

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): May 3, 2004

PDI, INC.

(Exact name of Registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation)	0-24249 (Commission File Number)	22-2919486 (IRS Employer Identification No.)
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10 Mountainview Road, Upper Saddle River, NJ (Address of principal executive office)	07458 (Zip Code)
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(201) 258-8450

Registrant's telephone number, including area code:

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(Former name or former address, if changed since last report)

Item 7. Financial Statements and Exhibits

Exhibit 99.1 Press Release of PDI, Inc. dated May 3, 2004

Item 12. Results of Operations and Financial Conditions.

On May 3, 2004, the Company issued a press release announcing its results of operations and financial condition for the quarter ended March 31, 2004. The full text of the press release is set forth as Exhibit 99.1 attached hereto and incorporated herein by reference.

\* \* \* \* \*

SIGNATURE

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.

PDI, INC.

By: /s/Charles T. Saldarini

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Charles T. Saldarini, Vice Chairman  
and Chief Executive Officer

Date: May 3, 2004

[PDI LOGO]

NEWS RELEASE  
10 Mountainview Road Suite C200  
Upper Saddle River, New Jersey 07458  
T:800.242.7494 F:201.258.8400  
www.pdi-inc.com

FOR MORE INFORMATION CONTACT:

Stephen P. Cotugno  
Executive Vice President-Corporate Development  
PDI, Inc.

201.574.8617

PDI REPORTS \$0.40 DILUTED EPS IN FIRST QUARTER 2004

RAISES 2004 DILUTED EPS ESTIMATES TO A RANGE  
OF \$1.20 TO \$1.30 FROM A RANGE OF \$1.15 TO \$1.25

ANNOUNCES TWO NEW CONTRACT SALES PROGRAMS ANTICIPATED TO GENERATE  
APPROXIMATELY \$34 MILLION IN REVENUE IN 2004

Upper Saddle River, New Jersey (Monday, May 3, 2004). PDI, Inc. (Nasdaq:PDII) a healthcare sales and marketing company, today announced its first quarter 2004 financial results and the execution of two new contract sales programs. Additionally, the Company is increasing its 2004 diluted EPS estimates to a range of \$1.20 to \$1.30 from a range of \$1.15 to \$1.25.

FIRST QUARTER RESULTS

Net revenue for the quarter ended March 31, 2004 was \$88.4 million, 30.8% higher than net revenue of \$67.5 million for the quarter ended March 31, 2003. Operating income was \$9.8 million for the quarter ended March 31, 2004, compared to operating income of \$1.1 million for the quarter ended March 31, 2003. Net income was \$6.0 million for the quarter ended March 31, 2004, compared to net income of \$0.8 million in the quarter ended March 31, 2003. Diluted net income per share for the quarter ended March 31, 2004 was \$0.40 versus diluted net income per share of \$0.05 for the quarter ended March 31, 2003.

NEW CONTRACT SALES PROGRAMS

The Company announced that it has won two new contracts in its contract sales business.

The first contract is with a major pharmaceutical company that is new to PDI's contract sales services. The contract runs from April to December 2004 and is anticipated to generate approximately \$25 million in revenue.

The second program is a specialty sales team with Novartis Pharmaceuticals Corporation, the U.S. pharmaceuticals affiliate of Novartis AG. The twelve-month contract is anticipated to generate approximately \$9 million in revenue in 2004 for a total amount of \$14 million in revenue through the term of the contract.

Steven K. Budd, President of PDI's Global Sales and Marketing Services Group, said, "We are pleased to be adding an important new client to our contract sales business and welcoming back a company with whom we have had a ten year working relationship. It is a testament to our ability to deliver value for both primary care and specialty products."

Charles T. Saldarini, Vice Chairman and CEO, said, "We are pleased with our performance in the first quarter which benefitted from performance incentives and product royalties. As we have seen in past years, our business model generates larger contributions in the 1st and 4th quarters due to recognition of performance incentives earned in these periods. We believe that our business is well positioned to add value to the pharmaceutical and medical device and diagnostics manufacturers who are looking to improve the efficiency and flexibility of their organizations through outsourcing."

WEBCAST CONFERENCE CALL

PDI will conduct a live webcast of its Earnings Release Briefing at 9:00 AM EDT on Tuesday, May 4, 2004. The live webcast of the event will be accessible through PDI's website, www.pdi-inc.com and will be archived on the website for future on-demand replay. For those without internet access, the call can be

accessed by dialing 1-877-423-4030 within the US and 1-706-634-1929 internationally and asking for the PDI Earnings Release Conference Call. The call will be archived for two weeks and can be accessed by calling 1-800-642-1687 or 1-706-645-9291 and entering the conference ID number 6774940.

#### ABOUT PDI

PDI, a premier healthcare sales and marketing company, provides strategic alternatives to the portfolio challenges of biopharmaceutical and medical device and diagnostics manufacturers. Focusing on two core businesses, sales and marketing services and product commercialization, PDI leverages its expertise and commercial infrastructure to maximize profitable brand growth. Manufacturers choose the relationship which best meets their strategic and financial objectives, ranging from individual or bundled service agreements to broader commercial partnerships.

For more information, visit the Company's website at [www.pdi-inc.com](http://www.pdi-inc.com).

