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## PDL BioPharma, Inc. Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you. (Operator instructions) We will go first to Joel Sendek with Lazard Capital Markets.

#### Joel Sendek – Lazard Capital Markets

Thanks. A couple of questions, the first on the MedImmune litigation. As they have been paying royalties for over 10 years now, it seems to me overly conservative to not include that in the guidance. I'm wondering if you are indicating by not including it that they have a legitimate claim to not pay.

#### John McLaughlin

So Joel, this is John McLaughlin. And thanks for your question. So the answer is no. From our perspective, there's been no change in our legal assessment. We remain confident in our legal position, and it is simply a matter of being conservative in terms of our financial guidance, but it does not represent any change in our legal analysis et cetera.

#### Joel Sendek – Lazard Capital Markets

And how about the follow on Synagis – what they used to call Numax, what is your position there?

#### John McLaughlin

Similar. Again, these folks have signed a license agreement. They have been paying, as you observe, for over 10 years about \$250 plus million. It is a little interesting when a licensee wakes up 10 years later and goes, gee, I don't think I infringe any more, I don't think your patents are any good any more.

#### Joel Sendek – Lazard Capital Markets

Right, okay. I have always thought that they have bit of a better argument on Numax then they do on Synagis, would you concur with that or do you think your IP is just as strong on both?

#### John McLaughlin

You only have to infringe a single claim to be to owe royalty, and we clearly have claims that cover both.

#### Joel Sendek – Lazard Capital Markets

And then quickly on the ex-US Avastin and if it is made and sold in Europe, what is, what percentage of sales could that represent for Avastin. You have any estimates that you could share with us?

**John McLaughlin**

We don't really have any estimates that we can break out at this point. We don't, as – if you look at our recently filed 10-K, you will see that they haven't – they forecast that it be up and running in 2009. We don't have any information in terms of how much it is going to contribute to the overall production at this point. Obviously, we do get paid at a higher royalty on that, and there are additional disclosures in terms of what the specific royalties are that you can find in our 10-K.

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