products.**
  - Potential for additional indications from existing products.
  - Potential new product royalties from solanzumab if approved.
- **Fourteen income generating deals to date deploying approximately $830 million in capital with potential for additional deals.**
- **Liquidity – volume averages ~2.5 million shares/day.**

PDL BioPharma