#### FORWARD LOOKING STATEMENT

THIS PRESS RELEASE CONTAINS FORWARD-LOOKING STATEMENTS REGARDING FUTURE EVENTS AND FINANCIAL PERFORMANCE. THESE STATEMENTS INVOLVE A NUMBER OF RISKS AND UNCERTAINTIES AND ARE BASED ON NUMEROUS ASSUMPTIONS INVOLVING JUDGMENTS WITH RESPECT TO FUTURE ECONOMIC, COMPETITIVE AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY AND MANY OF WHICH ARE BEYOND PDI'S CONTROL. SOME OF THE IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY THE FORWARD-LOOKING STATEMENTS ARE GENERAL ECONOMIC CONDITIONS, CHANGES IN OUR OPERATING EXPENSES, ADVERSE PATENT RULINGS, FDA OR LEGAL DEVELOPMENTS, COMPETITIVE PRESSURES, FAILURE TO MEET PERFORMANCE BENCHMARKS IN SIGNIFICANT CONTRACTS, CHANGES IN CUSTOMER AND MARKET REQUIREMENTS AND STANDARDS, AND THE RISK FACTORS DETAILED FROM TIME TO TIME IN PDI'S PERIODIC FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION, INCLUDING WITHOUT LIMITATION, PDI'S ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2003, AND PDI'S PERIODIC REPORTS ON FORMS 10-Q AND 8-K FILED WITH THE SECURITIES AND EXCHANGE COMMISSION SINCE JANUARY 1, 2004. THE FORWARD LOOKING-STATEMENTS IN THIS PRESS RELEASE ARE BASED UPON MANAGEMENT'S REASONABLE BELIEF AS OF THE DATE HEREOF. PDI UNDERTAKES NO OBLIGATION TO REVISE OR UPDATE PUBLICLY ANY FORWARD-LOOKING STATEMENTS FOR ANY REASON.

PDI, INC.  
CONSOLIDATED BALANCE SHEETS  
(in thousands, except share data)  
(unaudited)

<TABLE>  
<CAPTION>

	March 31, 2004 -----	December 31, 2003 -----
<b>ASSETS</b>		
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents.....	\$ 74,706	\$113,288
Short-term investments.....	44,166	1,344
Inventory, net.....	--	43
Accounts receivable, net of allowance for doubtful accounts of \$1,253 and \$749 as of March 31, 2004 and December 31, 2003, respectively.....	28,004	40,885
Unbilled costs and accrued profits on contracts in progress	18,603	4,041
Deferred training.....	2,100	1,643
Other current assets.....	9,080	8,847
Deferred tax asset.....	11,046	11,053
	-----	-----
Total current assets.....	187,705	181,144
Net property and equipment.....	15,724	14,494
Deferred tax asset.....	7,304	7,304
Goodwill.....	11,132	11,132
Other intangible assets.....	1,495	1,648

Other long-term assets.....	3,901	3,901
	-----	-----
Total assets.....	\$227,261	\$219,623
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable.....	\$ 8,717	\$ 8,689
Accrued returns.....	22,523	22,811
Accrued incentives.....	11,093	20,486
Accrued salaries and wages.....	11,077	9,031
Unearned contract revenue.....	10,299	3,604
Restructuring accruals.....	580	744
Income taxes and other accrued expenses.....	17,305	15,770
	-----	-----
Total current liabilities.....	81,594	81,135
Total long-term liabilities.....	--	--
	-----	-----
Total liabilities.....	\$ 81,594	\$ 81,135
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Commitments and Contingencies

Stockholders' equity:		
Common stock, \$.01 par value, 100,000,000 shares authorized: shares issued and outstanding, March 31, 2004 - 14,484,341 and December 31, 2003 - 14,387,126; 161,115 and 136,178 restricted shares issued and outstanding at March 31, 2004 and December 31, 2003, respectively.....		
	\$ 147	\$ 145
Preferred stock, \$.01 par value, 5,000,000 shares authorized, no shares issued and outstanding.....		
	--	--
Additional paid-in capital (includes restricted of \$4,955 and \$2,361 as of March 31, 2004 and December 31, 2003, respectively) .....		
	112,881	109,531
Retained earnings.....	35,480	29,505
Accumulated other comprehensive income.....	54	25
Unamortized compensation costs.....	(2,785)	(608)
Treasury stock, at cost: 5,000 shares.....	(110)	(110)
	-----	-----
Total stockholders' equity.....	\$145,667	\$138,488
	-----	-----
Total liabilities & stockholders' equity.....	\$227,261	\$219,623
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PDI, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(in thousands, except per share data)  
(unaudited)

<TABLE>  
<CAPTION>

	Three Months Ended March 31,	
	2004	2003
	-----	-----
<S>	<C>	<C>
Revenue		
Service, net.....	\$ 88,266	\$ 67,511
Product, net.....	101	34
	-----	-----
Total revenue, net.....	88,367	67,545
	-----	-----
Cost of goods and services		
Program expenses (including related party amounts of \$180 and \$73 for the periods ended March 31, 2004 and 2003, respectively).....		
	61,707	49,881
Cost of goods sold.....	145	62
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Total cost of goods and services.....	61,852	49,943

Gross profit.....	26,515	17,602	
Operating expenses			
Compensation expense.....	10,216	8,874	
Other selling, general and administrative expenses.....	6,490	5,833	
Restructuring and other related expenses (credits).....	-	(270)	
Litigation settlement.....	-	2,100	
Total operating expenses.....	16,706	16,537	
Operating income.....	9,809	1,065	
Other income, net.....	318	269	
Income before provision for taxes.....	10,127	1,334	
Provision for income taxes.....	4,152	556	
Net income.....	\$ 5,975	\$ 778	
Basic net income per share.....	\$ 0.41	\$ 0.05	
Diluted net income per share.....	\$ 0.40	\$ 0.05	
Basic weighted average number of shares outstanding.....	14,461	14,166	
Diluted weighted average number of shares outstanding.....	14,767	14,237	

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