

PDL BIOPHARMA, INC.  
Form 8-K  
March 03, 2006

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**Form 8-K**

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**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

**Date of report (date of earliest event reported):**

February 27, 2006

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**PDL BIOPHARMA, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**000-19756**  
(Commission File No.)

**94-3023969**  
(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**

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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))
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**Item 2.02. Results of Operations and Financial Condition**

On February 27, 2006, PDL BioPharma, Inc. (the Company ) issued a press release (the Press Release ) announcing the Company s financial results for the fourth quarter and fiscal year ended December 31, 2005 (the Results ) and held a conference call regarding those Results (the Conference Call ). The Press Release and a transcript of the Conference Call are attached as Exhibits 99.1 and 99.2, respectively, to this Current report on Form 8-K and are incorporated herein by reference.

**Use of Non-GAAP Financial Information**

To supplement the information that is presented in accordance with U.S. generally accepted accounting principles ( GAAP ), in our historical information for the period presented as well as our forward-looking guidance in the press release and conference call, we provide certain non-GAAP financial measures that exclude from the directly comparable GAAP measures certain non-cash and other charges. These non-GAAP financial measures are based upon earnings before interest income, interest expense, income taxes, depreciation and amortization (EBITDA), further adjusted to exclude certain non-cash and other charges, including acquired in-process research and development, asset impairment charges and stock-based compensation. We believe that these non-GAAP measures enhance an investor s overall understanding of our financial performance and future prospects by reconciling more closely to the actual cash expenses of the Company in its operations as well as excluding expenses that in management s view are unrelated to our core operations, the inclusion of which may make it more difficult for investors and financial analysts reporting on the Company to compare our results from period to period. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-GAAP financial measures as reported by the Company may not be comparable to similarly titled items reported by other companies.

**Item 9.01 Financial Statements and Exhibits.**

**(c) Exhibits.**

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press Release, dated February 27, 2006, regarding the fourth quarter and fiscal year 2005 financial results of PDL BioPharma, Inc.
99.2	Transcript of earnings call, held on February 27, 2006, regarding the fourth quarter and fiscal year 2005 financial results of PDL BioPharma, Inc.

**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: March 3, 2006

**PDL BIOPHARMA, INC.**

By: /s/ Mark McDade  
**Mark McDade**  
**Chief Executive Officer**