



April 24, 2017

PDL BioPharma Announces Settlement of Keytruda Patent Infringement Lawsuit with Merck

INCLINE VILLAGE, Nev., April 24, 2017 /PRNewswire/ -- PDL BioPharma, Inc. (PDL or the Company) (NASDAQ: PDLI) today announced that on April 21, 2017, the Company entered into a settlement agreement with certain subsidiaries of Merck & Co., Inc. ("Merck") to resolve the patent infringement lawsuit between the parties pending in the U.S. District Court for the District of New Jersey related to Merck's Keytruda humanized antibody product. Under the terms of the agreement, Merck will pay the Company a one time, lump-sum payment of \$19.5 million, and the Company will grant Merck a fully paid-up, royalty free, non-exclusive license to certain of the Company's Queen et al. patent rights for use in connection with Keytruda as well as a covenant not to sue Merck for any royalties regarding Keytruda. In addition, the parties agreed to dismiss all claims in the relevant legal proceedings.



"We are pleased to resolve this patent infringement lawsuit with Merck with a favorable monetary settlement to PDL as well as eliminating potential future litigation costs related to this matter for both parties," said John P. McLaughlin, president and chief executive officer of PDL. "As a result of this settlement, we expect to recognize \$19.5 million in license revenue for the second quarter ending June 30, 2017."

About PDL BioPharma

PDL seeks to provide a significant return for its shareholders by acquiring and managing a portfolio of companies, products, royalty agreements and debt facilities in the biotech, pharmaceutical and medical device industries. In late 2012, PDL began providing alternative sources of capital through royalty monetizations and debt facilities and in 2016, began making equity investments in commercial stage companies, the first being Noden Pharma DAC. PDL has committed over \$1.4 billion and funded approximately \$1.1 billion in these investments to date. PDL is headquartered in Incline Village, Nevada.

For more information, please visit www.pdl.com.

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